

*Forest Resource  
Development Conference*

October 28, 2009



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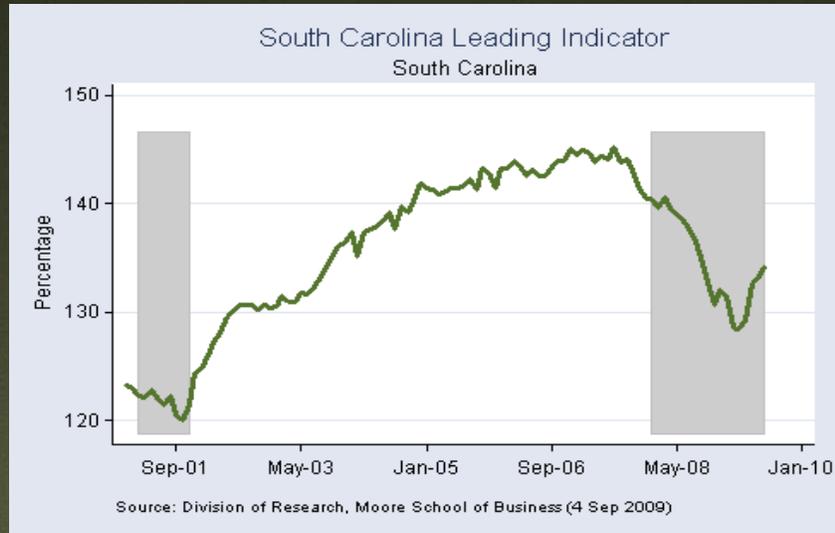


**Goal**

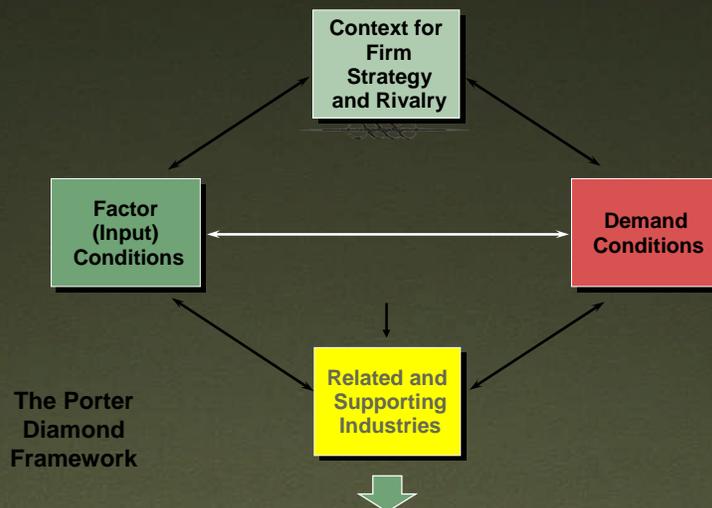


- ⌘ A shared vision of growing forestry's total economic impact from \$17 billion to \$20 billion by 2015.
- ⌘ 3.5 percent annual growth.

## South Carolina Leading Indicators



## The Cluster Diamond Framework



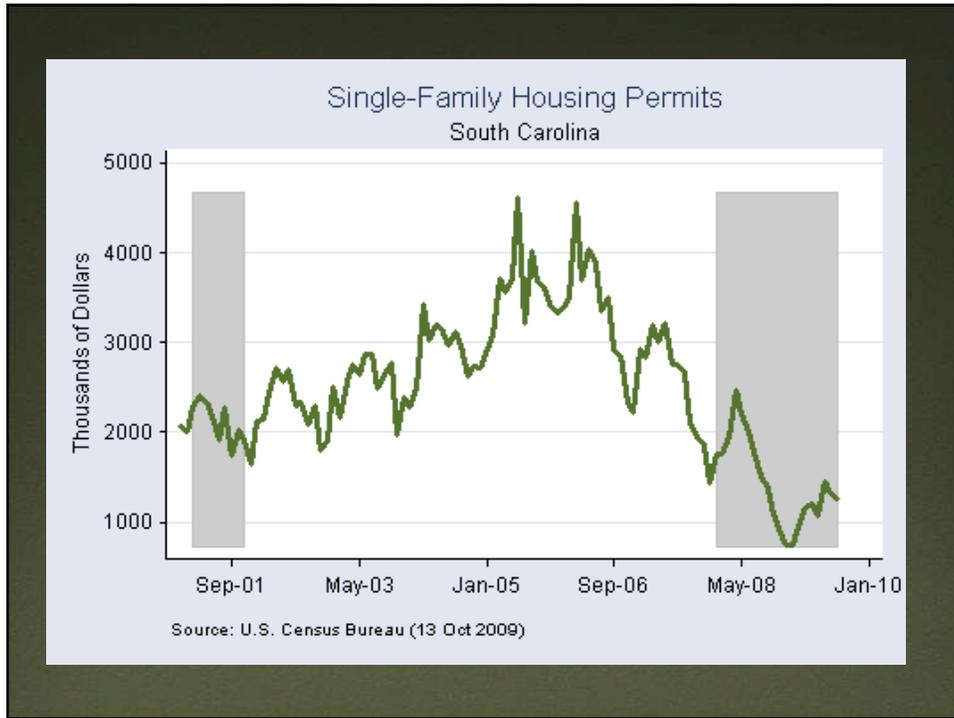
- The microeconomic business environment is comprised of the array of **skills, knowledge, rules, policies, supporting industries, and institutions** surrounding competition

## S.C. Forests: Factor Conditions

- ❧ 32 of S.C. 46 counties are at least 60% forested.
  - ❧ 10 of these are 75% or more forested
- ❧ Forestland totals 12.4 million acres
  - ❧ Timberland: 12.2 million acres
  - ❧ Reserved and other: less than 195,000.
- ❧ Timberland: Softwood accounts for 49%.
  - ❧ Majority of softwood is loblolly-shortleaf forest types, which occupy 5.4 million acres.
- ❧ S.C.'s 12 million acres of forest land represents 67% of the state's total land area.
- ❧ Of the 12 million:
  - ❧ 11 million acres are private ownership
  - ❧ families and individuals owning 7.1 million acres
  - ❧ forest product companies owning 3.8 million acres.



