

The economic impact of the forestry and wood industry in Europe

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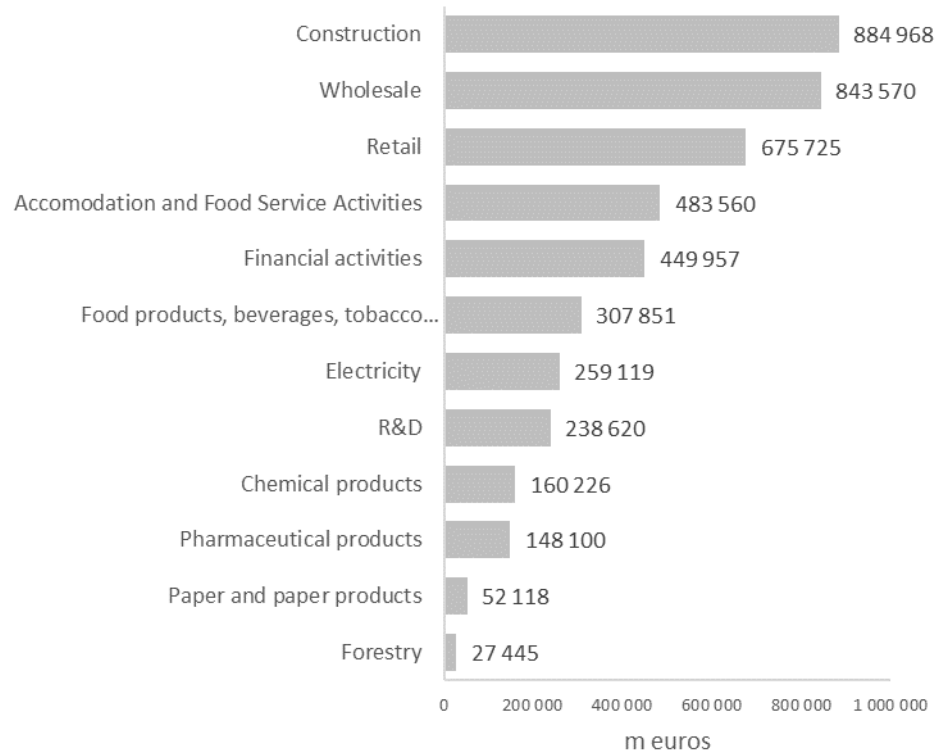
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What can the forestry and wood industry in Europe (EU-27 + CH + NO + UK) best be compared to?



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Why don't we have an answer to this?

1. **Cross-cutting issue:** numerous economic sectors along the value chain

Forestry – Production – Construction – Trade - Services

2. **Definition:** up to now no harmonised definition of the forestry and wood industry

