

Economic Accounts for Forestry

2017

In 2017, the GVA of forestry decreased by 2.3% in volume and 1.0% in value.

In 2018, the trade balance of forest products registered a surplus of 2.6 billion Euros.

The year 2017 was characterized by a large number of fires. The forestry burned up area increased from around 168 thousand ha in 2016 to 502 thousand ha in 2017, with an increase in removals and a decrease of the price of wood, as well as a growth of forestry services to maximum levels. The Gross Value Added (GVA) of forest decreased in volume and in nominal terms (2.3% and 1.0%, respectively), with intermediate consumption increasing. Cork production was not very affected by fires, with a significant increase in prices (+9.1%) more than compensating the decrease in volume (-2.9%).

In 2018, the trade balance of products of forest origin (including materials within the Economic Accounts for Forestry and industrial products of forest origin) recorded a surplus of 2.6 billion Euros, compared to 2.5 billion Euros in 2017. Cork products were the most important group, with a trade surplus of 932.4 million Euros, 36.3 million Euros more than in 2017.

Statistics Portugal presents the Economic Accounts for Forestry (EAF) for the year 2017 (integrating information available up to June 14th, 2019), and the provisional results for 2016, published on June 2018, are reviewed.

The information of EAF presents a set of variables and economic aggregates that characterize the activities of Forestry and logging, not covering the industrial transformation of wood, cork and other products of forest origin. In the context of these accounts, forestry activity includes the production of goods and services such as timber, cork, forest plantations and forestry services, in particular services related with forest and logging.

Detailed information tables are available on Statistics Portugal website, in the area of dissemination of the National Accounts (section of the Satellite Accounts).

1. Main results for 2017

The forestry activity in 2017 was characterized by fires of big proportions, with an increase of the burned surface (forest stands, bushland and pastures) from about 168 thousand ha in 2016 to 502 thousand ha in 2017.

Large fires may cause distinct economic impacts in the short and in medium/long term. On the one hand, in the short-term, the wood supply can be high, with a consequent reduction in prices, but, on the other hand, in the medium/long-term forest growth can be highly affected, leading to a reduction of wood supply in the future. In fact, some of the trees that survived after a large fire may not fully recover and another part may not be able to resist the attack of pests and diseases.

1.1 Forestry GVA decreased in value (-1.0%) and in volume (-2.3%)

In 2017, forestry GVA decreased for the second consecutive year (-1.0% in value and -2.3% in volume), after a period of growth between 2009 and 2015 (average growth of 5.3% in value and of 3.9% in volume).

The decrease of GVA, in nominal terms, was determined by the increase of intermediate consumption (+8.0%), in particular due to the costs of forestry services, in a context where production increased by 1.6%.

As in the previous year, the relative weight of the GVA of forestry in the national economy remained at 0.5%.

1.2 Forestry production increased in value (+1.6%) and decreased in volume (-0.5%)

The positive evolution of production in nominal term (+1.6%) reflected the increase in cork production (+5.9%), forestry services (+13.0%) along with a stabilization in value of wood production.

The negative evolution of production in real terms (-0.5%) was mainly determined by the decrease in cork production (-2.9%), as the production of saw logs and pulp wood (removals of wood, excluding wood for energy) and forestry and logging services increased (+3.2% and + 6.6%, respectively).

In structural terms, pulp wood has been the product with higher relevance since the period 2010-2014 (average of 43.0%). Nevertheless, its relative weight has been decreasing (38.3% in 2017).

