

## **APPLICATION FOR SUBVENTION FOR LOGGING TRACTOR**

Enterprise was founded in 2005. It is a smaller enterprise with annual turnover about 27 000 000 Sk (EUR 896 200).

Main type of activities:

- Timber felling and skidding.
- Outplanting of new forest stands
- Services connected with treatment of forest stands
- timber transport

Enterprise employs 22 employees and is cooperating with 15 sole traders. Fluctuation is moderate. Specialization on machine level is good; in overhead functions it's very simple. There is one director with his delegate and one accountant.

### **Machinery**

Technical equipment is relatively new, but innovative technologies are missing:

4 x LKT (logging tractor) – 1 leasing, 2 used, bought from state forests, 5 horses and few trucks for timber transport.

Enterprise would like to buy a light cableway with good accessibility in terrain. On the present, it didn't find that kind of cableway, but really would like to buy it, if it will find it in the future.

All investments were till now realized by leasing with covering from own sources. Now is the enterprise waiting for acceptance of subvention for a new logging tractor. This enterprise with its total turnover of 27 000 000sk has limited opportunities to invest in comparison with larger enterprises.

It is a small enterprise concentrating on local and regional markets, where it is one of the major in this business area.

### **Policies fostering development**

- Council Regulation (E.C.) No 1260/1999 sources from European social fund for employment of long-time unemployed persons (act of National Council of the Slovak Republic No 5/2004 Z. z., § 58). Enterprise received sources to employ long-time unemployed persons.
- Council Regulation (E.C.) No 1698/2005 (National strategic plan for rural development SR 2004-2006, axis 2.) Enterprise is waiting for approving its request for subvention in order to buy a new logging tractor.
- act of National Council of the Slovak Republic No 239/2001 – red diesel oil – lower tax; red diesel oil could be used only by registered subject and only for machines working in agriculture and forestry. – Lower expenses for fuelling (11, 5% cheaper whit comparison with normal diesel oil).

### **The Innovation**

The main innovation thoughts are about light forest cableways. Director tried to get more information about this area, but he didn't find what he was looking for.

Enterprise is starting with making projects to get the subventions.

Enterprise has still more work, so it decided to buy a new logging tractor. It is for first time, that it is trying to use subvention. All other machines were bought by leasing from own sources. It is simply a regular logging tractor, which is needed to enlarge machinery in terms of increasing of the turnover. Enterprise is still waiting for acceptance of its project to get the subvention. With larger machinery will be this enterprise more competitive. Novelty of this case is that the enterprise had for the first time made a project to get a subvention.

Director of this Enterprise had the idea to buy a logging tractor with help of subvention. Project was elaborated by Premier Consulting, s.r.o. (Ltd.) from Komárno. Project was sent to Agricultural Paying Agency. Enterprise is now waiting for the resolution.

Fostering factor was professional approach of the Premier Consulting s.r.o (Ltd.) and its troubleshooting ability. The main impeding factor was the incompetence of some persons from Agricultural Paying Agency.