



EUROPEAN FOREST INSTITUTE

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Industry and Jobs

Hearing on the EU Forest Strategy
European Parliament, Committee on Agriculture and Rural Development
20141105

www.efi.int



EU Forest Strategy - 2020 forest objectives

- To ensure and demonstrate that all forests in the EU are managed according to sustainable forest management principles and that the EU's contribution to promoting sustainable forest management and reducing deforestation at global level is strengthened, thus
- contributing to balancing various forest functions, meeting demands, and delivering vital ecosystem services;
 - providing a basis for forestry and the whole forest-based value chain to be competitive and viable contributors to the bio-based economy



Forest-based Sector in Economic Data (2011)

Subsector/ Parameter	Forest Management and Harvesting/ Logging	Wood working	Furniture	Pulp&Paper	Printing	Total
Nr of firms		183.000	125.000	19.800	124.020	451.820
Nr of jobs	480.500	1.020.000	1.000.000	651.200	814.300	3.966.000
Production value (M€)		117.822	90.000	168.000	90.200	466.022
Turnover (M€)		123.000	90.000	178.000	92.000	483.000
Added value (M€)		31.500	29.000	42.267	34.000	136.767

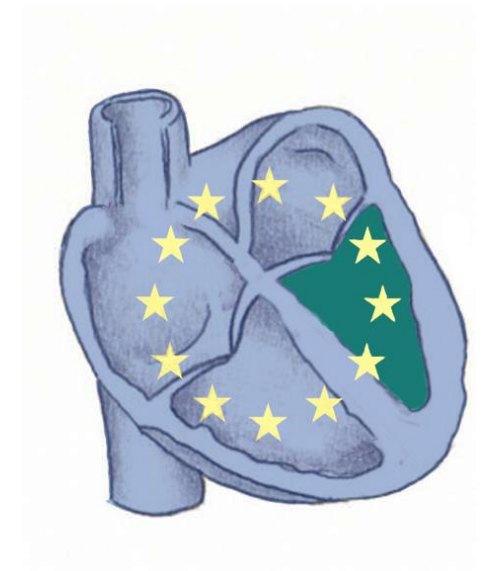
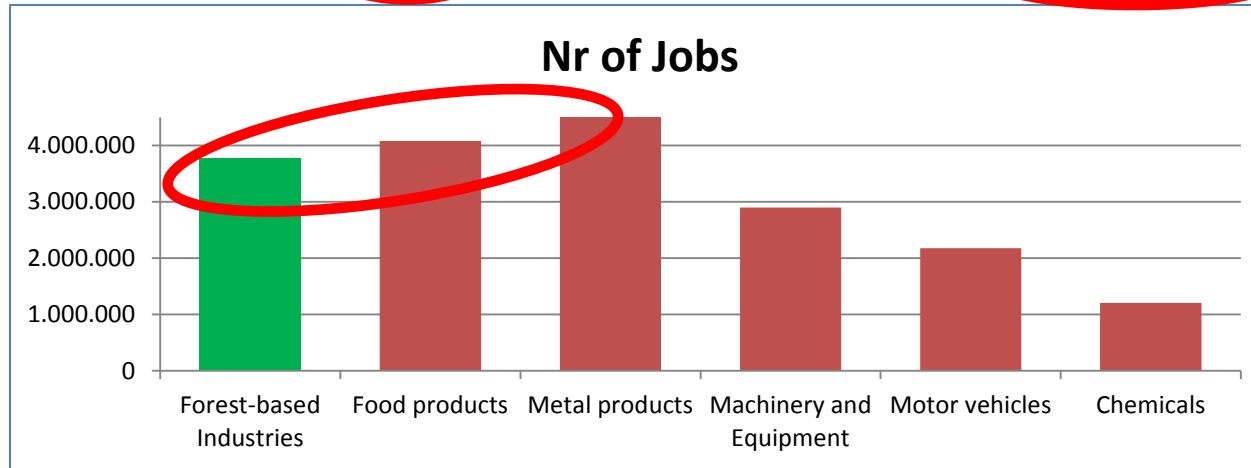


Source: EUROSTAT



Economic Relevance at EU Level (2011)

Subsector/ Parameter	Forest- based Industries	Food products	Metal products	Machinery and Equipment	Motor vehicles	Chemicals
Nr of firms	451.820	262.816	405.490	95.829	20.000	27.881
Nr of Jobs	3.768.602	4.075.400	4.624.400	2.896.200	2.171.800	1.200.000
Production value (M€)	466.022	801.471	785.910	580.915	636.518	373.000
Turnover (M€)	510.679	871.480	864.042	619.144	740.587	490.000
Added value (M€)	136.767	167.613	221.797	191.880	141.063	110.000



Source: EUROSTAT



Who is benefiting economically?