3. **Data availability:**

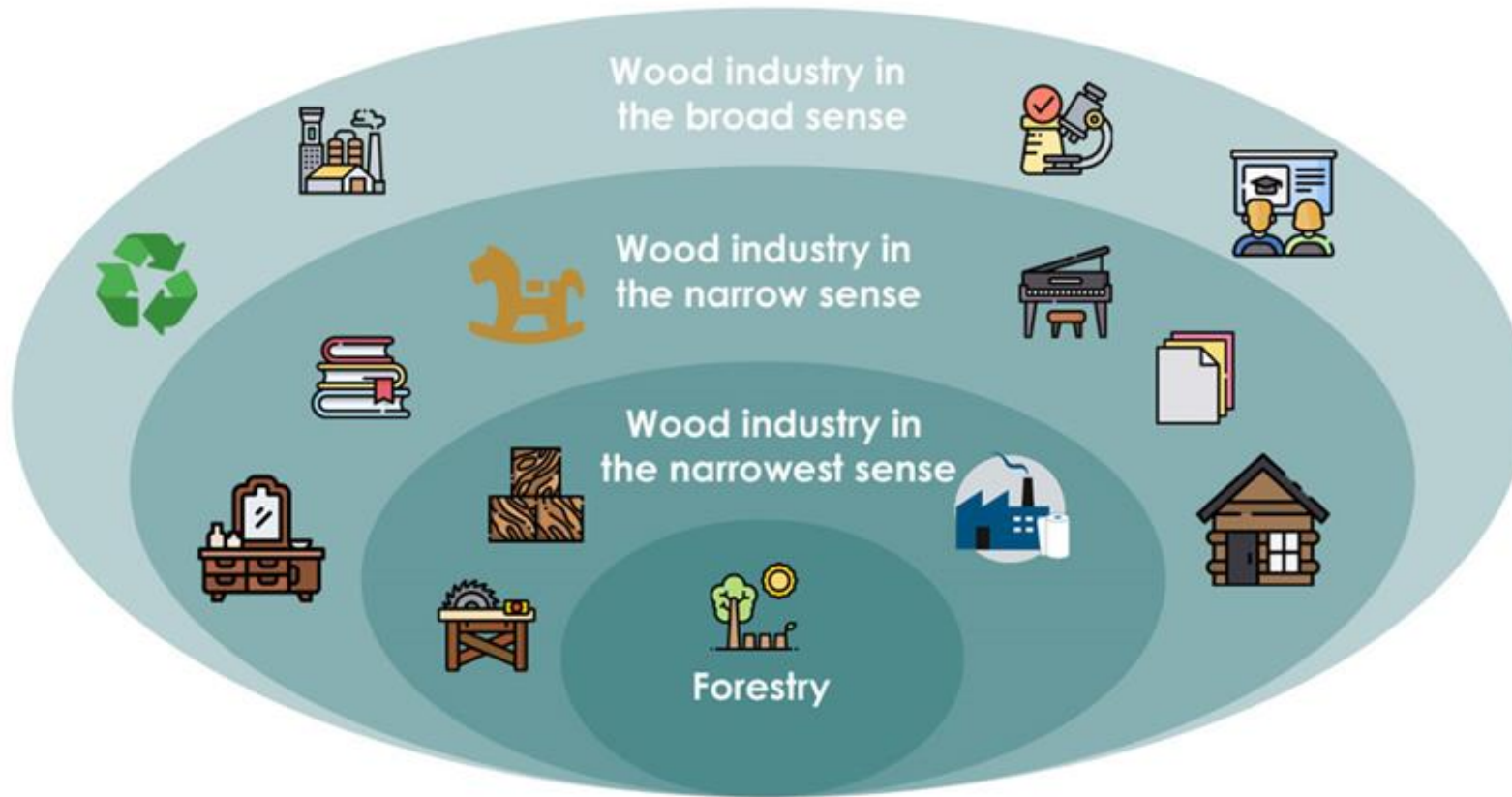
4. **Macroeconomic effects:**

Direct effects – Indirect effects– Induced effects

5. **Methodology:** needs a uniform and harmonized economic model

Wood Satellite Account

Definition



Forestry:

Goods and services related to the provision of wood (planting, rearing, harvesting,...)

Wood industry in the narrowest sense:

- + Sawmills
- + Paper and paperboard

Wood industry in a narrow sense:

- + Furniture
- + Sports and play equipment
- + Printing services
- + Chemical industry
- + Construction ...

Wood industry in a broader sense:

- + Wholesale and retail
- + Warehousing
- + Education
- + R&D
- + Recycling
- + Public administration
- + Membership organisations...

