FORESTRY SOUTH AFRICA

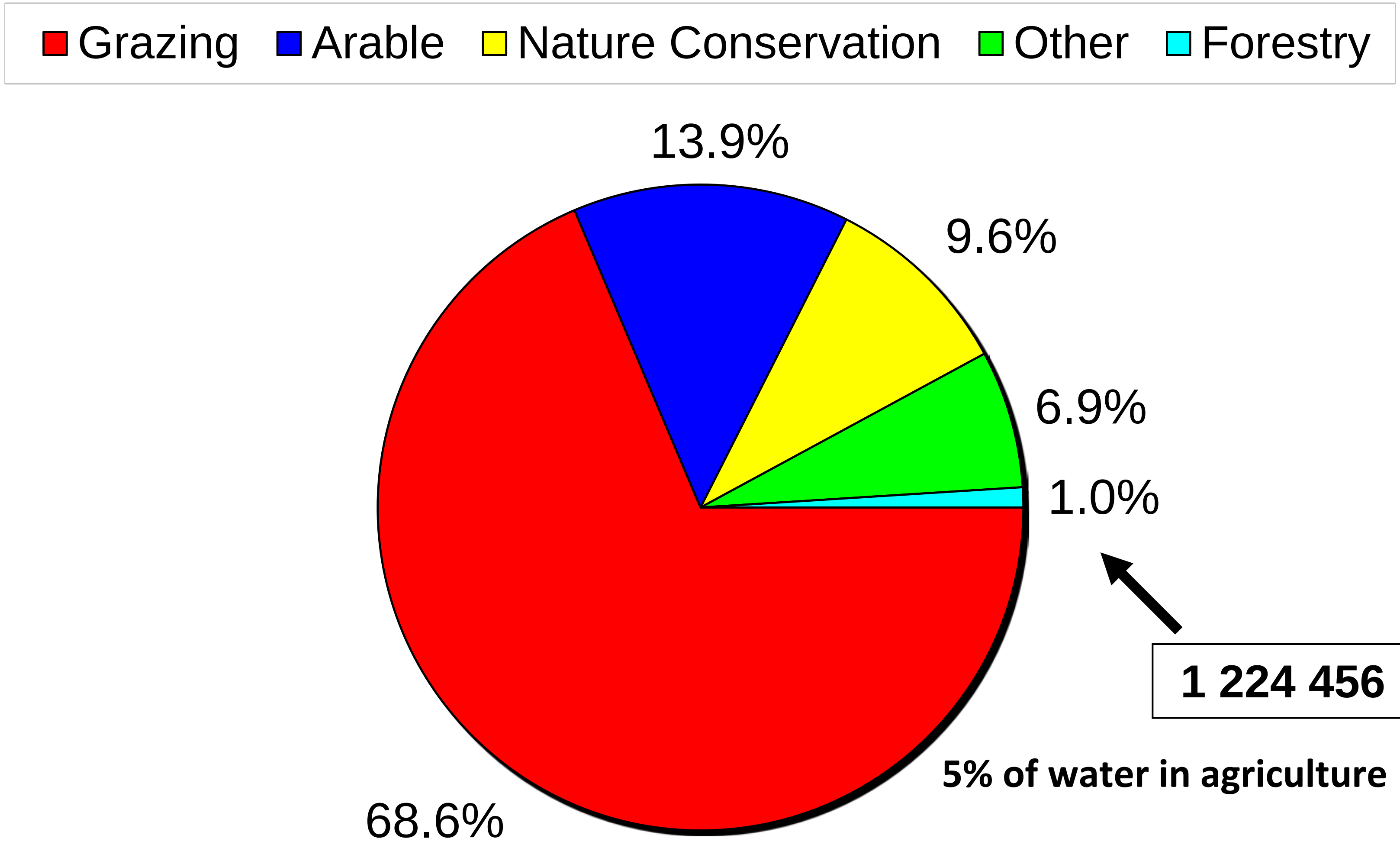
The South African Forestry and Forest Products Industries

