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The forestry and wood processing industry in Romania has a contribution of 3.5% to the GDP when taking into consideration the indirect effects as well, according to a PwC Romania study

Bucharest, 4 October 2016 – The direct contribution of the wood industry to the GDP was relatively constant in the past decade (varying between 1.1% and 1.5%), according to a PwC Romania study. This, in turn, placed Romania 9th within the EU (1.1% compared to the European average of 0.4%). When taking into consideration also the indirect and induced effects on the economy, the local forestry and wood processing industries have a share of 3.5% of the GDP.

Romania ranks 8th regarding wooded areas in Europe. At the end of 2015, the wooded area in Romania was 6.86 mil. hectares, the highest level since 1929, however the forested areas available for exploitation has decreased by 18% since 1990. The share of forested areas destined to exploitation out of the total forested area was of 67% in 2015 (compared to 88% in 1990).

At the same time, Romania ranks 20th in the EU regarding the level of forest coverage – at the end of 2015, the forested area represented 29% out of the total land area of the country, an increase of 2% compared to 1990. Thus, Romania's forest coverage is below the EU average (37%) and below the target set by Natura 2000 programme (40%). Romania has about 2.2 mil. hectares of degraded agricultural land which could be used for afforestation. In comparison, the EU states with the widest forested areas and the highest afforestation coverage are: Sweden (28 mil ha, 64% coverage) and Finland (22.2 mil ha, 66% coverage) – countries that have a very developed forest and wood processing industry as well.

The forestry and timber sector contributes by 1.7 bn EUR to the state budget, when taking into consideration the direct and indirect effects on the economy. Also, this sector employs directly 128.000 people and other 186.000 in related sectors. The wood processing industry contributes with employment in less developed areas by creating production units. According to the PwC study, investments in the wood processing sector were around 200 mil EUR per year.

„Romania's forestry and wood processing sector development potential is very good, insofar as productivity will increase. According to our data, Romania has, at the moment, the lowest productivity of the workforce in the EU, 8.4 annual work units (AWU, equivalent work done by a full-time employee) / 1,000 ha, double the European average of 4.3 ÚLA / 1,000 ha). Among the reasons behind the low productivity are the lack of forest roads and the outdated harvest technology. In the EU member states, on average, a single employee of the public administration manages around 632 ha, 2.4 times more than the area managed by a local employee (263 ha), the main reason being poor IT systems used by the forestry sector in Romania” argues Bogdan Belciu, Partner, Advisory Services, PwC Romania and coordinator of the study.



In 2015, the volume of timber available for exploitation in Romania represented only 66.8% of the total wood (down from 88% in 1990), one of the lowest levels of exploitation in the EU.

However, our country ranked 6th in 2015 in terms of the ratio of the volume of timber and forest area available for exploitation (280 m³/ha), well above the EU average (172 m³/ha).

The natural increment of forests in Romania is about 5.4 m³/ha/year (according to data from the National Statistics Institute) or about 7.8 m³/ha/year (according to the National Forest Inventory).

In 2014, Romania was the 9th largest processor and marketer of raw timber in the EU, accounting for 3% of total crude processed and marketed timber Union (420.4 mil. m³). But given the low level of logging, this contribution could rise.

In Romania, the wood production (15.1 mil. m³) was above the EU average (14.5 mil. m³), while only a small proportion of raw wood harvested was exported (0.5 mil. m³). The average exports for an EU member state was of 1.7 mil. m³. Instead, to support the production capacity and the need for supply along the value chain, an additional 1.6 million m³ were imported. In conditions of a better use of forests, the demand for this volume could be covered from domestic production exclusively.

Much of the wood production is consumed for heating (5 mil. m³ in Romania, significantly higher than the EU average - 3.39 mil. m³). An important part of internal consumption was covered by imports of 1.01 million. m³, this confirming that there is demand which could be covered by domestic production.

"Romania exports most of its production from secondary processing, rather than further capitalising on the value chain. Thus, our country seems to be involved mainly in primary and secondary processing on the value chain, with a limited end-processing industry (furniture, housing construction). It requires more use of forestry potential by diversifying forest species in favour of more productive ones, increasing afforestation, annual increment of standing timber, but also of the harvested one", added Bogdan Belciu.

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