

Economic Impact of the Forestry and Wood Industry

Wood Satellite Accounts in Europe

Malaysian Wood Expo 2025, Kuala Lumpur

Kleissner Anna

10th November 2025

Starting Point

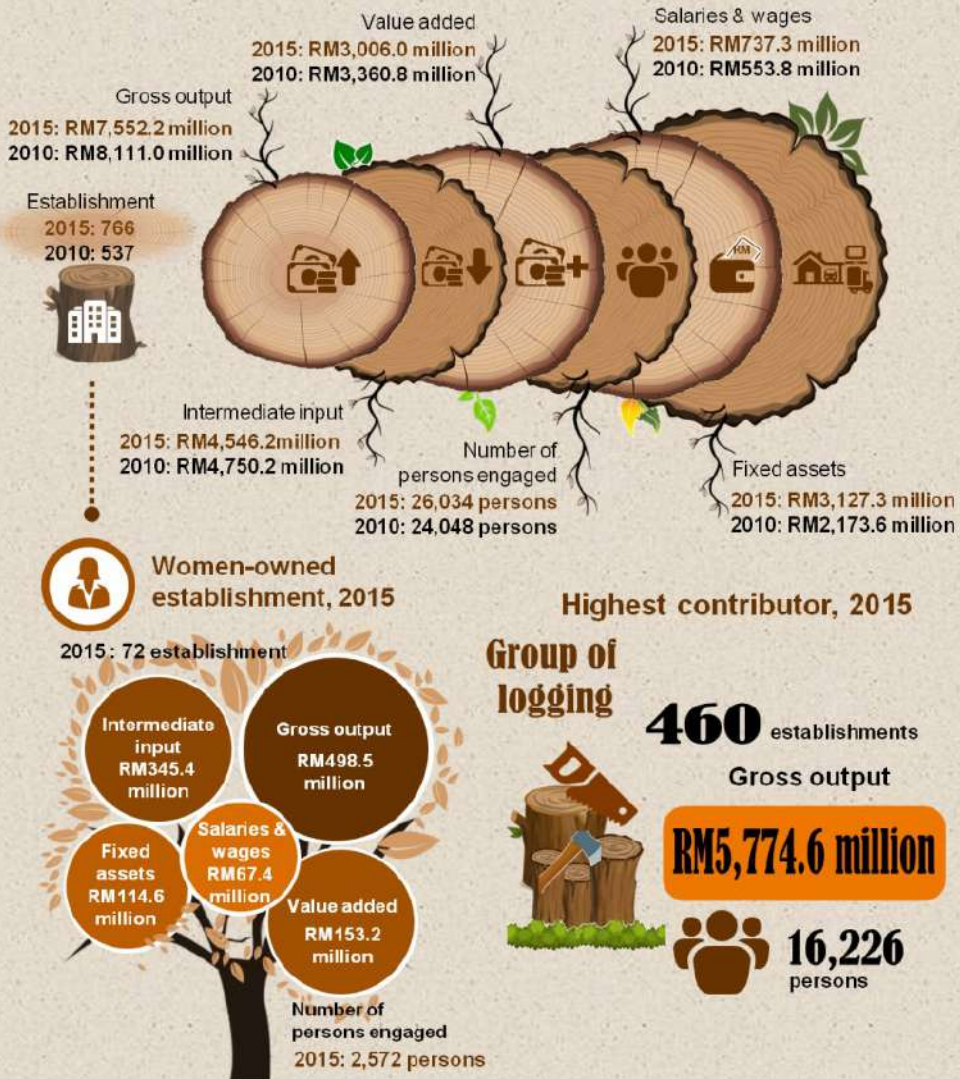
- What is the economic impact of the forestry and wood industry in Malaysia expressed in terms of gross value added?
- How many jobs are created in the forestry and wood industry in Malaysia?
- Which industries or sectors could the forestry and wood industry best be compared to?