Presentation to the ITC AGM
August 2017

Michael Peter

Forestry South Africa

Land Use in South Africa

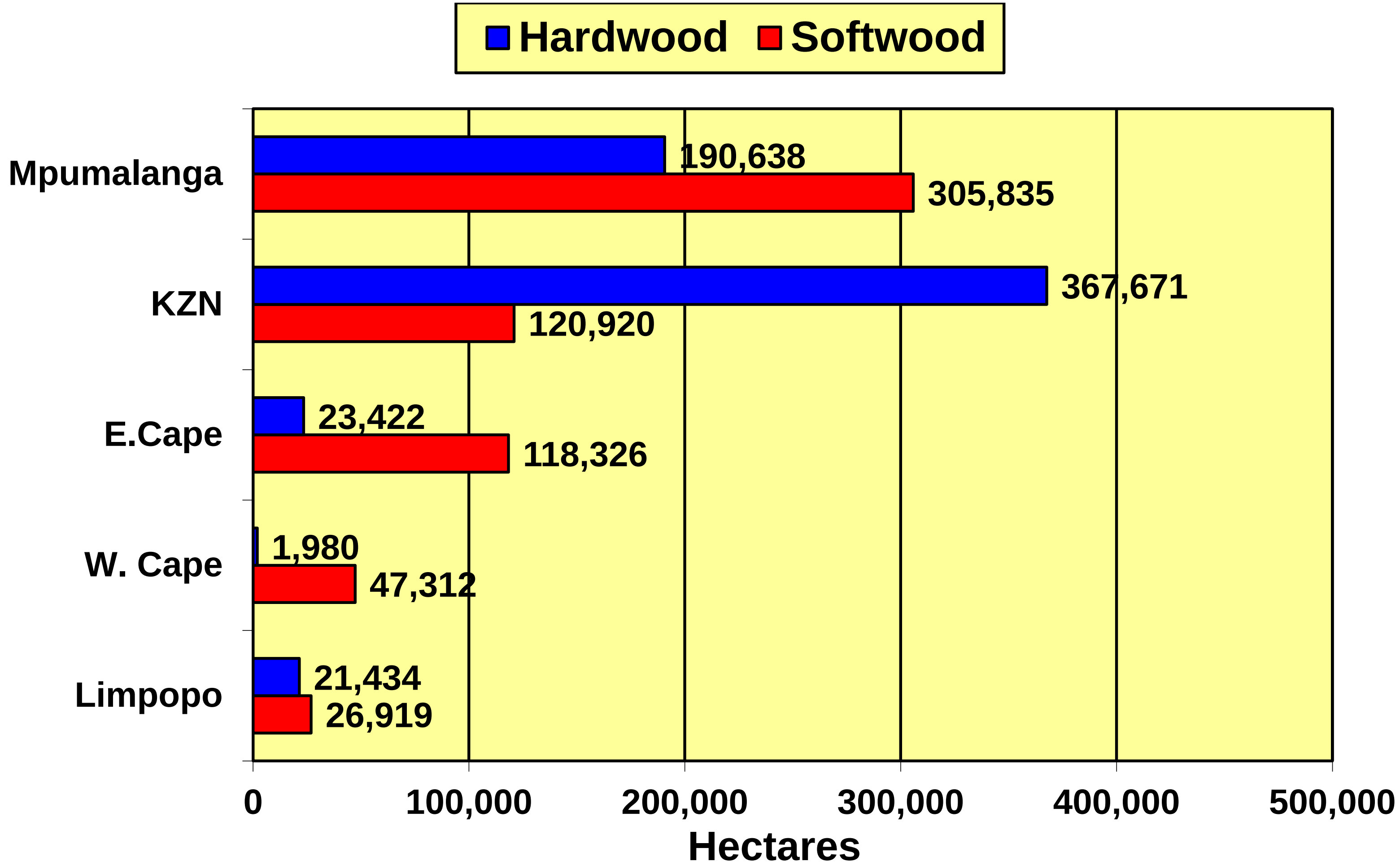


1 224 456 ha