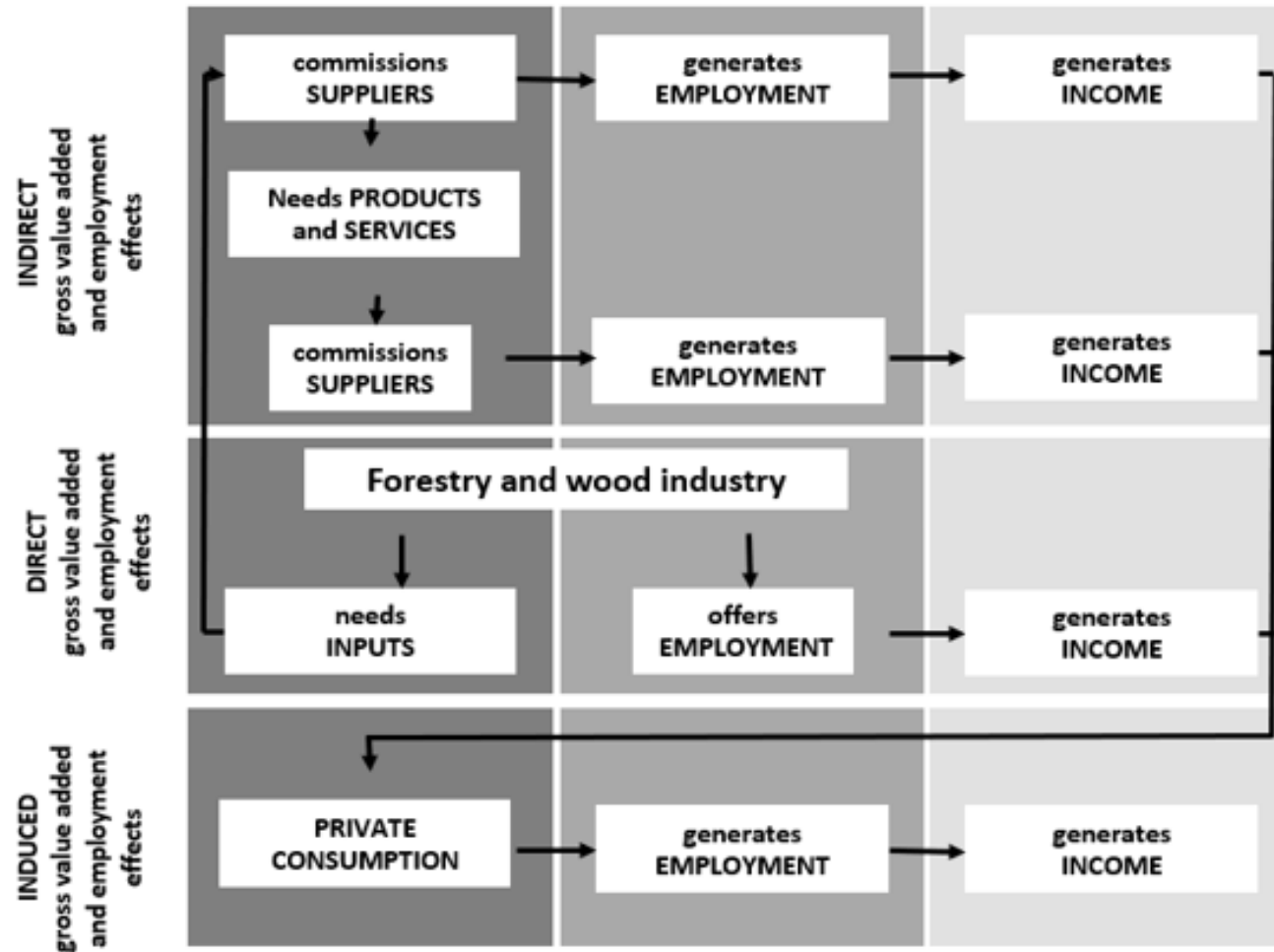
Methodology: Wood Satellite Account

= collection of wood-relevant data of 30 countries in tabular form

		Intermediate goods						Σ	Final consumption					Total use
		Good 1	Good 2	Forestry	Wood products	Paper	Furniture		Private consumption	Government	Investment	Changes in inventories	Exports	
Intermediate goods	Good 1	7	2	2	1	0	0	12	25	2	1	0	3	43
	Good 2	5	15	4	2	1	1	28	5	7	5	2	10	57
	Forestry	3	3	11	4	2	2	25	8	12	0	0	2	47
	Wood products	1	3	4	1	0	0	9	0	6	0	0	0	15
	Paper	0	2	3	0	1	0	6	0	2	0	0	0	8
	Furniture	1	2	2	0	0	1	6	0	2	0	0	0	8
Σ domestic inputs		17	27	26	8	4	4	86						
Import of inputs		5	8	1	0	0	0	14						
Inputs total		22	35	27	8	4	4	100						
	Wages, salaries	12	9	18	5	3	3	50						
	Taxes, subsidies	2	3	0	0	0	0	5						
	Consumption of fixed capital	6	5	2	2	1	1	17						
	Operating surplus	1	5	0	0	0	0	6						
Σ Gross Value Added		21	22	20	7	4	4	78						
Output		43	57	47	15	8	8	178						

- **30 countries**
- **65 sectors each**
- **+ 28 wood-relevant extensions**
- **More than 3100 rows and columns**
- **Size of more than 4 tennis courts**

Total effect = Σ direct + indirect + induced effects



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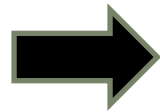
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Gross value added From wood to panel

