



Media Release

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ABARE confirms sound market fundamentals for forestry industry

Figures from the Federal Government released today show that the forest industry has bucked the trend of other industries by experiencing growth over the last 12 months, and particularly over the last six months of last year.

“The Australian Bureau of Agricultural and Resource Economics (ABARE) report *Australian Forest and Wood Products Statistics* shows that forestry continues to grow; experiencing continued plantation expansion of more than 4 percent to just under 2 million hectares and an increase in exports of 5 percent to reach \$2.5 billion. This growth in the industry is in stark contrast to other key Australian industries that have suffered contractions in their activity and inevitable job losses over the same period,” said NAFI CEO Allan Hansard.

“This report backs up what we’ve been saying, that forestry is a strong industry, with a solid foundation and, with increased plantation expansion is perfectly positioned to meet the increased demand for timber products as the world recovers from the current global financial crisis.

“These figures justify and confirm the Government’s plantation strategy driven by continued managed investment scheme (MIS) projects, where over \$6 billion has already been invested in rural and regional Australia, creating over 60,000 much needed jobs and a world class plantation based industry. The strong growth in exports from these plantations (up 13 percent in value terms) reflects the high regard world markets have for our plantation industry and the products they produce. This places the industry in good stead to ride through the global economic crisis and to rapidly grow in the future.

“If this continues in line with the Federal Government’s plantation expansion targets, this would see a further \$12 billion in new investment and as many as 120,000 new jobs created by 2020.

“Australia’s renewable, sustainable forestry industry also provides enormous environmental benefits that increase exponentially with the growth of the industry. As Australia’s only carbon positive industry, forestry has the capacity to sequester around 81 million tonnes of carbon from the atmosphere every year. In addition to the forests being carbon sinks, the products produced from them continue to store carbon, and the bioenergy produced from wood waste can significantly reduce Australia’s reliance on fossil fuels.

“The growth of the forest industry is a win for Australian job and economy,” said Mr Hansard.

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