FOREST SECTOR PRODUCES AND EMPLOYS
This transparency presentation is based on the ‘importance of the forest sector to the regional economy’ study carried out by the Pellervo Economic Research (PTT).

The current presentation is an update of the transparency set published in 2007.

The information in the presentation comes from 2008. Province data from 2007. Trends are shown by comparing the average figures from the 1990s with those from the 2000s.

Figures for the 2000s based on averages for 2000–07 (provinces) or 2000–08 (all of Finland).

The presentation was prepared in October 2010.

**Concepts in the presentation:**

- Value-added means roughly the same as GNP (Gross National Product).
- The GNP is given as nominal, not actual.
- The forest sector comprises both forestry and the forest industry.
- Forestry does not include long distance timber haulage, forest road construction, or forest drainage.
- The forest industry comprises the pulp and paper industry and the wood product industry.
- The forest industry does not include industrial services, nor long distance timber haulage.
- The wood product industry comprises sawmilling and wooden board manufacturing, but not the manufacturing of furniture and other furnishings.
- The agricultural sector comprises both agriculture and the food industry.
**FOREST SECTOR IS VITAL FOR REGIONS**

- In 2008 the forest sector generated 5.9% of Finland’s GNP.
- In financial terms this amounted to 9.5 billion euros.
- If publishing and printing are omitted, the contribution was 4.7% (7.6 billion euros).

* Here includes forestry, sawn goods and wood product manufacturing, pulp, paper and paper product manufacturing, publishing and printing.

** In 2007 the contribution of publishing and printing to the Finnish forest sector’s value-added was 18%.

Source: Statistics Finland

Among the primary production and primary industry sectors the forest sector’s value-added in the region in 2007 was:

- The highest
- Second highest
- Third highest
- Fourth highest
In 2008 forestry’s GNP came to 3.2 billion euros.

**Forestry employees’ income**
totaled around 0.35 billion euros

- In the 2000s the number of employees in forestry has even risen in 14 regions.

**Other income from forestry**
0.95 billion euros

- Includes e.g. surplus received by forest harvesting machine entrepreneurs, as well as activities supported out of public funds.

**Wood sales income**
totalled approximately 1.9 billion euros.

- Over 80% of wood sales income goes to private citizens.
- 80% of wood sales income from private forest holdings remains in the original region.

**Employment by forestry**
has remained at the same level during the 2000s.

**Wood sales income goes to the countryside**

<table>
<thead>
<tr>
<th>Place of Residence</th>
<th>Countryside</th>
<th>Town of over 20,000 inhabitants</th>
<th>Urban area / small town</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>56</td>
<td>25</td>
<td>19</td>
</tr>
</tbody>
</table>

AMONG INDUSTRY AND THE PRIMARY PRODUCTION SECTORS THE FOREST SECTOR WAS 2008...

Second biggest in terms of its value-added

- Electronics and electrical products industry: 8,753 million euros
- Forest sector*: 7,607 million euros
- Agricultural sector**: 3,744 million euros

Second biggest in terms of employment

- Agricultural sector**: 136,500 employed
- Forest sector*: 77,200 employed
- Machinery and equipment manufacturing: 71,100 employed

* Includes agriculture, sawn goods and wood product manufacturing, as well as pulp, paper and paper product manufacturing.

** Includes agriculture and game husbandry, as well as the food industry.

Source: Statistics Finland
In 2008 the value-added contribution by the forest sector was 4.7%.

The nominal change in value-added has grown from the 1990s to the 2000s in:
- forestry ~ 30%
- wood product industry ~ 30%
- pulp and paper industry ~ 35%
- The forest sector’s share of the GNP over the whole country has decreased on average by about one percent.

The forest sector’s importance varies according to region:
- Its relative importance has increased the most in those regions where the start level has been low.

Change in the forest sector’s value-added share of the region’s GNP from the 1990s to the 2000s:

- Grew by
  - > 15%
  - 0–15%
- Fell by
  - 0–15%
  - 15–30%
  - > 30%
PRODUCTIVITY GROWTH HAS REDUCED THE NEED FOR EMPLOYEES

- In 2008 77,000 people were employed by the forest sector.
- The employment level fell from the 1900s to the 2000s in:
  - forestry ~ 12%
  - wood product industry ~ 1%
  - pulp and paper industry ~ 12%
  - in the forest sector by an average of 8,000 employees; the share of Finland’s total employed 0.6%
- Overall productivity in the forest sector has simultaneously grown by 35%
- The overall employment effect of the forest sector on the Finns equals more than 150,000 jobs.

* Also includes publishing and printing because in some regions omitting these would endanger data protection. In the 2000s the contribution of publishing and printing to overall employment within Finland’s forest sector on average has been 28%.

** It has been assessed that for every job in the forest industry 1.6 more jobs are created outside the forest sector.

Source: Statistics Finland, Metla