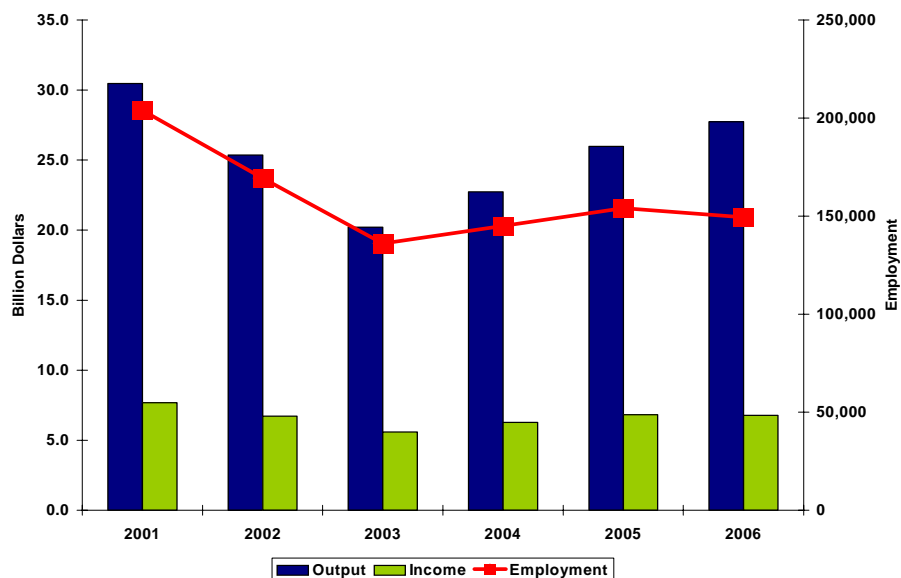




The Economic Impact of Forest Products Manufacturing in Georgia

*Forestry is the
2nd largest
Georgia industry*



Total impacts

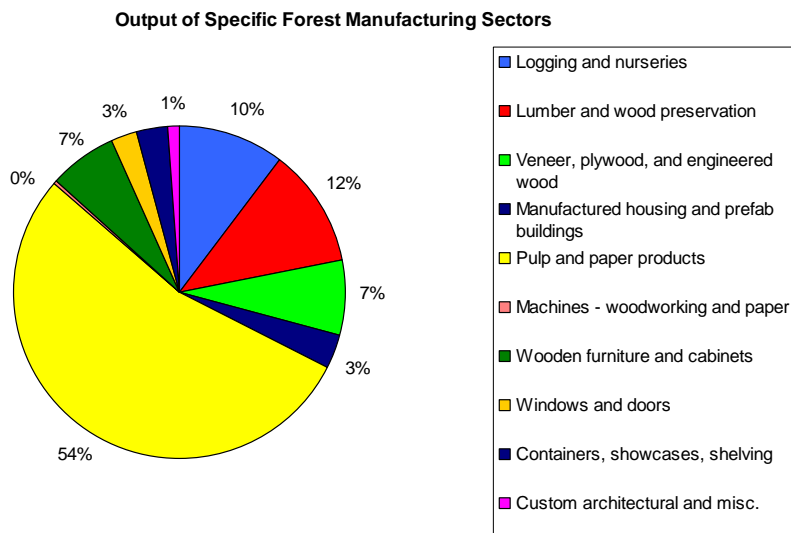
The forest industry in Georgia in 2006, including the multiplier effects to other parts of the economy were: \$27.7 billion in output, 149,347 jobs, and \$6.8 billion in compensation to employees and proprietors (+7%, -1%, and -3% over 2005 levels respectively). Trends in these indicators are reflected in the chart above.

Direct Impacts

Georgia's forest industry in 2006 had an output of \$17.8 billion, employed 67,733 persons, and paid \$3.5 billion dollars in compensation. The output and compensation levels were 10% and 3% higher, respectively, than 2005 levels without considering the affect of inflation. However, employment remained stable. Changes in specific forest industry sectors from 2005 to 2006 are reflected below:

Sector	Changes 2005 to 2006		
	Output	Employment	Compensation
Logging and nurseries	28%	0%	5%
Lumber and wood preservation	14%	1%	4%
Veneer, plywood, and engineered wood	-2%	-2%	4%
Manufactured housing and prefab buildings	6%	-1%	1%
Pulp and paper products	9%	-1%	2%
Wooden furniture and cabinets	10%	5%	6%
Windows and doors	10%	6%	-4%
Overall	10%	0%	3%

The pulp and paper sector of the forest industry continues to dominate the industry by producing 54% of the industry output. The relative impacts of the remaining sectors are shown in the chart below. Although the pulp and paper industry output as a whole seems to be recovering from the recession period earlier in this decade, the employment levels continue to decline. This may be an indication of individual U. S. companies developing strategies to become more competitive with other international-based companies. The opportunity for these companies to add new products, such as biofuels, to their production lines could spawn new investments followed by increased overall economic impact in the coming decade.



Industry Ranking

The *forest industry* ranks 2nd in Georgia behind *food processing*, when considering compensation to employees and proprietors. The forest industry has total compensation within 4% of the food processing level. *Forestry* ranks third behind *textiles* and *food processing* when considering number of employees.

Other Forest Industry Facts

- Forestry activities result in \$580 million in taxes and other payments to Georgia's state budget.
- Harvesting 6400 tons of wood each year creates one job in the harvesting and nursery sector of the industry.
- Georgia has 12 pulp mills, 9 engineered-wood products mills, 140 sawmills/pole mills, and over 1200 other industries that provide secondary processing to Georgia's wood products.

Reference

Riall, Bill; Various reports on the economic impact of the forest industry, 2001-2006; Enterprise Innovation Institute, Georgia Institute of Technology; 2007