5% of water in agriculture

Total RSA land area – 122.3 million ha

Plantation Area by Province and Genera 2015

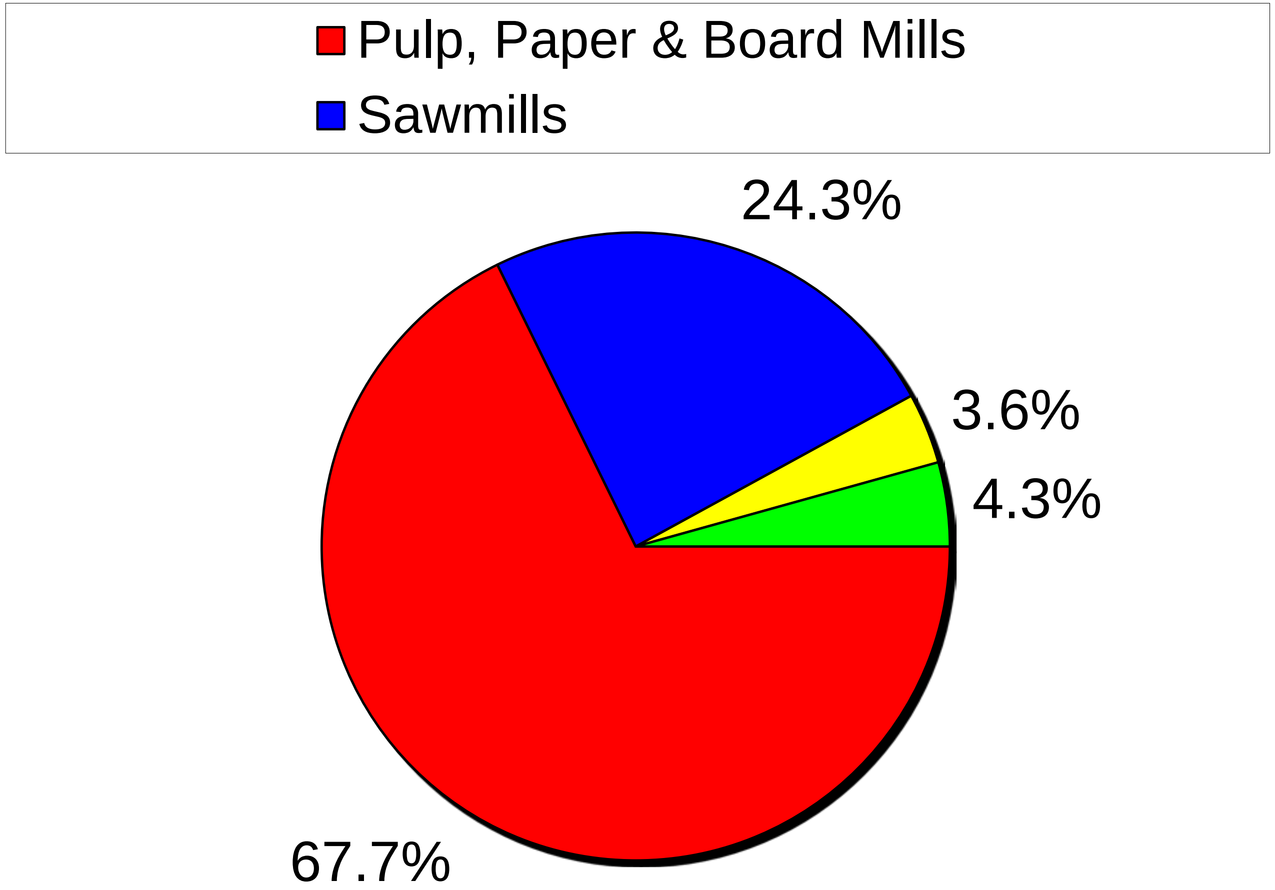





