

Bucharest, 10 July 2017

Eurostat Outlier: Rising employment in the Romanian wood industry

## The entire wood sector now accounts for about 230,000 jobs and is experiencing steady growth since the last depression.

Affected by the last global economic depression, the European wood processing sector has never managed to recover the jobs lost after the 2008 Wall Street disaster. In fact, the jobs have been in constant decline across the EU-28 states, according to the official EUROSTAT database, with very few exceptions. Of the 10 largest manufacturing countries, only Romania seems to exhibit a steady and sound growth in the job market for the wood processing sector (excluding furniture manufacturing).

At a steady pace, employment in the Romanian industry has grown by 16.7 % during the past 7 years, about 11,500 new positions being available at the end of 2016 compared to 2010. In stark contrast, the EU-28 job market fell by -10.4 % on average, from -4.7 % in Germany to a staggering -29.6 % in Italy and -41.7 % in Portugal. The French, Spanish, and Turkish job markets in the sector fell pretty abruptly as well, while the Czech Republic and Poland registered only nominal decrease, and the UK, nominal growth.

	2010	2016	Variation	
			+/-	%
Romania	68.8	80.3	11.5	16.7
United Kingdom	65.3	67.4	2.1	3.2
Czech Republic	45.4	44.9	- 0.5	- 1.1
Poland	169.2	164.4	- 4.8	- 2.8
Germany	115.3	109.8	- 5.5	- 4.7
France	78.1	67.6	- 10.5	- 13.4
Spain	67.7	56.9	- 10.8	- 15.9
Turkey	111.5	90.8	- 20.7	- 18.5
Italy	153	107.7	- 45.3	- 29.6
Portugal	47.9	27.9	- 20	- 41.7
<b>EU 28</b>	<b>1129.6</b>	<b>1012.1</b>	<b>- 117.5</b>	<b>- 10.4</b>

Employment in the wood processing industry (excl. furniture), in thousands. Source: EUROSTAT

With its centuries-long tradition in wood-working, Romania is consolidating its top 5 place and may soon threaten to overtake Turkey for fourth. This remarkable growth is, no doubt, due to the constant investments, both foreign and domestic, that have spurred this prodigious spread.

Holzindustrie Schweighofer's investments alone, in greenfield development as well as in upgrades and enhancements of its previous facilities, have created over 1,500 of these jobs during the 7 years under consideration.

At the moment, the company has more than 3,000 employees in 5 modern production units in Romania. Holzindustrie Schweighofer offers employees a package of substantial benefits, surpassing what is customary in the wood industry. In addition to meal tickets and transport to the mill, employees benefit of a generous private health insurance.

Together with furniture manufacturing (growth of almost 8% over the same period) and forestry (roughly constant), the entire wood industry accounts for about 230,000 direct employment in Romania.

#### **Romania's forests are growing**

During the past 15 years, Romania's forests grew by 4,950 km<sup>2</sup>, an area larger than that of all national parks put together (3,200 km<sup>2</sup>). Between the years 2000 and 2015 the country's forested areas grew from 27.7% to 29.8%<sup>1</sup>.

#### **Schweighofer Group**

The Schweighofer Group has its roots in a traditional Austrian family company with over 400 years of experience in wood processing. Today, the Group is primarily active in the wood processing industry but also in dissolving pulp production, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania, one saw mill in Germany and a dissolving pulp production in Austria. It takes a leading role in the European timber – processing industry, currently employing around 3.700 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide.

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<sup>1</sup> World Bank [http://data.worldbank.org/indicator/AG.LND.FRST.K2?locations=RO&order=wbapi\\_data\\_value\\_2015+wbapi\\_data\\_value+wbapi\\_data\\_value-last&sort=desc](http://data.worldbank.org/indicator/AG.LND.FRST.K2?locations=RO&order=wbapi_data_value_2015+wbapi_data_value+wbapi_data_value-last&sort=desc) (based on F.A.O. data)