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Economic Transformation of Forestry and Management of Forest Joint-Stock Companies in the Czech Republic

The paper discusses the problem of exact evaluation of the present results of the development of economic reform in the Czech Republic forestry with orientation to the study of behaviour of transformed joint-stock companies privatized by the method of "coupon privatization". In 1992, these subjects took over delimited infrastructure of former forest and specialized enterprises of state concerns of the period in the book value amounting to CZK 7,7 milliard. In the group, there were 78 forest joint-stock companies (FJSC) basic commercial activity of which was primary forest production carried out for state forests companies and private forest owners.

From the methodical point of view, a detailed description was carried out in the first step of the course of transformation including the structure and development of newly established legal subjects and their owners.

In another step, basic selected economic parameters of the market environment and their development in the time series were discussed (e.g. indicators of capital market, economic results and their level, the development of indebtedness).

Last but not least, an information basis has been established for using higher evaluation methods such as factor analysis and particularly the gnostic analysis of infinite data.

At the admission of shares of forest joint-stock companies on the capital market on 1 March 1995, a trend was followed of relatively low valuation expressed by share quotations. Analyses of time series for the period 1991–1996 show the decreasing level of economic results and an increase in the number of companies exhibiting losses. At the same time, the increase in indebtedness is observed particularly owing to bank credits. Due to the reasons mentioned above including relationships with other macroeconomic conditions, a number of FJSC amalgamated in 1997 and further measures were carried out with the aim to increase profitability. The first unofficial economic results for 1997 indicate slight improvement of the the present trend of development.