

Green Entrepreneurship

Successful business cases of Green Entrepreneurs in the Mediterranean



Regional Activity Centre
for Cleaner Production



Entreprise Abda Yacoubi: Sustainable exploitation of wood in Tunisia

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Name:	Entreprise Abda Yacoubi
City, country:	Tunis, Tunisia
Name of entrepreneur/ founder:	Mr. Abda Yacoubi

Description	Logging and timber wood exploitation through tenders launched by General Directorate of Forests (for state owned forests). Selection, treatment and sawing of timber wood. Production of pallets for industry and wood coal for local market.
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Investment	<i>Start up capital:</i> DT 350. <i>Rate of return on investment:</i> More than 100 % <i>Sources of funding:</i> private funding.
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Stakeholders	<i>Shareholders:</i> As a family business, the 7 shareholders (apart of the owner), are the children of the founder. <i>Customers:</i> STIBOIS (Tunisian company dealing with timber wood trade), carpenters, craftsmen working in fishing boats workshops. <i>Providers:</i> General Directorate of Forests, Office des terres domaniales, cooperatives. <i>Strategic partners:</i> None. <i>European partnership:</i> None. <i>International partnership (other than European):</i> None.
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Employment generation	Not available
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Timeline	Date of Start up: 1969. 1984: Extension of the vehicles fleet (cars, trucks, engines). 1998: Launch of the pallets plant.
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Feasibility study	Many members of the family owner have worked in the field of timber wood and production of wood coal. The founder started working with his brother in producing and selling of wood coal and progressively, begun to invest in timber wood exploitation through participation in tenders. The founder described himself as a self-made man who built his business throughout experiences and also mistakes. He has never realized a real feasibility study before launching his business.
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Geo-social-economic setting	The company works in many regions of Tunisia, basically where the forests are (Kasserine, Ain Draham, Kelibia, Dar chichou...). The main type of wood exploited is Eucalyptus and pine trees.
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Key features	Forest, timber wood exploitation, wood coal, processing of pallets. The founder defines the mission of his business as a contributor to the maintenance and conservation of forests throughout a rational exploitation respecting technical rules and conditions.
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Overall rational and motivation	Not available.
Strenghts	Skills of the owner in assessing the profitability of timber wood potentialities of forests before participating to invitations to tender or bids. Also, the financial capacity is one of the strength of the company, making it able to participate to important bids related to timber wood exploitation (sometimes hundreds hectares of forests). Finally, the founder owns an important fleet of vehicles, trucks, engines and sawing machines, allowing his company to start logging and exploitation of timber wood rapidly and efficiently, which is a huge advantage compared to competitors' capacities.
Challenges and constraints	Many competitors who participate to bids contribute ineffectively to the increase of the price offers without making a right assessment of the profitability of one forest. Thus, sometimes, the company is obliged to win bids without any profit, but for the only reason to satisfy the customers demand for pallets. In addition, the forest roads are presently deteriorated. This bad infrastructure affects the company productivity and profitability because of difficulties met to access to the forest areas. In addition, the forest guards are very strict about logging techniques and rules, things which slow down the progress of any operation.
Direct activities and Impacts	<i>Social:</i> Employment generation locally and regionally. <i>Environmental:</i> Forest exploitation according to sustainable rules and techniques. <i>Economic:</i> The company contributes to improve the income of local people living in forest areas who come usually from low income households.
Use of innovative Technologies	No particular innovation used.
Evidence of a holistic approach/world view	Apart its contribution to the sustainable natural resource management, mainly in the forest area, the company has not actually a concrete vision to the future.
Scale of benefits	The company growth is very satisfying during the 80's and 90's, however the turn over is currently stabilized and there is the need to upgrade to further new productive technologies.
Policies, incentives and regulations needed	There is a need to alleviate the responsibility of the companies working in forest and wood exploitation; otherwise, the business will not be viable. For example, any company exploiting timber wood by logging is responsible for any degradation in an area of about 100 meters around the site (in case of fire for example). This rule obliged such companies to hire additional employees as guards and make any operation less profitable.
Lessons and recomendations	Logging and timber wood activity is becoming less profitable compared to 10 or 20 years ago. Many regulations adopted make the activity of forest exploitation less profitable. For instance, the obligation to clean up the forest from residual wood or 'dead wood' and its transportation out of the forest because of the fire risk.

References

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