ECONOMIC CENSUS 2016

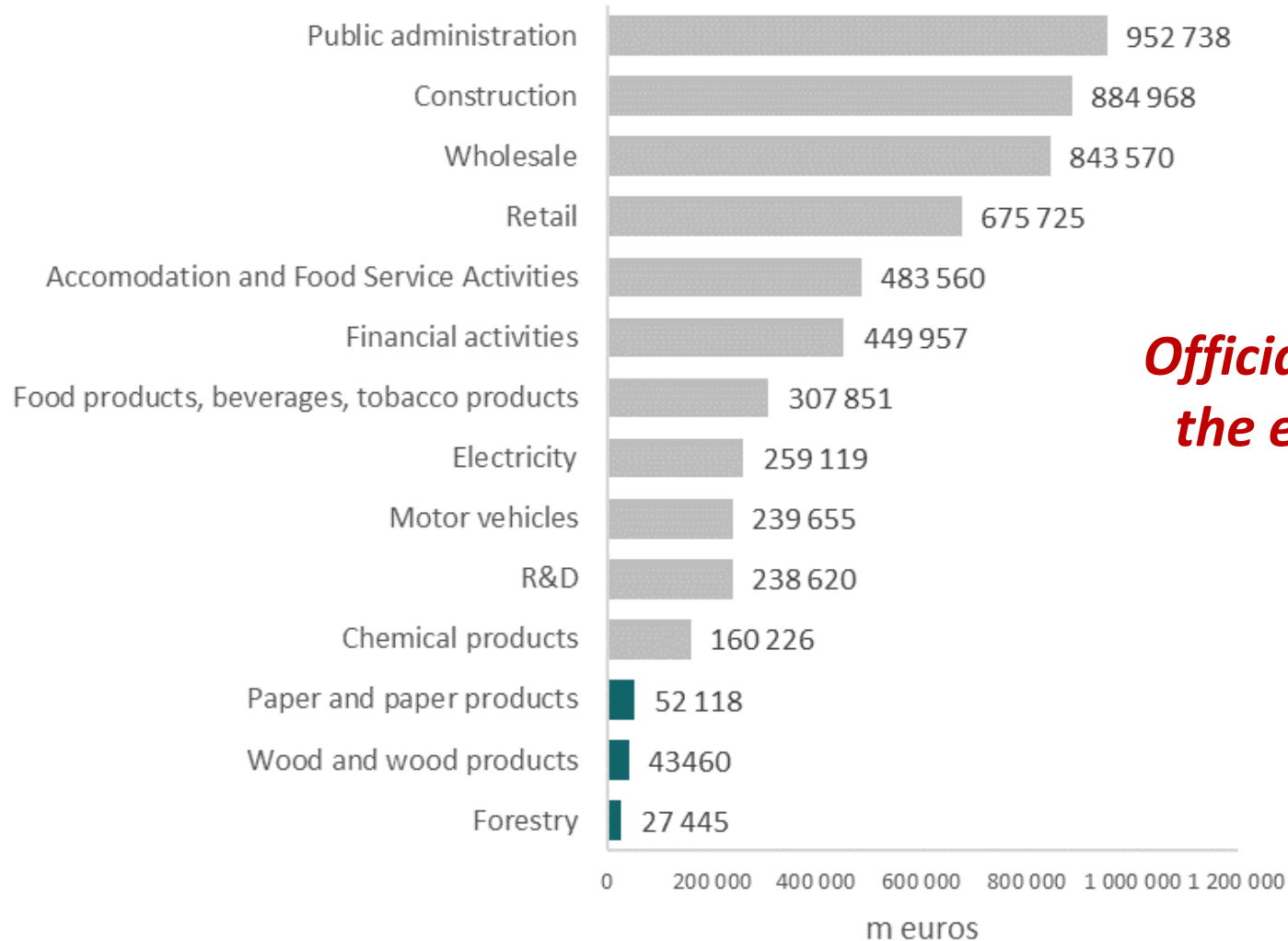
FORESTRY AND LOGGING SUB-SECTOR

Value added of forestry and logging sub-sector recorded an annual growth rate of 2.2 per cent in 5 years period



- 766 establishments
- Gross Output: RM 7,552.2 m
- Gross Value Added: RM 3,006.0 m
 - 7.2 % of Agriculture
 - 0.27 % of the Economy
- 26,034 Jobs
 - 5.9 % of Agriculture
 - 0.18 % of the Economy
- Major Industry: Logging (77 % of GVA)

We started from the same point in Europe...



***Assumption:
Official statistics cannot adequately reflect
the economic importance of the forestry
and wood industry!***

Europe = EU27 + CH + NO + UK
Base year: 2019

Why don't we have an answer to this?