Chart 1. Forestry GVA

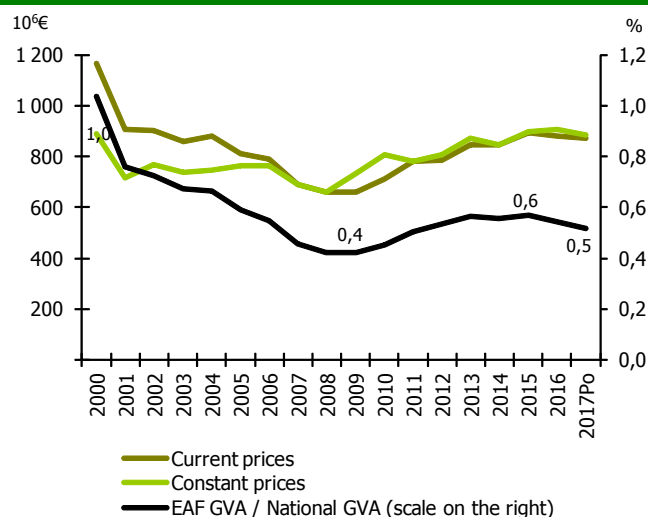
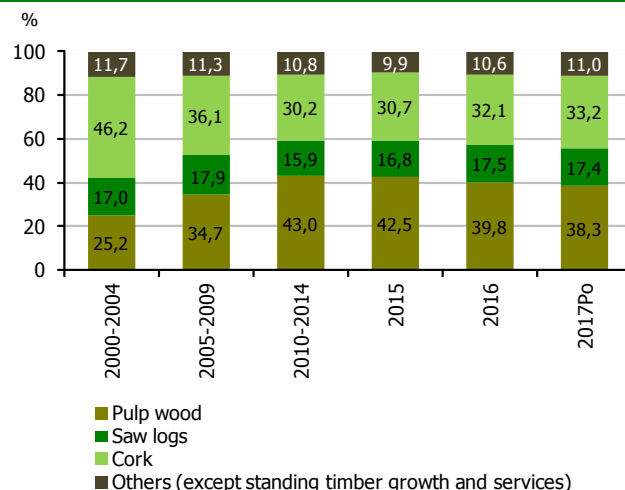


Chart 2. Wood, cork and other goods output (evolution of Output structure at current prices)



2. International comparisons¹

Compared to other EU Member States (MS), in 2016 Portugal ranked 10th in terms of the relative weight of GVA for forestry and logging in the GVA of the national economy (0.5%), surpassing countries with Mediterranean characteristics and with a large forestry area such as Spain, Italy or France (between 0.1% and 0.2% of GVA). The countries with the highest relative importance of forestry in the national economy were Latvia (2.1%), Finland (1.9%) and Lithuania (1.7%).

Chart 4. Forestry GVA/Forestry area by MS 2015

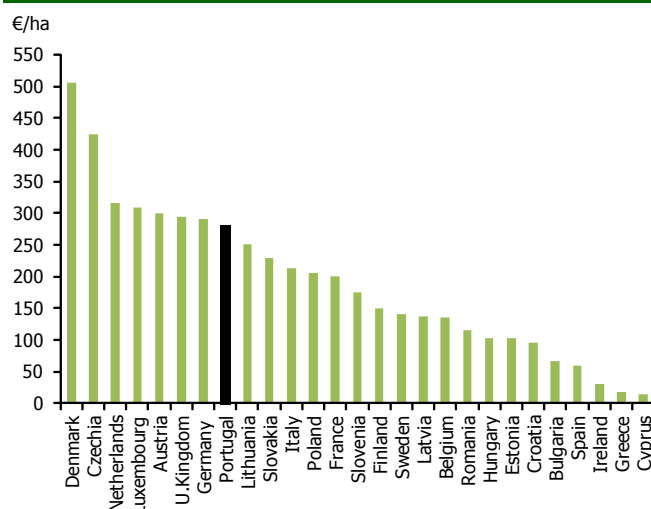
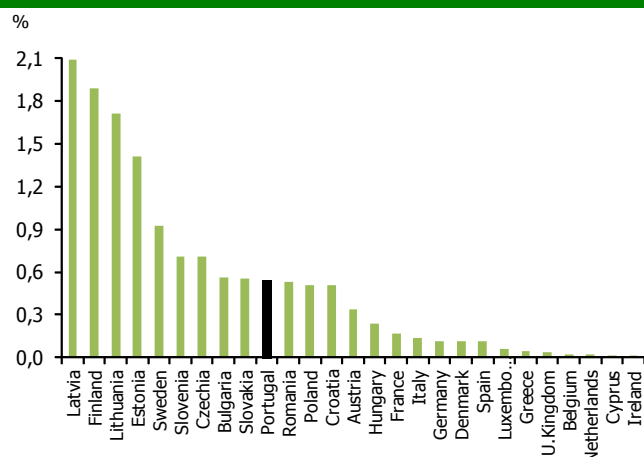


Chart 3. Forestry GVA/national GVA by MS 2016



The year 2015 is the last year with information available for all MS regarding the Forestry GVA by forest area unit. This year, Portugal was in 8th place, with 281.7 €/ha, immediately after Germany, surpassing Sweden (country with the highest GVA in this activity) and all countries with Mediterranean characteristics.

The countries with the highest Forestry GVA by forest area unit were Denmark and the Czech Republic.

¹ Data extracted from the Eurostat database on 14th June 2019.