Subsector/ Parameter	Forest owners	Forest Management and Harvesting/ Logging	Wood working	Furniture	Pulp&Paper	Printing	Bioenergy	Services related to			Total
								Ecosystem Services	Forestry	Industry	
Nr of firms	16.000.000		183.000	125.000	19.800	124.020					451.820
Nr of jobs		480.500	1.020.000	1.000.000	651.200	814.300	283.102				4.249.102
Production value (M€)			117.822	90.000	168.000	90.200					466.022
Turnover (M€)			123.000	90.000	178.000	92.000	27.679				510.679
Added value (M€)			31.500	29.000	42.267	34.000					136.767
Rural			Rural + Urban				Rural		R + U		



Creative Destruction of the Forest-based Sector in the EU

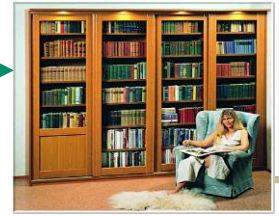
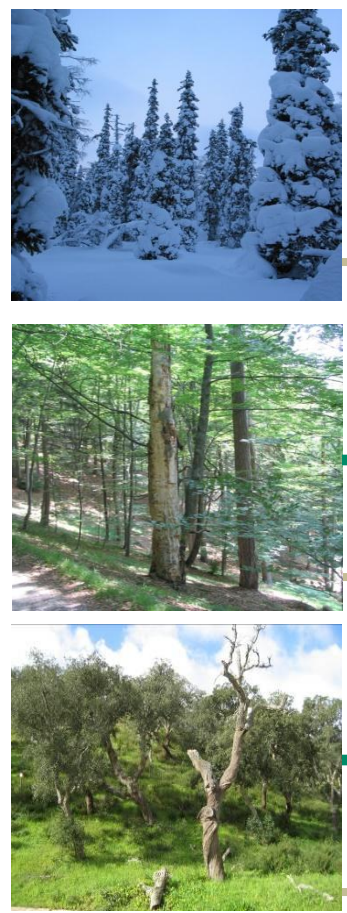
- some old products declining (*destruction*), while new products and services emerging (*creative*)
- more value added products
- more complex, cross-sectoral and interlinked
- diversification and resource-efficiency as key trends
- services related to new products could create more value and employment than "manufacturing" of the products
- new operators coming into markets (energy, construction-chemicals-textile industries, investment groups, ...)

Imports

1. Degree processing

2. Degree processing

End-user products



Forestry residues, industry residues, post-consumer wood



Economic Impacts of Harvesting Restrictions

Case Study Austria

- 10% set aside of forest area currently used for wood supply
- only in Austria/also in other countries inducing -50% roundwood imports

6 – 31% loss of employment

(19.000 - 95.000 jobs)

in the value-added wood chain

Source: Schwarzbauer P. et al., 2013: Reduction of Forest Areas Available for Wood Supply (FAWS) – Impacts on the Economic Situation of the Austrian Forest-Based Sector. Austrian Journal of Forest Science, 130 (2013), vol. 2, p. 61-83



New forest-based bioproducts: Some examples

Forest biomass



Viscose fibre



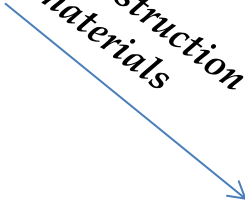
Increasing demand in textile markets to replace e.g. cotton and polyester

Biofuels



Increasing demand in transportation sector

Construction materials



Increasing demand for low CO₂, healthy and cost competitive construction material



Conclusions for the Strategy Implementation

1. **impact analysis covering the entire sector** before deciding on specific parts, using an **improved knowledge base**
2. enhance **attractiveness of and smart investments in the sector**
3. **efficient support to research and innovation**, bold experiments, education, and training



THINKFOREST

Forests and the bioeconomy: future steps

13 November 2014

József Antall Building, Room 6Q1

- Experiences from the forest and bioeconomy strategies
- What does science say about the future of forest based sector?
- Outlook for the European forest based sector in the bioeconomy
- What policy measures we need to take?

More information and registration

http://www.efi.int/portal/policy_advice/thinkforest/upcoming_events/