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

Forestry – Production – Construction – Trade - Services

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

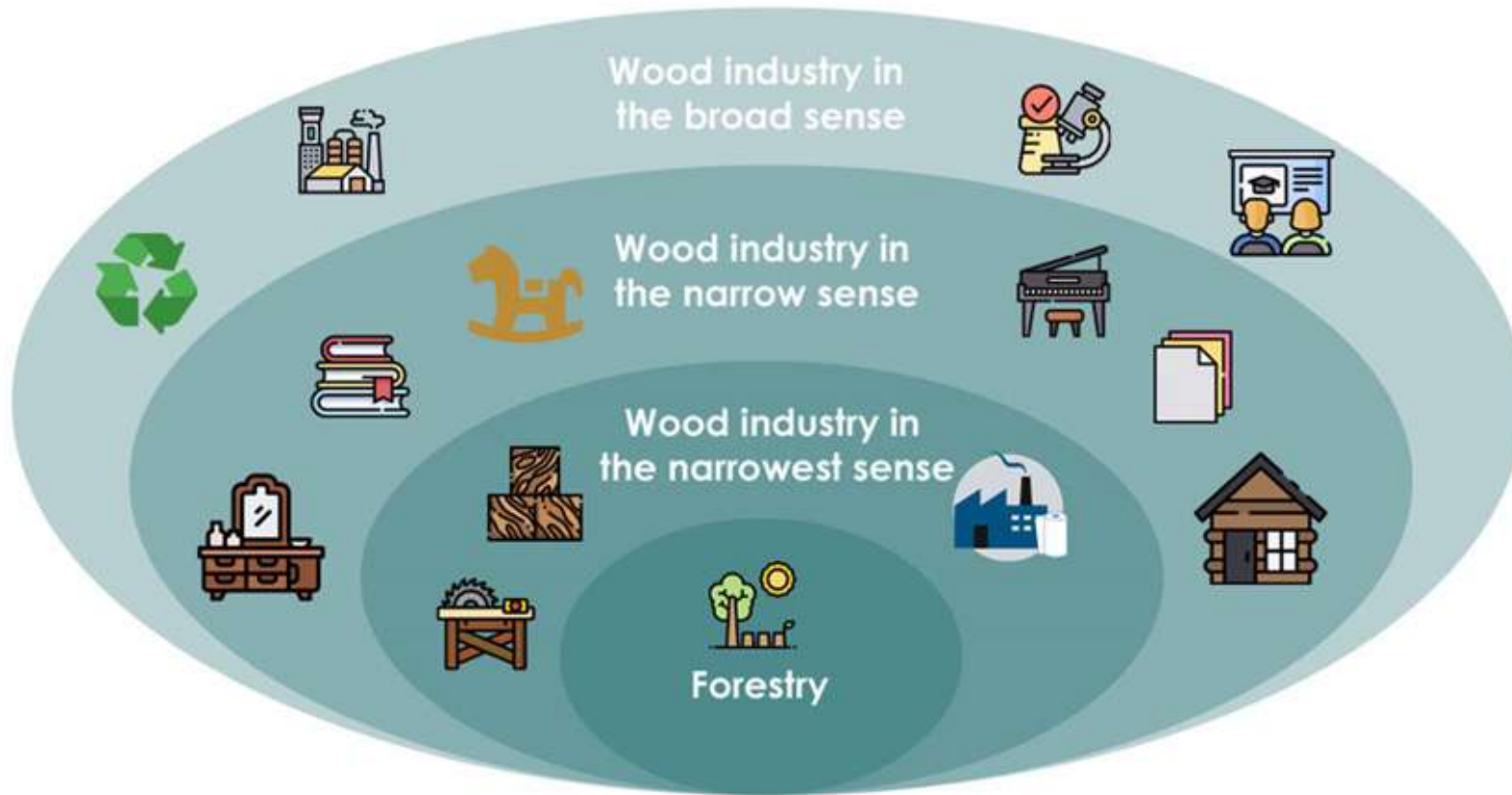
3. **Data availability:**

4. **Macro-economic effects:**

Direct effects – Indirect effects– Induced effects

5. **Methodology:** needs a uniform and harmonised 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 cardboard

Wood industry in a narrow sense:

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

Wood industry in a broad sense:

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

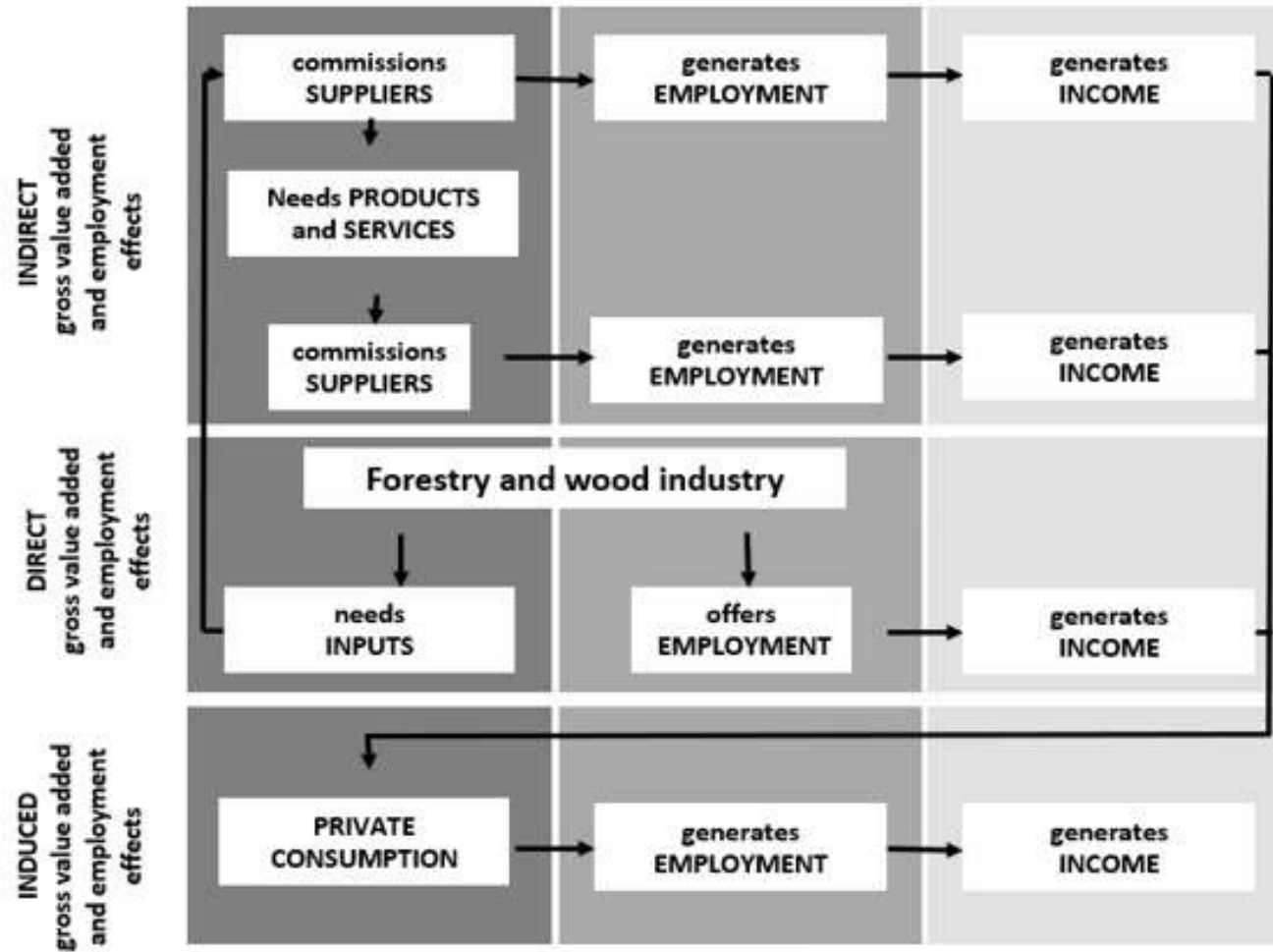
Methodology: Wood Satellite Account

= collection of wood-relevant data from 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 expansions
- More than 3100 rows and columns
- Size of more than 4 tennis courts

