



NATURAL WOODEN TOYS

Project title	Production of children's toys from natural wood.
Sector	Wood sector
Location	Bosnia and Herzegovina
Location description	Forests in Bosnia and Herzegovina cover a large part of its territory (according to recent data, forests and forest land in BiH cover an area of 3.231.500 hectares or 63.3% of the total area of BiH) and contribute effectively to the territorial and biological balance. New data indicate the existence of as many as 435 million m^3 of wood stock, which amounts to 201 m^3 / ha.
Project background	Undoubtedly the enormous forest resources available to BiH represent a significant comparative advantage of the country in relation to neighboring and other European countries. Due to their natural and diverse structure, as well as significant natural regeneration, forests have been given the status of the key resource for further development of Bosnia and Herzegovina. The main types of trees are meals, spruce, pine, beech, oak, maple, elm and fruit trees (cherry, apple, pear). It should be emphasized that beech and oak from Bosnia and Herzegovina in the production of furniture is a highly valued raw material, which additionally opens many doors in the world to B&H manufacturers. The most important advantages, ie the strengths of the BiH-wood processing sector are: - Tradition of industrial production - Low labor costs - Domestic raw material basis - A favorable geographical position, or proximity to the European Union market.
Project status	Concept
Project description	The project proposes production of children's toys from natural wood. The raw material would be prepared by teams from all over Bosnia and Herzegovina.

	The production would use a new innovative machine in the wood industry - Pilocijep, which would be used to make elements for toys. About 250 m^2 of rented production space and about 500 m^2 of outdoor space where wood would be stored are needed for production. It takes 90 days to commission. The value of semi-annual production in one shift is EUR 200,000. Working capital is about 33,000 EUR. Return on investment is in 6 months if production is full. The mini pellet line would be installed with a production plant with a capacity of 100 kg per hour, 2.5 tons per day. It is necessary to install a wood dryer, which would be done by local investors. Trial production is 3 months, while people are trained to work. Auxiliary finishing machines are also needed. Finalization of positions and final processing of wood would be done by households.	
Estimated total investment cost	100 000 EUR	
Inputs provided by local partner	**Value**	**Description**
	30 000 EUR	
Inputs required from foreign partner	**Value**	**Description**
	70 000 EUR	
Form of cooperation with foreign partner	**Financial**	**Technical**
	Joint venture	
Supporting information available	For additional information about this project, please contact FIPA either by e-mail: fipa@fipa.gov.ba or phone number: +387 33 278 080.	