



I am writing on behalf of the Employers' Association of 1 § of the Lugo Timber Transformation to send you the comments concerning the **consultation of the draft *Regulation declaring certain categories of aid in the agricultural and forestry sectors in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Regulation (EU) No 702/2014.***

- Article 42 (7) of the draft Regulation provides that:

“Investments related to the use of wood as a raw material or energy source shall be limited to all operations prior to industrial processing”.

- Article 2 of the draft **Regulation defines pre-industrial processing operations** as: “operations prior to industrial processing”: any activity carried out until the wood reaches the sawmill, when the maximum annual capacity is 5 000 m<sup>3</sup>, with an absolute limit of 10 000 m<sup>3</sup><sup>for sawing.</sup>’

Under these conditions, we believe that in the new period it would limit access to aid to sawmills that are more viable in the future, restricting by de minimis application the possibility of continuing to modernise and consolidate them as a source of employment and traction of economic activity in rural populations.

A clear indication of the very restrictive nature of the 10.000 m<sup>3</sup> limit can be seen from the fact that, 40 years ago, the FAO in its work on ‘small and medium-sized sawmills in developing countries, a guide to their planning and establishment (1982)’ defined these sawmills as undertakings with consumption of 5.000-20.000 m<sup>3</sup> per year.





Therefore, taking as a reference the National Framework for the EAFRD programming period 2014-2020, **REQUESTS:**

Amend the definition in Article 2 'operations prior to industrial processing': *"any activity consisting of the **first processing of wood, prior to industrial processing leading to final processed products and provided that they are carried out on a small scale.** This condition of processing shall be expressly laid down by the size of the enterprise, so that the beneficiary is an SME, a mycro-enterprise or a small or medium-sized enterprise as defined in Commission Recommendation 2003/361/EC".*

Carefully,

D. Daniel Díaz Ramos  
President