Total effect = Σ direct + indirect + induced effects



Gross value added From logs to planks

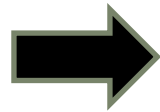
Further processing

Final product

Intermediate Goods



100,000 €



38,000 €



5,000 €

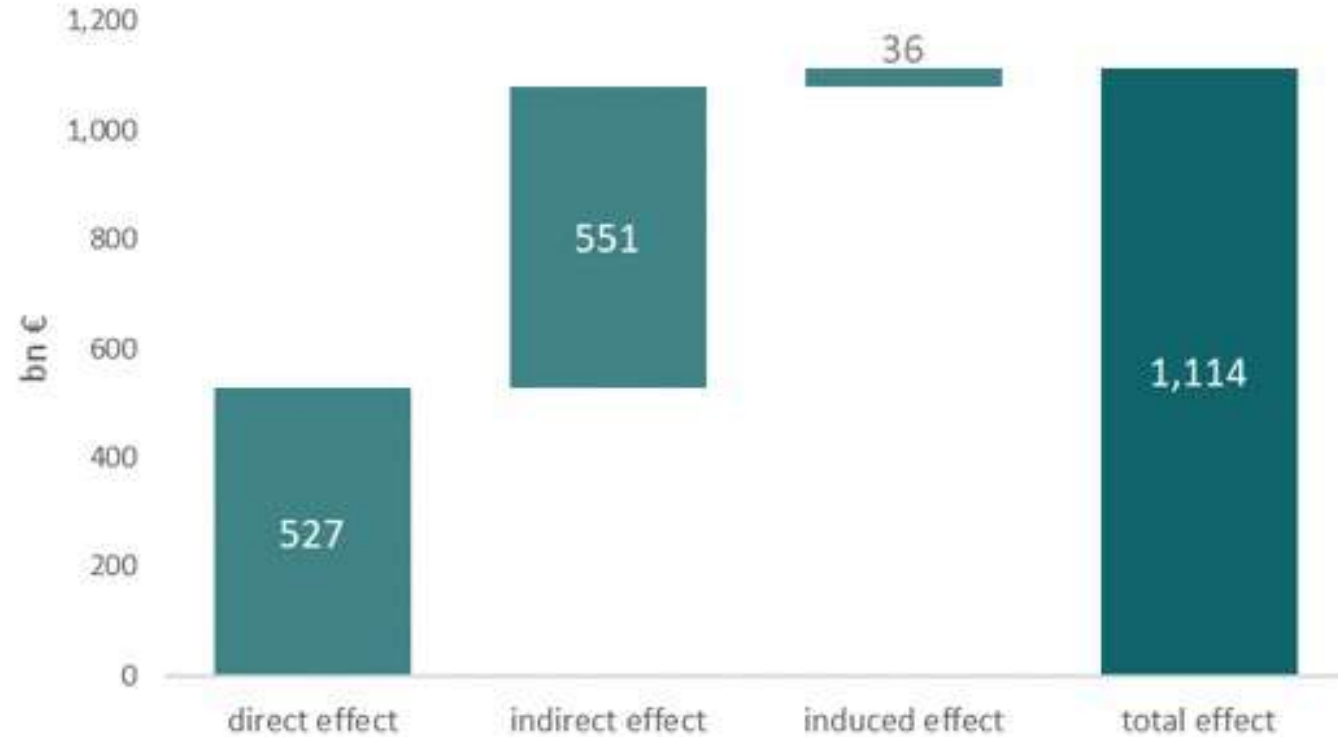


18,000€



161,000 €

Forestry and Wood Industry is a driver of value creation



Shares on GVA:

