Impact of Globalisation on the Forestry Industry: Application of Comparativeness Analyses

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Competitiveness

- competitiveness as a driving force of the economy
- measuring industrial international competitiveness
- the Slovak wood processing industry
- competitiveness indicators

Methodology

Trade Specialisation Index

$$\text{TSI}_j^A = \frac{X_j^A - M_j^A}{X_j^A + M_j^A} \quad (1)$$

where:

X_j^A - country A's export of product j (sawnwood, wood base panels)

M_j^A - country A's import of product j (sawnwood, wood base panels)

Methodology

Export/Import Ratio
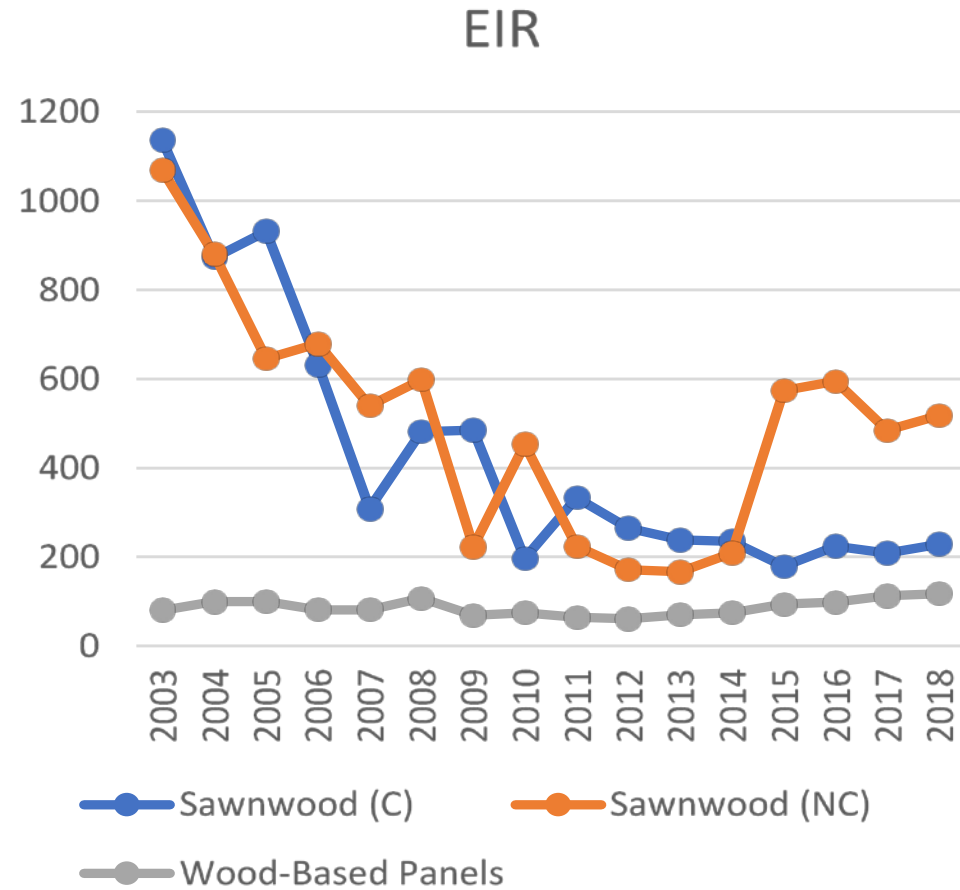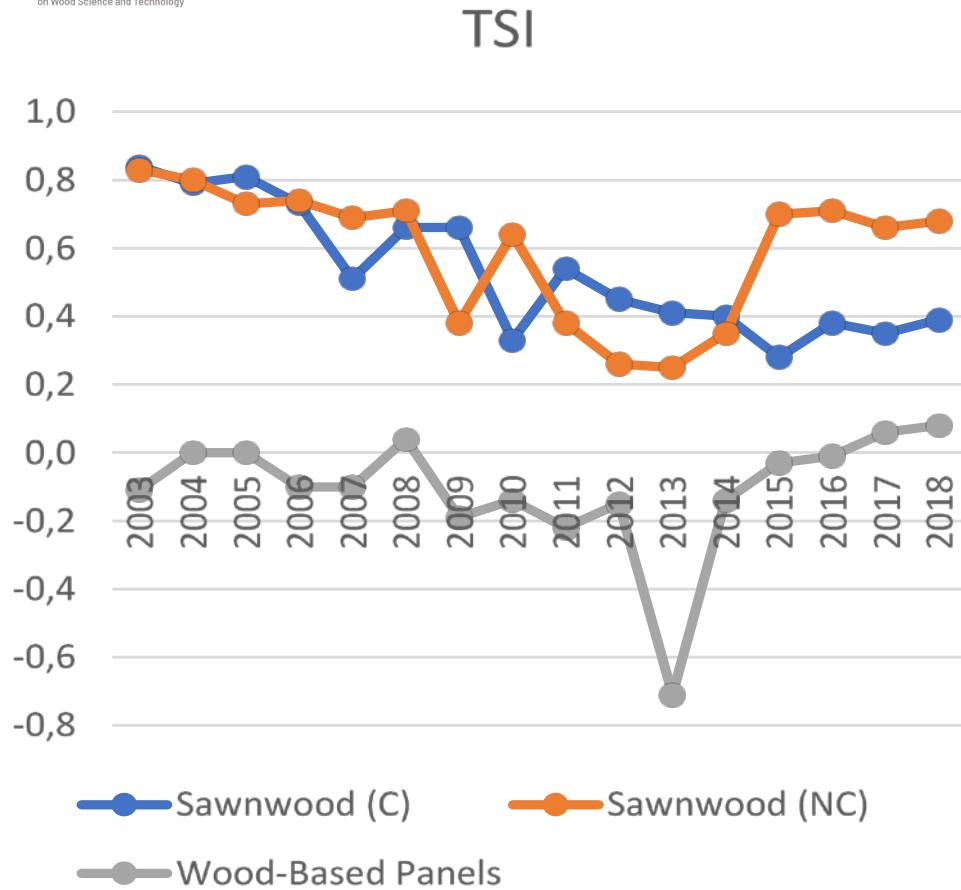
$$\mathrm{EIR}_j^A = \frac{X_j^A}{M_j^A} * 100 \quad (2)$$