Total – 619 311 ha (softwood) 58 000 less

Total – 605 145 ha (hardwood) 16 000 more

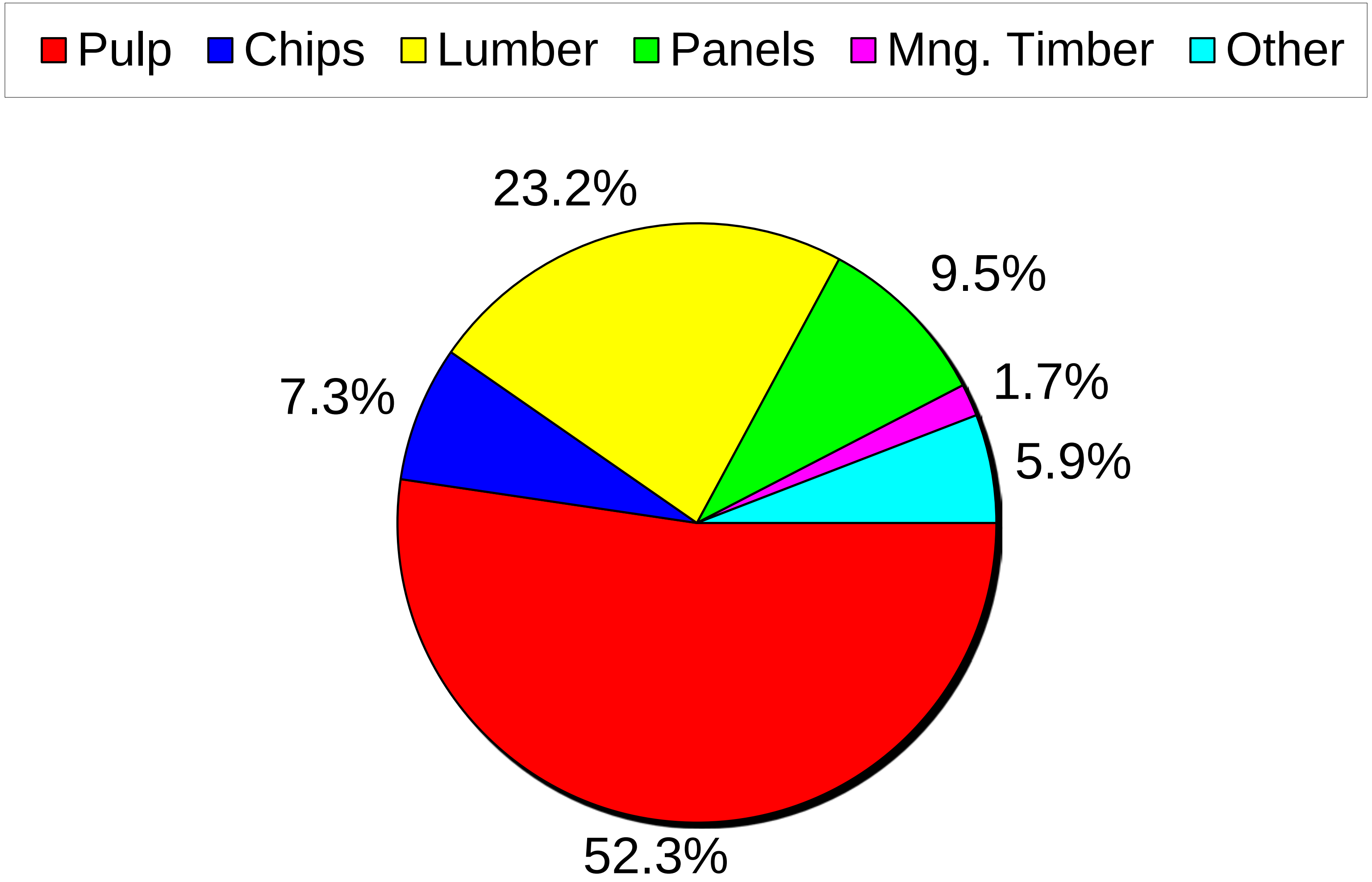
Intake of Roundwood into Processing Plants 2015