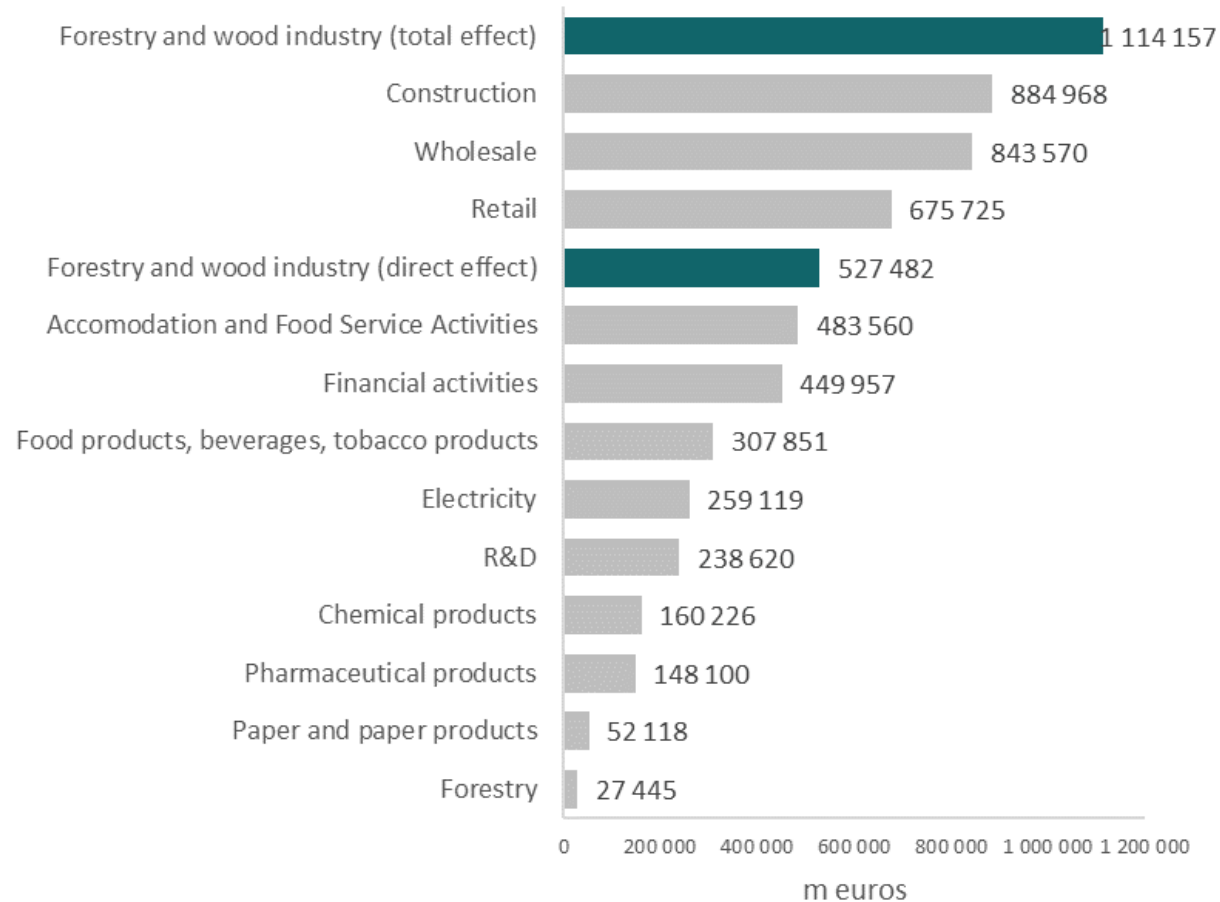
direct: 3.34 %

total: 7.06%

**GVA multiplier:
2.11**

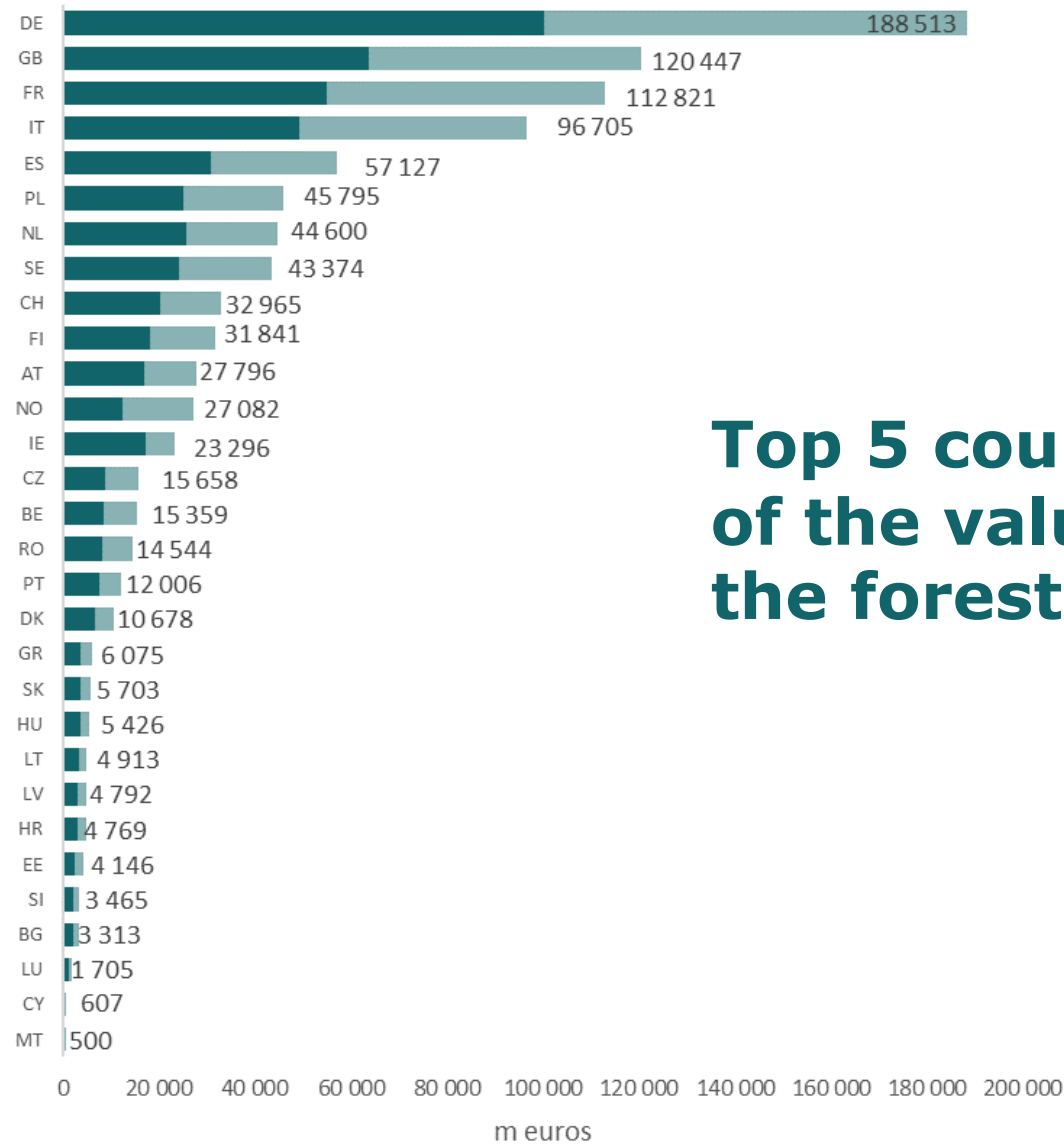
*This corresponds to the GDP of
Spain or 3 x Austria*

