

Indicator 32. Value of Wood and Nonwood Products Production as a Percentage of Gross Domestic Product

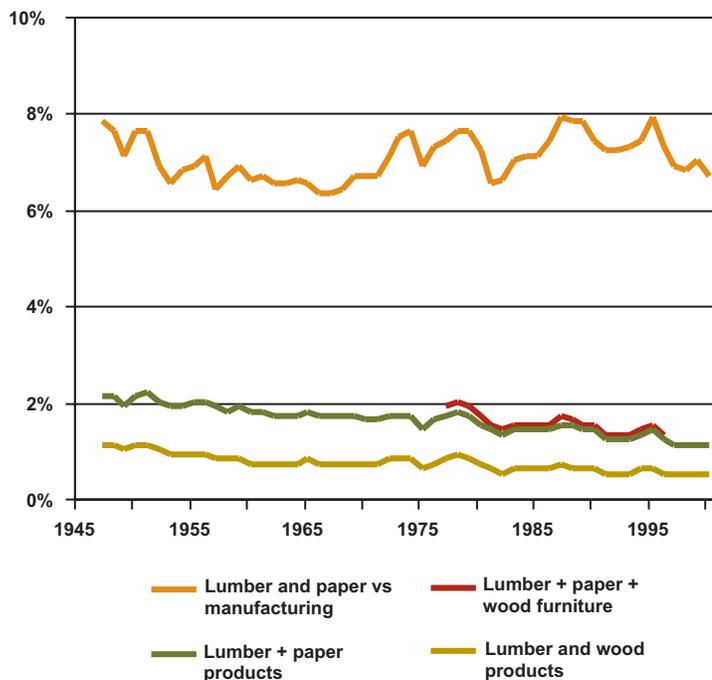


Figure 32-1. Value added for solidwood and paper industries as a percent of manufacturing Gross Domestic Product and total Gross Domestic Product, 1947–1999.

What Is the Indicator and Why Is It Important?

This indicator is one measure of the contribution of the wood and nonwood product sectors to the U.S. economy. Changes in the percentage contributions reflect changes in both the overall economy and the wood and nonwood sectors. The trend in contribution relative to all manufacturing gross domestic product (GDP) may be more informative. The trend indicates the degree to which wood and nonwood product economic contributions based on forest resources are keeping pace with other manufacturing economic contributions based on other resources. Also, an

increase in the dollar value of economic contributions of nonwood products would indicate a diversification of the sources of value from forests. The economic contribution by region or per unit of timber resource indicates variation in contribution by regions and by forest resources in regions. The indicator does not account for economic contributions to GDP based on nonproduct forest resources, such as forest-based recreation.

What Does the Indicator Show?

Contributions to U.S. GDP from the wood and paper products sector are estimated here as the value of timber harvested from nonindustrial land plus the value added by forest products industry in growing trees on their own land and value added in processing. The value of timber harvested from nonindustrial land has decreased from 0.15 percent to 0.12 percent of GDP between 1952 and 1997. The value added by lumber and wood products, paper and allied products, and wood furniture industries (value added) as a percent of GDP has decreased for each between 1947 and 1999. In total, their contribution decreased from 2 percent to 1 percent of total GDP. Their total value added as a percent of all manufacturing contributions to GDP has remained relatively constant since 1947, averaging about 7 percent for wood, paper, and wood furniture industries, and 0.5 percent for the value of timber on nonindustrial land. The contribution of nonwood forest products includes the value of the following products less the value of material inputs in producing them. The categories include (1) medicinals, (2) food and forage species, (3) floral and horticultural species, (4) resins and oils, (5) arts and crafts, and (6) game animals and furbearers. The only nationwide estimates of value available are for medicinals—in excess of \$4 billion dollars. Partial estimates for food and forage species, floral and horticultural species, and hunting and trapping indicate values of several hundred million dollars. A conservative estimate of nonwood products value is \$5 billion. Assuming the value of other material inputs is minor, the contribution of nonwood products to GDP would be about 0.05 percent.