Total – 17.5 million m^3

Total – R9.5 billion

Value of Sales from Primary Processing Plants 2015



Total – R21.6 billion

Total Contribution in 2015

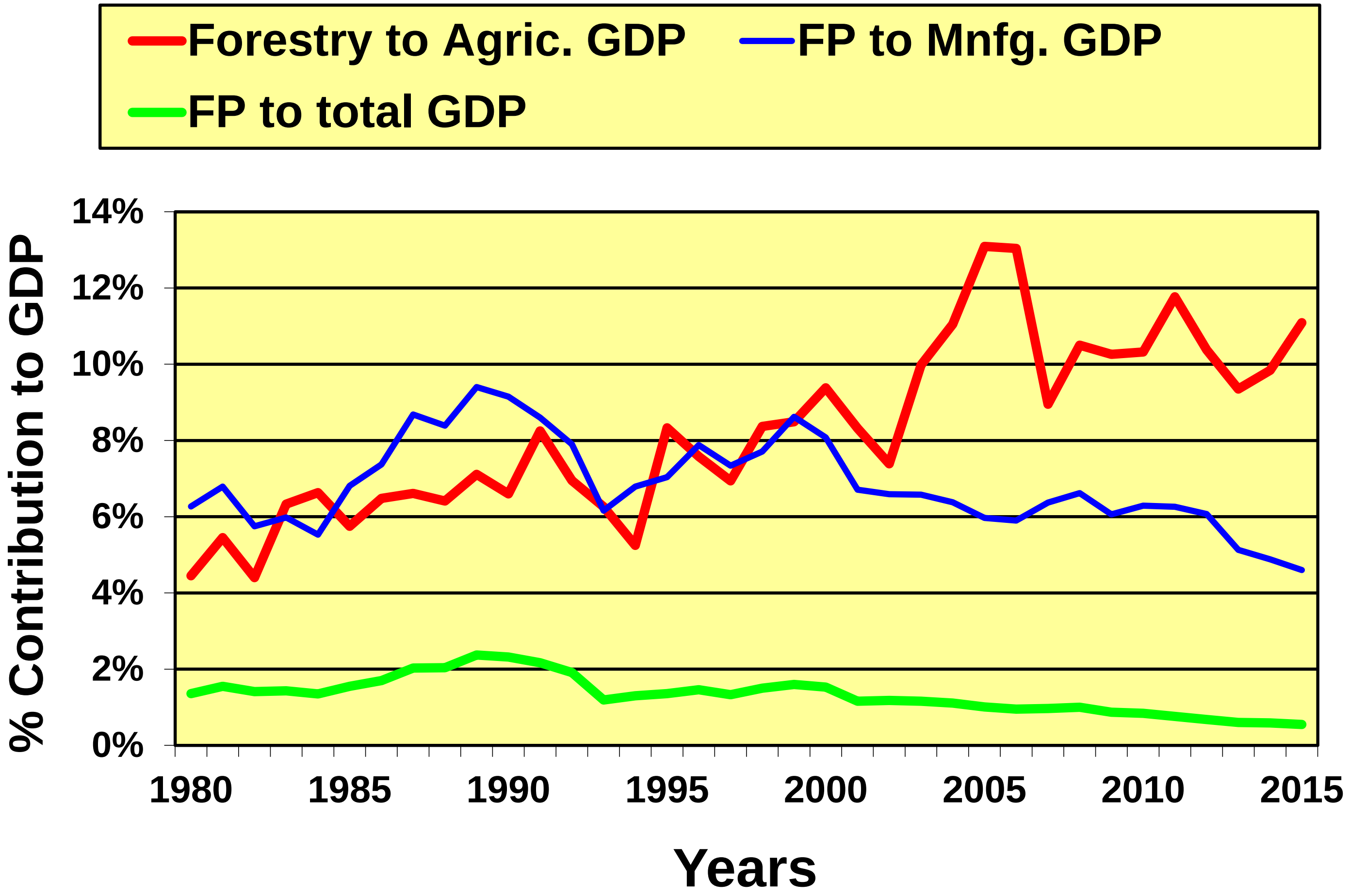
- Paper and Paper Packaging - R18.6bn

Total Forestry Contribution:

R49.7 billion (1.5% of GDP)

