

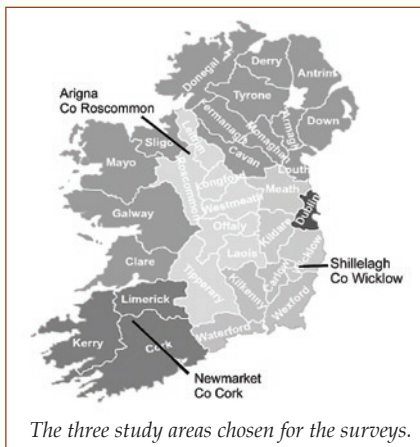
Forests, the economy and society



The impact of forestry on the Irish economy is reflected by its significant contribution to the GNP and the creation of employment opportunities.

ECONTRIB, a COFORD-funded project carried out by a multidisciplinary team of foresters, economists and sociologists from UCD, UCC and Coillte, set out to capture the full economic contribution of the forestry sector to the national and regional economies. The technique used was input-output analysis. This allowed the linkages between forestry (i.e. growing sector) and the wood products sectors (i.e. processing sector) and other sectors in the economy to be determined. The study also examined the social contribution of forestry to local communities. Three case study areas were chosen for study: Shillelagh, Co Wicklow, Arigna, Co Roscommon and Newmarket, Co Cork. In these areas the extent of forest cover and the species composition were similar but the age of forest cover varied as did the historical rate of afforestation.

The study showed that in 2003, direct output from the forestry sector was €255.4 million. Of this, €134.4 million represented gross value-added (GVA) which was 0.12% of Gross National Product (GNP).



The three study areas chosen for the surveys.

Output and employment multipliers for forestry were also derived. The type 2 output multiplier was shown to be 1.85: for every one million euro in expenditure in the forestry sector a further €850,000 in expenditure is generated in the rest of the economy. The type 2 employment multiplier was 1.90, thus for every 100 jobs in the forestry sector an extra 90 full-time equivalent jobs are provided in other sectors of the economy. When the indirect and induced effects are taken into account using the multipliers, the overall value of forestry to the Irish economy was €472.45 million in 2003. Direct employment in forestry was 3,780. Accounting for the induced and indirect effects, the total employment supported by the forestry sector was estimated to be 7,182.

In Ireland, timber is processed in sawmills and panel board mills as well as being used for making furniture. The study showed that the direct output in these sectors was €975.0 million in 2003. Of this €312.3 million was gross value-added (GVA) representing 0.27% of GNP. The output multipliers for the sawmills, panel board mills and other wood products sector were 1.71, 1.61 and 1.72 respectively, while the employment multipliers were 1.74, 1.68 and 1.81 respectively. Using these figures, the total value to the economy of the three sectors was estimated to be €1.65 billion, nearly 3.5 times the forestry sector figure of €472.45 million. Direct employment in the wood products sectors was shown to be 6,870. When the indirect and induced employment impacts are derived using

the employment multipliers, the wood products sectors supported a total of 12,246 jobs. This is 70% more than the total employment attributable to the forestry sector alone.

The social impacts of forestry were assessed in the three case study areas. Over 100 people were interviewed and their perception of the rural environment in which they live and the role forestry plays in it were queried. In the Newmarket area, where the forests were the youngest and where afforestation had occurred at the fastest rate, forestry was perceived to have contributed little in terms of employment and amenity while impacting negatively on the environment. In Arigna, attitudes were more positive, which can be attributed in part to the availability and use of consultation mechanisms in that area. Nevertheless, in both areas concerns continued to be expressed about the dominance of conifers in the afforestation programme. There was clearly a demand for a different type of forest; one where timber production is not the primary objective and where the amenity and landscape functions are emphasized. In Shillelagh the social impacts of forestry were more positive, reflecting the long history of forest cover and related enterprise in the area. The amenity and recreational functions of the forests in the Shillelagh area were acknowledged.

COFORD has published a comprehensive report on the project:

The socio-economic contribution of forestry in Ireland

by Aine Ní Dhubháin, Marie-Christine Fléchar, Richard Moloney, Deirdre O'Connor and Tim Crowley. Copies are available on-line at www.coford.ie or from the COFORD office (tel: 01-2130725).



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