

the incorporation of new management units of natural productive forest; the development of new plantations of pine and eucaliptus; and finally, the incorporation of wood from existing plantations that will be passing to the commercial production phase. It is estimated that in a period of six years Venezuela will be able to supply around 1.3 million m<sup>3</sup> from tropical forests and 6.5 million m<sup>3</sup> of solids without bark from plantations.

The forestry development scheme of Venezuela follows the same pattern as other countries that are beginning this process. In Venezuela, the forestry sector has two subsectors: the pulp, paper and board industries that are capital intensive, adapt quickly to the requirements of the market, and have a market structure fairly concentrated. They take advantage of the profits that the external market offers and direct to it part of their production. On the other hand, there are the mechanical industries (sawmills and panel producers) that produce exclusively for the internal market; they need substantial changes in technology, organization and administrative processes. There are signs though, that some of the companies from the mechanical industries sub-sector have begun to change technology as a consequence of the devaluation process of the Venezuelan currency, which has stimulated entrepreneurs to seek other markets and new products to manufacture.