

- 3) Mechanical processing of wood is recommended in the early stages of development. Chemical processing will come later.
- 4) Selective cutting is to be practised.
- 5) National Forests directly managed by the Government will be one means of controlling areas of exploitation.
- 6) Emphasis shall be directed towards the training of human resources.
- 7) Forestry will be used as an incentive to colonize the jungle.
- 8) Forest development should safeguard the environment
- 9) The forest needs of the indigenous tribes in the Amazonia shall be protected.
- 10) Research shall be encouraged.
- 11) Foreign investment is welcomed as it provides stimulation to increase production and help overcome the financial weakness of Peru's Agrarian Bank (Peru's government owned Bank) that traditionally financed the development of forestry projects.

### Final Comments

The above comments and general description of the Peruvian forestry sector should be read as a background document.

The Peruvian government has paid little attention to the technical exploitation of the Peruvian forestry resources which have been "deforesting" at a rate of 3% per year. Very little reforestation has taken place. Only recently as a result of the United Nations interest in the preservation of wild life and forestry resources in the Amazon jungle, the Peruvian Ministry of Agriculture (Dirección Forestal) wishes to start a reforestation program with funds which they hope will be provided by an International Financing Institution. The exact amount to be allocated to this project is still unknown.

In the statistics chart relevant to Peruvian lumber production it must be pointed out that beginning 1988 the volume of lumber has dramatically been reduced from 643,000 cubic meters to 388,000 cubic meters in 1989. The figure for 1990 according to unofficial