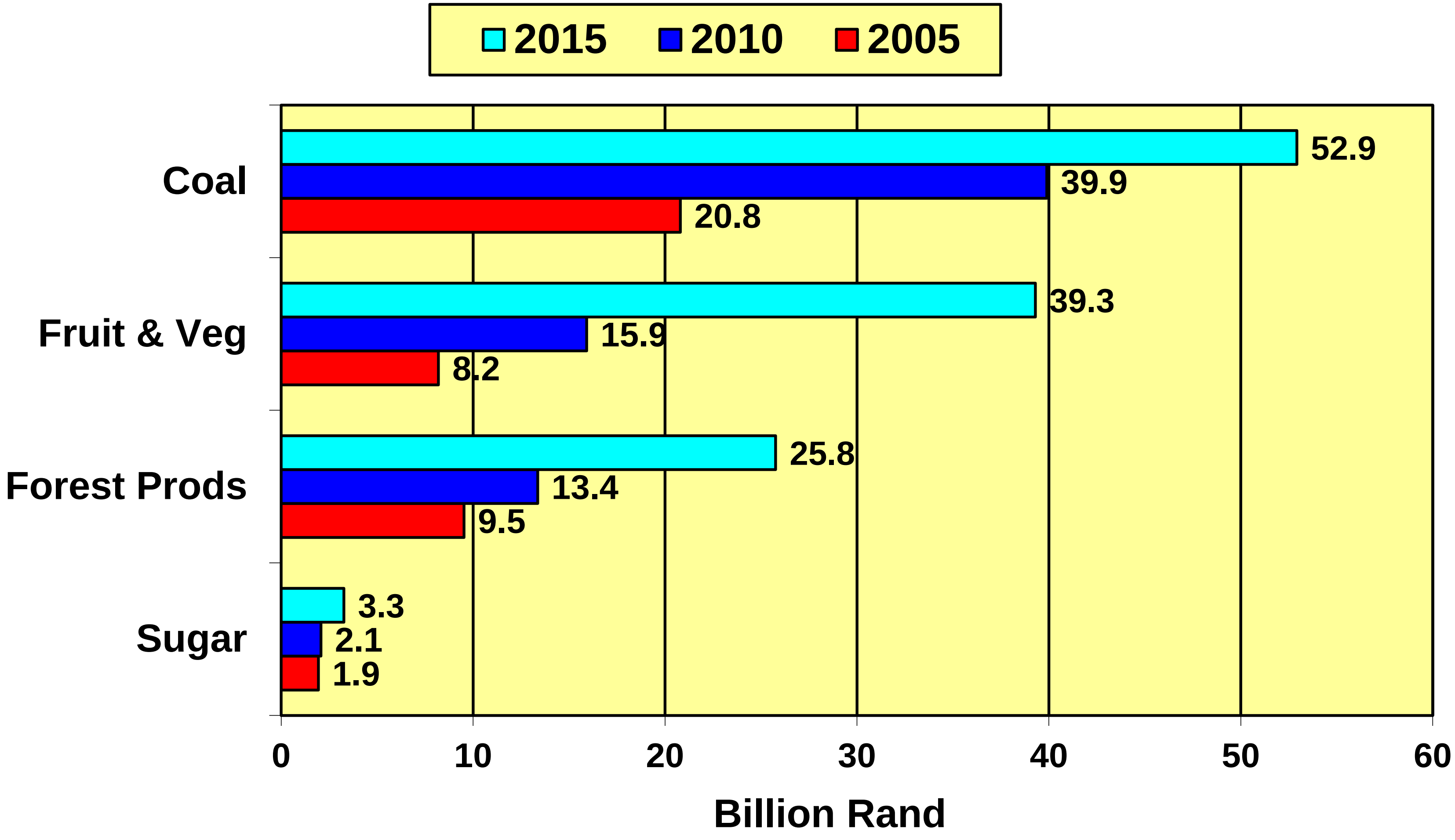
Total Agric GDP in 2016 was R66,6 billion
Excluding P+PP = 46,7% of Agric GDP
Almost all in rural areas of SA

Contribution to GDP 1980 to 2015



Increase in Forestry to Ag GDP over period from 4.5% to 11.1%

Export Comparisons
2005, 2010 & 2015



Forest Sector Employment – RSA 2015

Sub-sector	No. of employees		Total Employment
	Direct	Indirect	
Forestry	60,200	28,000	88,200
Pulp and Paper	13,200	10,800	24,000
Sawmilling	20,000	8,000	28,000
Timber Board	6,000	n/a	6,000
Mining Timber	2,200	n/a	2,200
Other	10,000	n/a	10,000
Total	111, 600	46,800	158 400

22,5% OF JOBS IN THE AGRICUTLURAL SECTOR

Trends

- Decline in feedstock
  - Conversion
  - Exit areas
  - Land reform
  - Leads to increase in prices
    - Further LGS and consolidation in processing sub-sectors
    - New investment in plantations and processing
- Political change
  - May lead to more certainty esp around land
    - RALHB – 2011 2016 2017
    - Expropriation Bill
    - DTC - Land, Property and Wealth Taxes
    - PVA – Regs – effectively halve values for forestry
- Land prices set to rise for next 25-30 years
- Banks optimistic about forestry
- Carbon Tax if ever implemented will drive change towards timber
- SAFCOL-led timber promotion initiative like ITC
  - Requires better unity among millers




Michael Peter

Executive Director
FORESTRY SOUTH AFRICA
mike@forestrysouthafrica.co.za
011 268 1104

Members

Amakhaya Amahlathiwethu Athole Brooklyn Clare Craigburn Donderhoek Driehoek

Emaphepheni Ezakheni Ezimakade Fhuluphelo Green Valley Imizamoyethu Ingogo

Jabulane Konanani Libhaba Mahongwane Masibambaneni MATMT Mhlongomvula Mkhondo

Mokubulaan Msibi Ozwathini Ratomobo Ntithane Paulpietersburg Timbers Sizabantu Sukumani

Suzzanahof Tshitongwe Ukhalokamsithi Umzimkhulu GA Vezimpilo Vhembe Mbofhano Zamokunzima

Zaaihoek