Intermediate Good



100,000 €



38,000 €

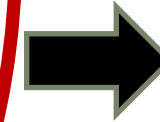


5,000 €



18,000€

Further processing

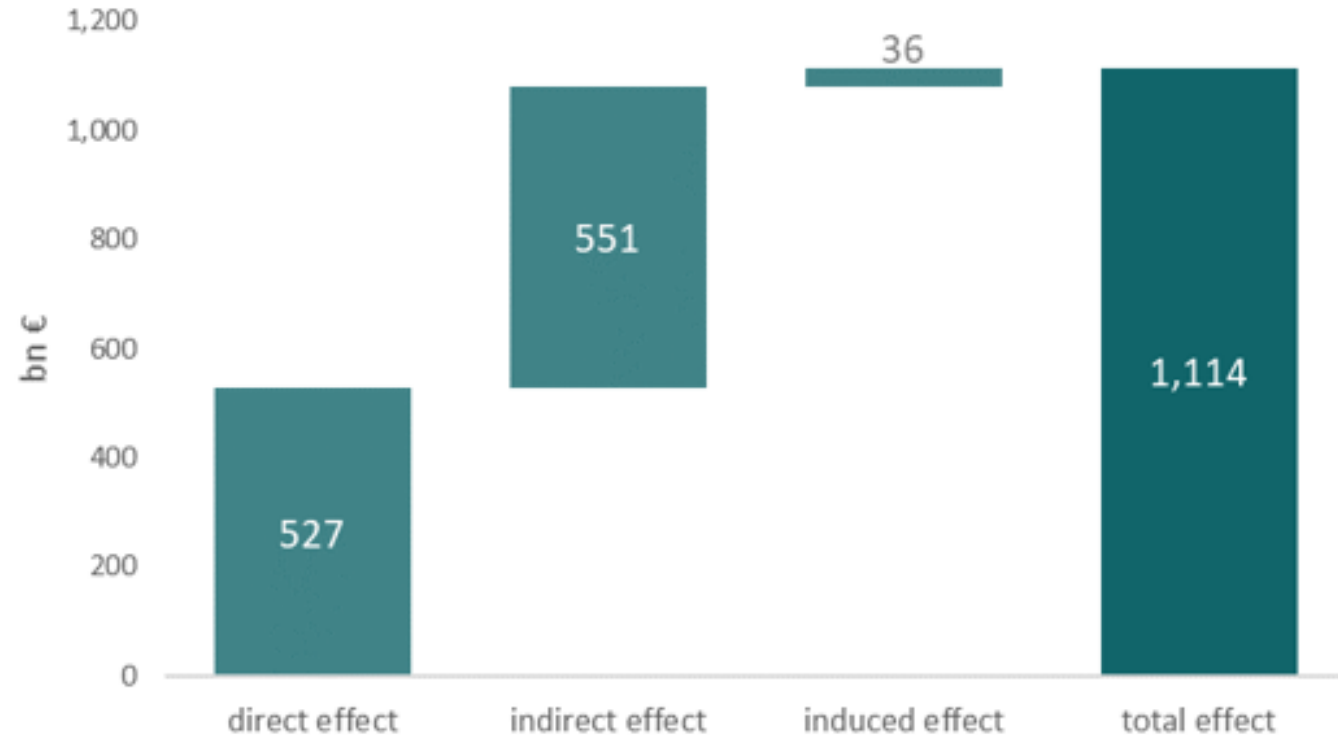


Final product



161,000 €

Forestry and wood industry is a driver of value creation



Shares on GVA:

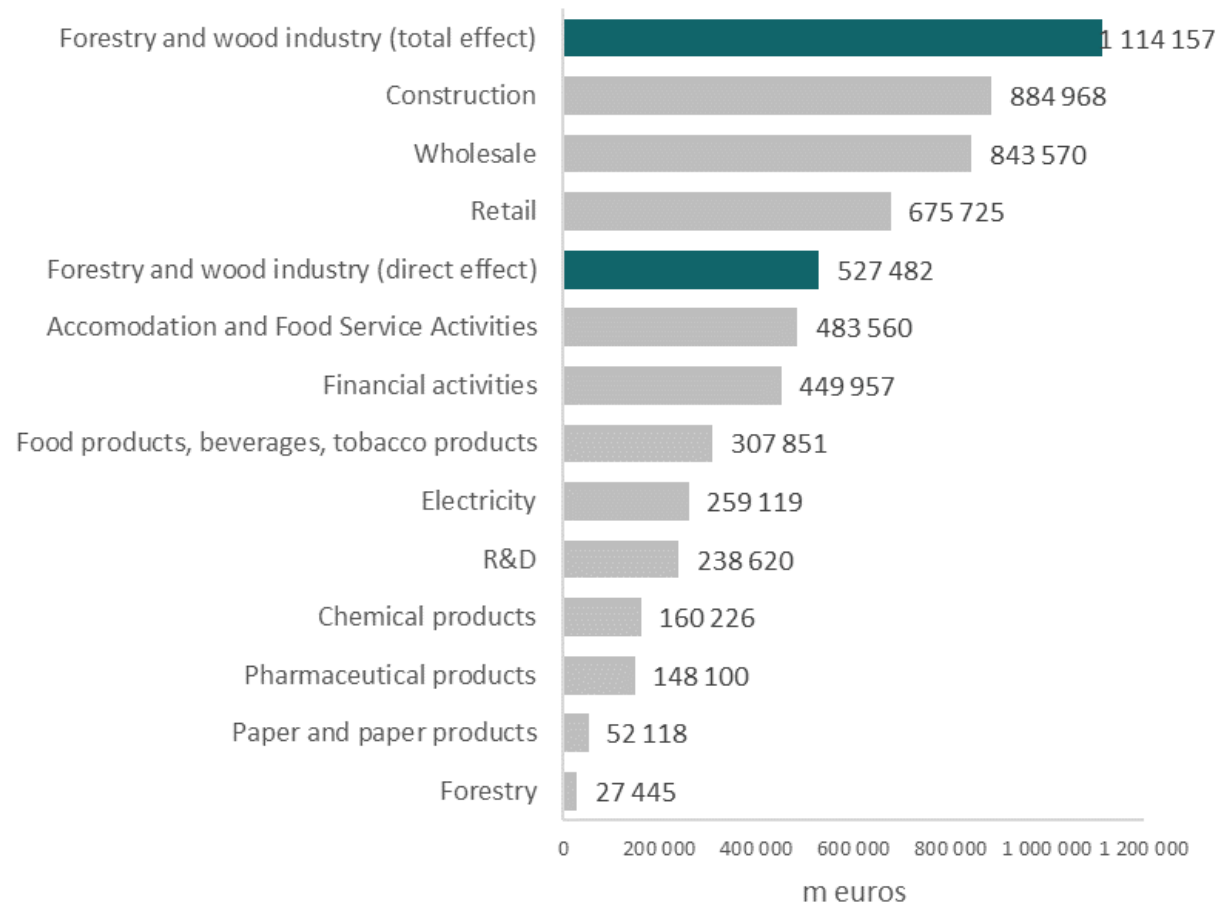
direct: 3.34 %

total: 7.06%

GVA multiplier:
2.11

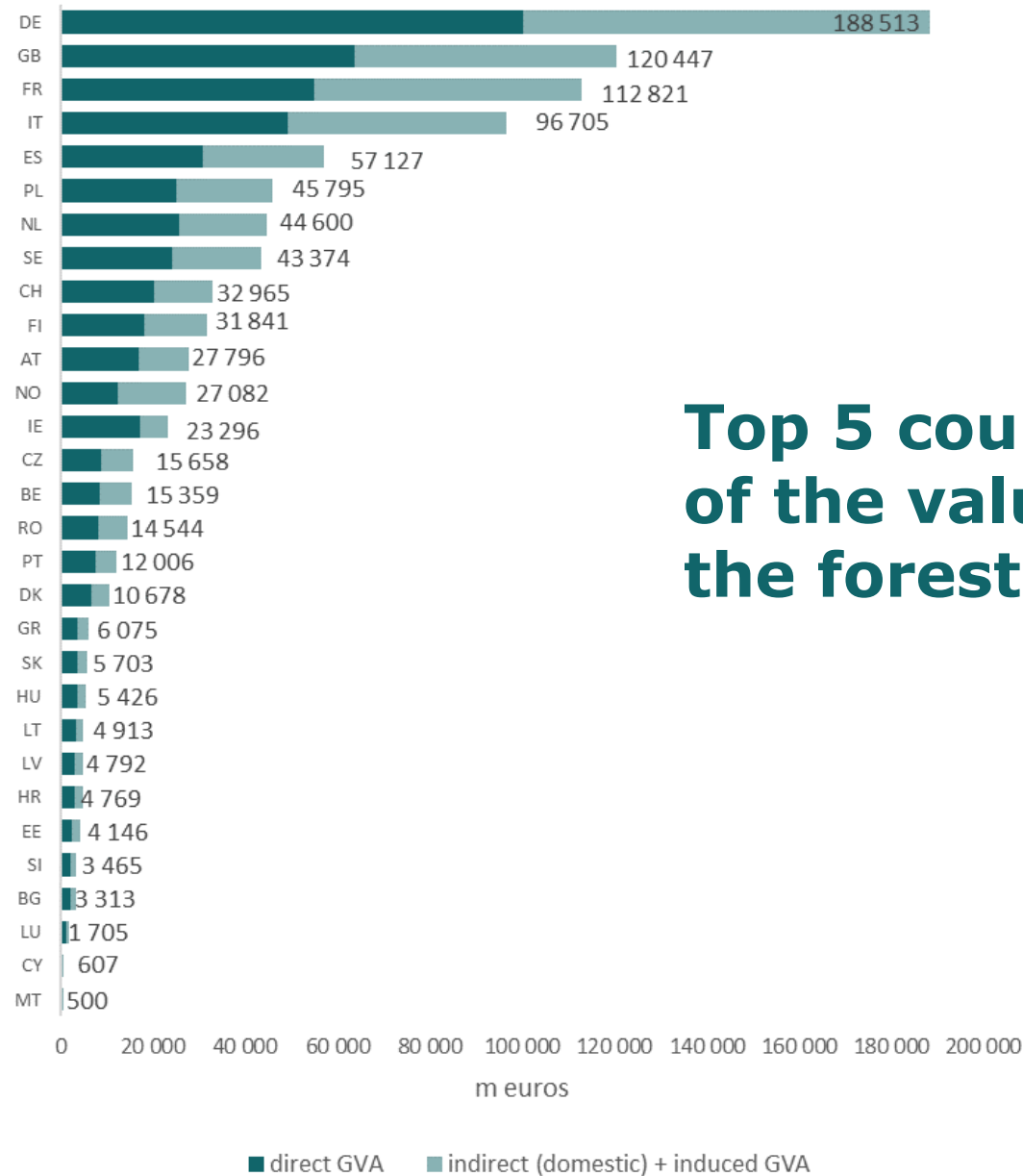
This corresponds to the GDP of Spain or 3 x Austria

Forestry and wood industry generates more value added than accommodation and food services combined