The higher the value of the ratio the ⟶ more international trade ccompetitiveness

A positive value of this index ⟶ international trade competitiveness for a particular product

A negative value of the index ⟶ no international trade competitiveness

Results

- The fluctuating development of values was caused by several factors

- Impact on accidental felling and on the wood processing industries

- In 2018, data describes the higher level of coniferous sawnwood and wood based panels export

- Import also represents one of the highest values in 2008 and 2018

- In 2018 the share of coniferous sawnwood import reached 43.8 % of exports

- In 2018 the export of wood based panels reached almost 90 % compare with year 2008

- Sawnwood export was mostly realized to Hungary, Italy, the Czech Republic and Austria (64% of the total value of the sawnwood export.)

Graph 1 Values of the EIR and TSI indexes in the period from 2003 to 2018

Conclusion

- TSI and EIR indexes were calculated from the obtained data to describe the development of competitiveness in both sectors in the period from 2003 to 2018

- Positive values of indicators mean the predominance of exports over imports of analysed commodities (comparative advantage)

- Veneers (mostly from non-coniferous), OSB and fibreboards represent a comparative disadvantage

Conclusion

- The higher share of sawnwood exports over imports represents a comparative advantage

- From the terms of sustainable development and support of the national economy we cannot consider it as a positive effect

- However, it is necessary to increase the production of products with higher added value even at the cost of a comparative disadvantage

- By increasing the degree of finalization and increasing the capacity of the forest industry, we will achieve an increase in the production of high-quality commodities

Thank you for your attention!

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