Source: U.S. Department of Commerce: Census Bureau.

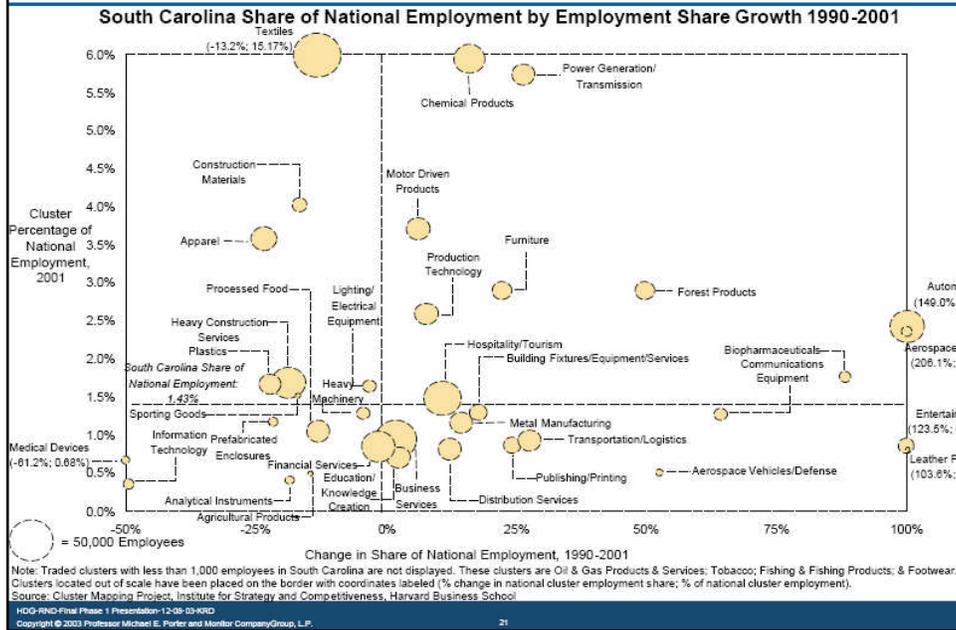


## Exports of S.C. Forestry

2001 and 2006:

- ❧ The top forest product exported from S.C. was paper and paperboard
  - ❧ accounted for \$2.5 billion of S.C.'s forest product exports for the period.
- ❧ Wood pulp product exports were valued at \$1.4 billion.

## Specialization of the South Carolina Economy by Traded Cluster



## The “Comprehensive Study”: potential to contribute to per capita income

Used 2001-2006 earned income growth for agribusiness-forestry sectors and their U.S. counterparts.

Results:

- Overall picture:
  - Wood and paper products sector had strong potential.
  - S.C. forest products show stronger growth compared to farming and agriculture processing.
- 19 of the wood and paper products sectors had growth in earned incomes during 2001-2006
  - Among these 19:
    - 18 had higher rates of growth in earned income than national counterparts

## The “Comprehensive Study” performed cluster type activity analysis:

- ☞ Forest products sector was strong and appears to possess some of S.C.’s better-developed clusters
  - ☞ potential remains for further development
- ☞ Wood and Paper products activity had cluster-type activity for many S.C. sectors.

## Total Economic Contributions of Forest-Based Products:

- ☞ Total employment impact of the sector is: 81,990 jobs
- ☞ Total impact in the state’s economy of \$3.8 billion in earned income.
  - ☞ \$1.77 in earned income is generated in the state economy for \$1 in earned income generated directly by forest-based products in the state.
- ☞ Total impact of average earned income per worker is \$46,063
- ☞ In terms of gross state product:
  - ☞ \$6.5 billion throughout state’s economy
  - ☞ \$1 in direct gross state product leads to \$1.80 in gross state product throughout state’s economy.
- ☞ **Total impact of the sector is \$16.3 billion in output**

## Alternative Study Economic Impacts of Forestry

### Output

- ☞ Direct output of \$10.8 billion a year.
- ☞ The direct and indirect impacts of the forest industry \$17.1 billion a year.

### Labor Income

- ☞ Direct labor income is estimated to be \$2.2 billion a year.
- ☞ Adding, indirect and induced effects the forestry industry generates \$4.0 billion in Total Labor Income.

### Jobs

- ☞ Directly creates and supports over 36,000 jobs a year.
- ☞ Industry supports 47,000 jobs indirectly
- ☞ Total employment impact on the state of 83,824 jobs

## Goal: \$20 Billion by 2015

### Alternative Study

- ☞ Total impact of forest industry: \$17.1 billion a year.
- ☞ Total employment impact on the state of 83,824 jobs
- ☞ Generates \$4.0 billion in total labor income

### Comprehensive Study

- ☞ Total impact of the sector is \$16.3 billion
- ☞ Total economic impact of the sector is: 81,990 jobs
- ☞ Total impact in the state's economy of \$3.8 billion in earned income
- ☞ Included gross state product:
  - ☞ \$6.53 billion throughout state's economy
  - ☞ \$1 in direct gross state product leads to \$1.80 in gross state product throughout state's economy.