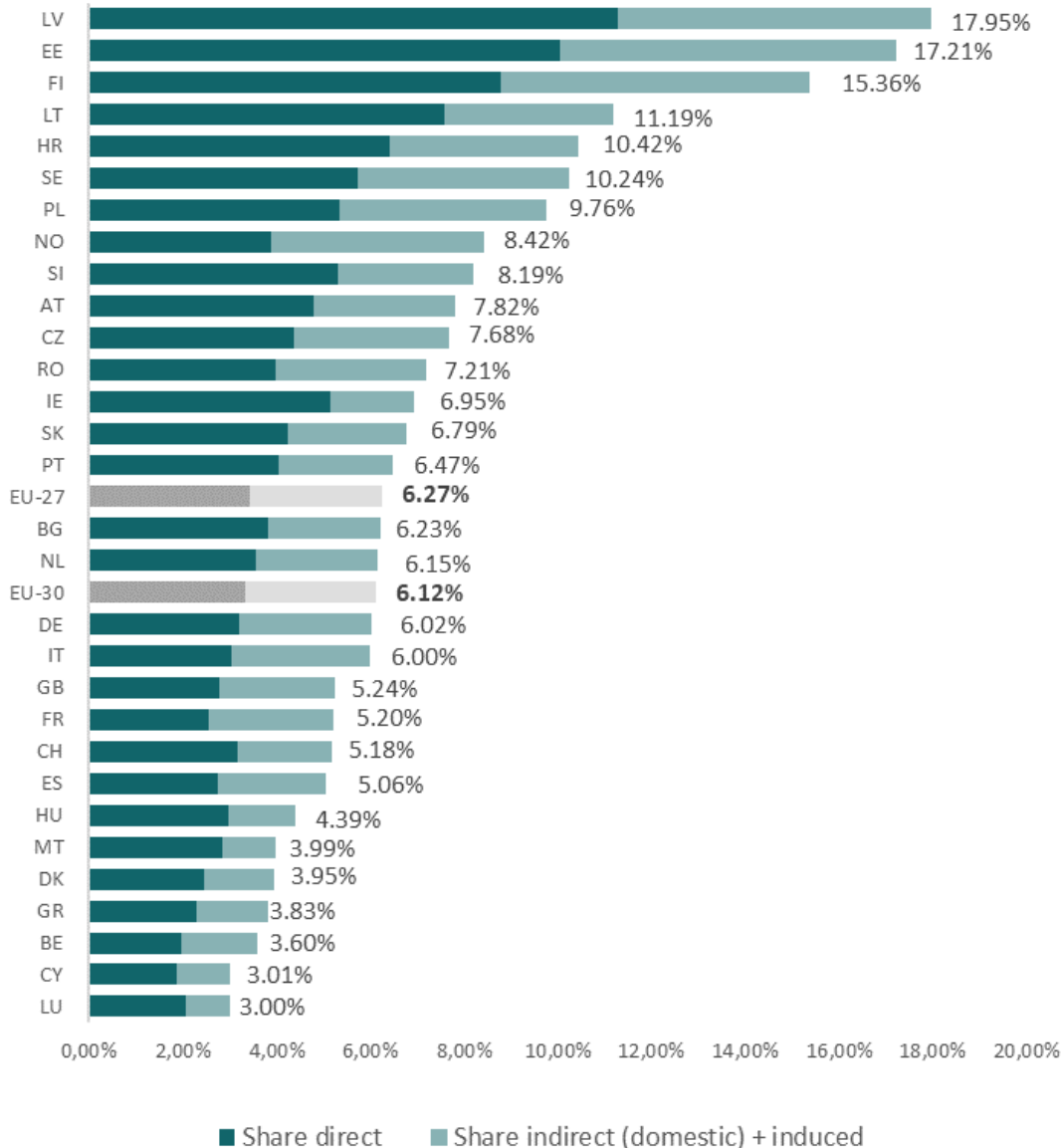
- Larger than accommodation and food services combined
- Twice as large as electricity, gas and steam
- Around 20 times larger than forestry

Wood in the broad sense
GVA in m euros by countries, EU-30



Top 5 countries account for 60% of the value added generated in the forestry and wood industry

Wood in the broad sense
Share of national gross value added, in %



The relative importance of the forestry and wood industry fluctuates enormously!

Direct effect:

between 1.85% (CY) und 11.27% (LV)

Total effect:

Between 3.0% (LU) und 17.95% (LV)

on Average: 6.12% (E-30) or 6.27% (EU-27)

Every 16th euro generated in Europe-30 can be attributed to the forestry and wood industry!

EU-27 and E-30-values: calculated as the average of the 27 or 30 countries. Indirect effects between the countries are not taken into account (in contrast to slide 9).