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

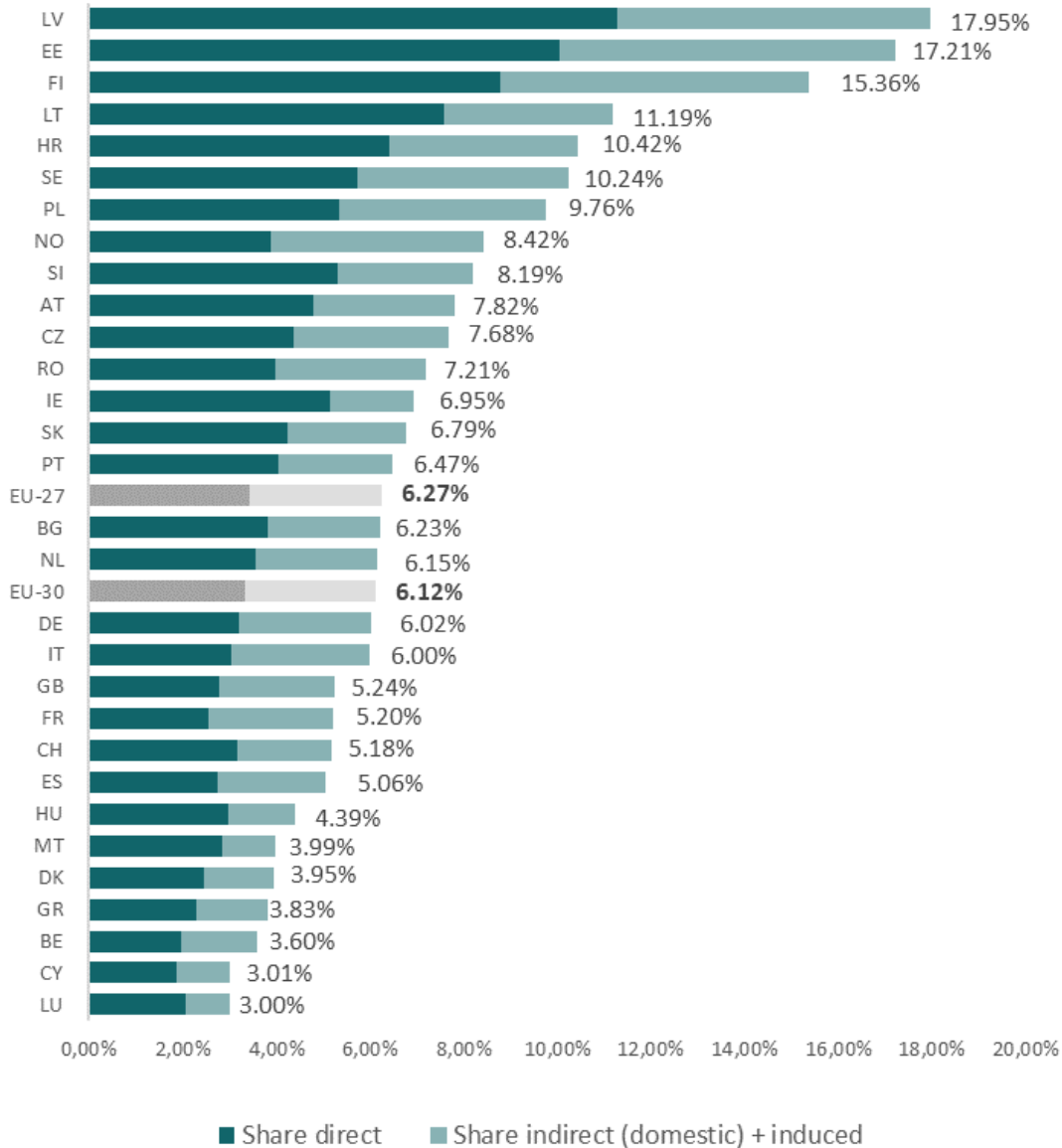
Wood in the broad sense
GVA in m euros by countries, EU-30