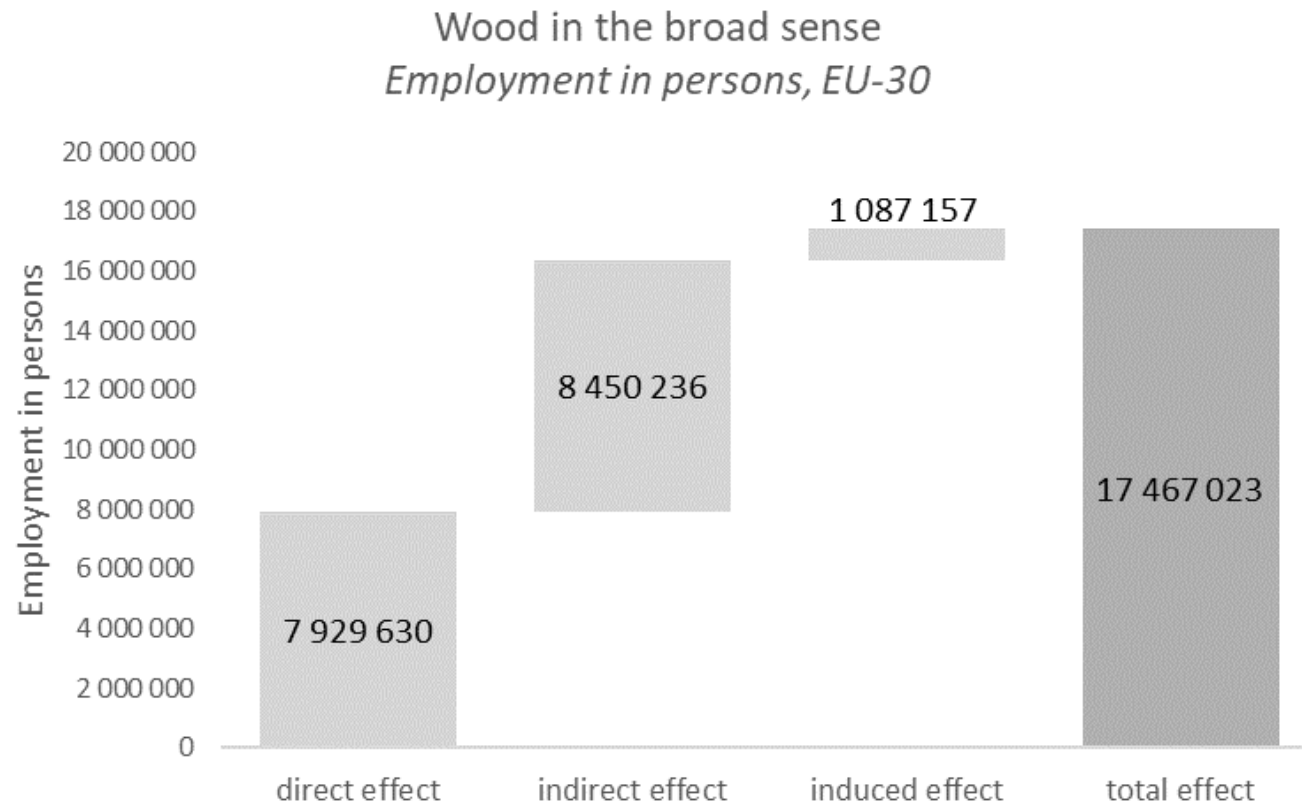
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The Netherlands has less inhabitants than forestry and wood industry provides jobs



Share of employment:

direct: 3.17%

total: 6.98%

Multiplier:
2.20

Key findings: Forestry and wood industry in Europe

1,114 bn

Total gross value added

17.5 m

Jobs along the value chain

7%

Share of GVA and employment

2.2

Above-average
multipliers

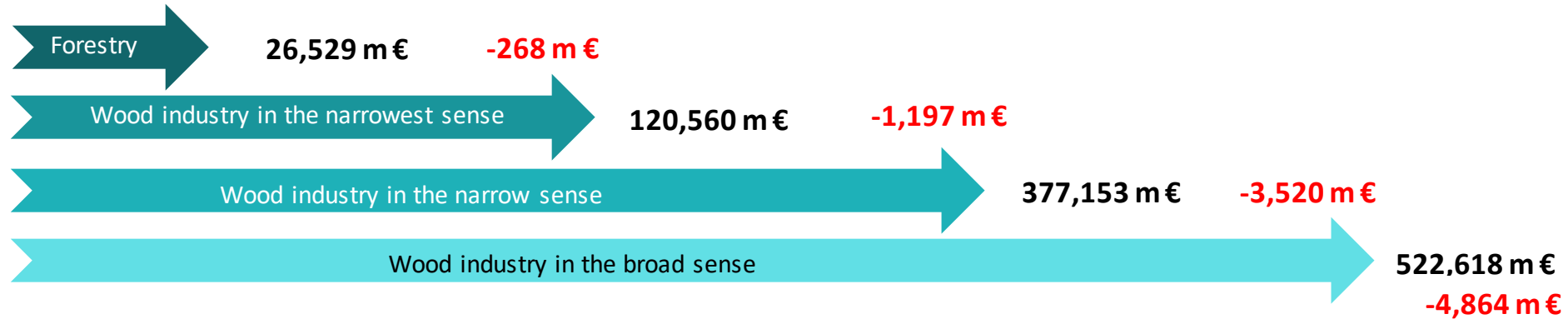
Wood construction in Europe

19% of added value and 20% of jobs are linked to wood construction

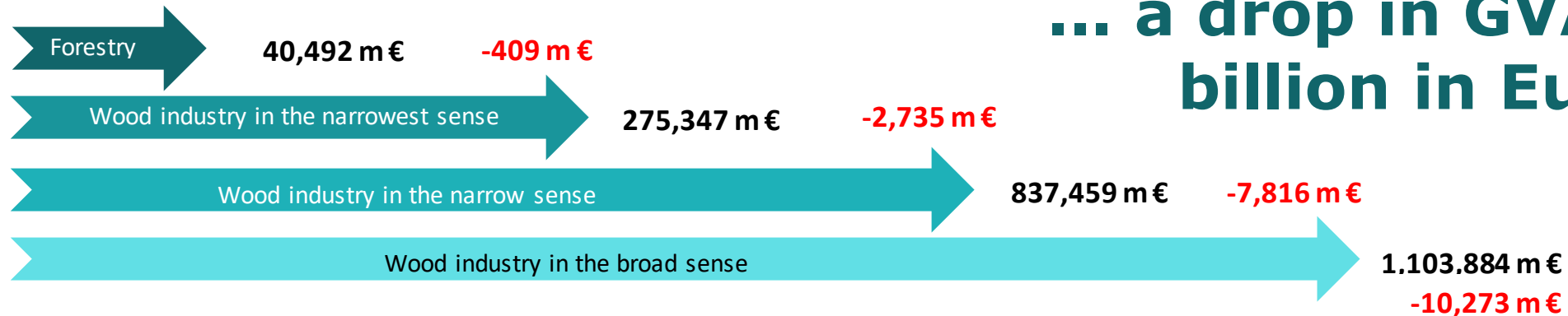


A 1% reduction in timber felling leads to...

DIRECT EFFECTS



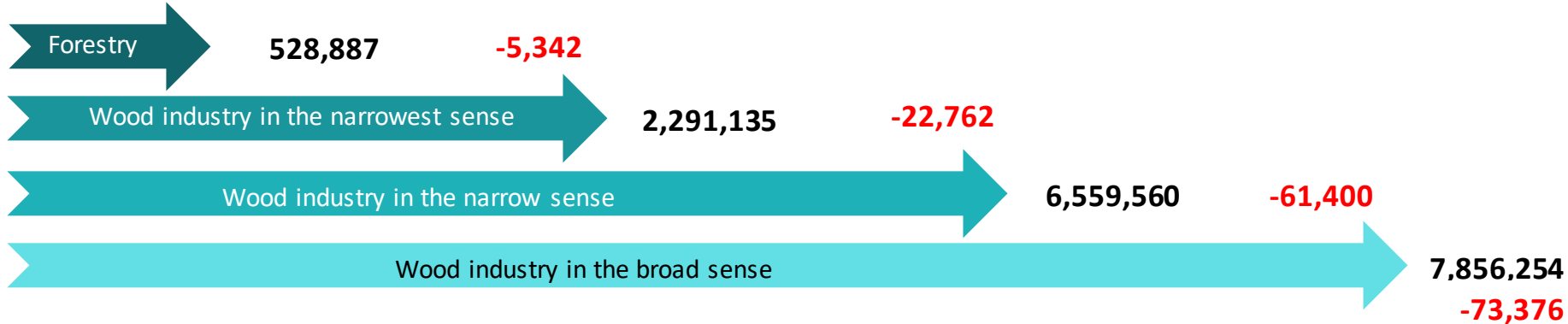
TOTAL EFFECTS



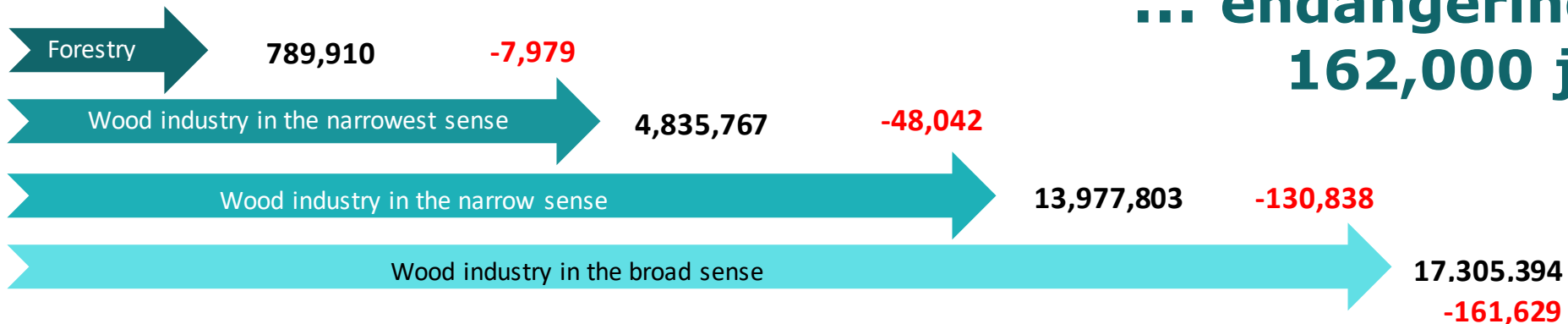
... a drop in GVA of 10.3 billion in Europe

A 1% reduction in timber felling leads to...

DIRECT EFFECTS



TOTAL EFFECTS



... endangering around
162,000 jobs

The economic impact of the forestry and wood industry in Europe

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