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

■ direct GVA ■ indirect (domestic) + induced GVA

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) and 11.27% (LV)

Total effect:

between 3.0% (LU) and 17.95% (LV)

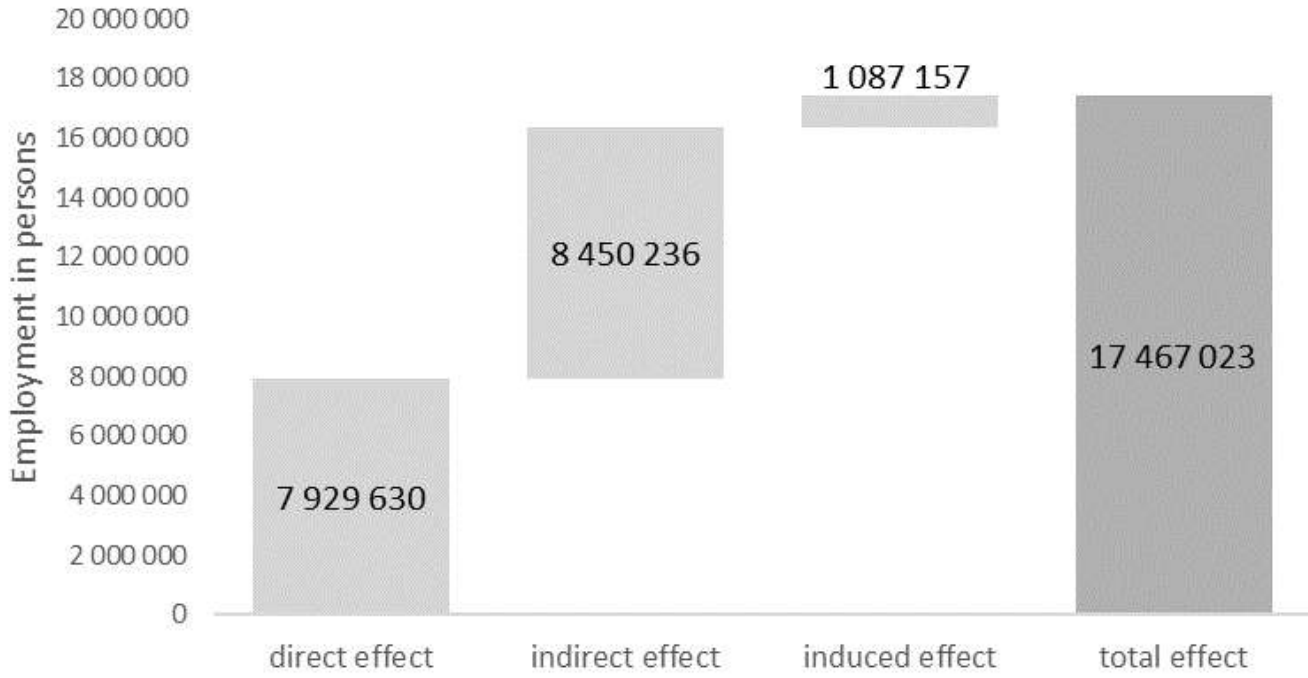
on average: 6.12% (E-30) or 6.27% (EU-27)

Every 16th euro generated in Europe 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).

The forestry and wood industry provides more jobs than the total population in the Netherlands

Wood in the broad sense
Employment in persons, EU-30



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 within the value chain

7%

Share of GVA and employment

2.2

Above-average
multipliers

Forestry:

- 27 bn € GVA
- Share of GVA: 0.17%
- Jobs: 534,229

Economic Impact of the Forestry and Wood Industry in Europe

Anna Kleissner

Econmove

Contact:

Daungasse 12, 9020 Klagenfurt, Austria

Phone: +43/650/6213238

Email: anna.kleissner@econmove.at

 Waldfonds
Republik Österreich
Eine Initiative des Bundesministeriums
für Land- und Forstwirtschaft, Regionen
und Wasserwirtschaft

econmove 

 **ECONOMICA**
GmbH