A WORLD IN WHICH PEOPLE MANAGE FORESTS SUSTAINABLY

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Annex 8
(Informative)

Description of forest and wood sector in Italy

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THE STATE OF ITALIAN FOREST SECTOR

Forest resources: an overview

According to the National Inventory of Forests and Forest Carbon Sinks (IFNC), elaborated by the CRA-ISAFA (MiPAAF/ISAFA-CRA, 2015), the total national forest area has been estimated to be 10.982.013 ha.

It can be divided into *Forests* and *Other woodlands* in a ratio of 83.7% to 16.3%. The coefficient of forest density, calculated with reference to the total territory, is equal to 36.4% on a national level.

The arboriculture plantations are mostly made up of *Poplar plantations* (66,269 ha). The *Plantations of Broadleaved species* (40,985 ha) are made up in equal parts of plantations of *Eucalyptus* and other broadleaved species.

From 2005 to 2015, Italian forests (forest and other woodlands) grew from 10 467 533 hectares to 10.982.013 hectares.

The coefficient of national forest area is 36.4%, which is gradually but constantly growing, following a trend which is linked to activities of forestation and reforestation and also, in recent years, to the phenomenon of natural expansion of forests in marginal agricultural hilly and mountainous areas (ISPRA 2008).

Who do the Italian forests belong to?

In Italy, 66.4% of the total forest area is privately owned, 33.6% is publicly owned.. On a regional level, the highest level of private forests are in Liguria (82.3%), Emilia Romagna (82.0%) and Tuscany (80%), while Trentino has the highest level of state owned forests (72.2%).

The average size of forest properties is 7.51 ha, 3.0 ha if privately owned (General Census of Agriculture, 2000). These woodlands are usually very scattered and are generally not the subject of a Forest Management Plan. This constitutes a significant problem for active management of the forest resources, as well as the implementation of forest certification on a national and regional scale.

The high incidence of utilization costs in such fragmented woodlands, the difficulty in harvesting a sufficient volume of timber per surface unit, the low density of forest roads and the general poor quality of timber limit private and often public bodies in undertaking active exploitation. The final result is that the progressive increase of forest land corresponds with a decreasing interest of the owners for the continued management of such important resources.

On a national level, 81.3% of the total forest area is available for timber harvesting. For single areas, the percentage of forest area which is potentially utilisable for timber production overall is still over 50%, with lower values in Friuli (55.1%) and Valle d’Aosta (62.5%), and higher values in Umbria and the Marches with both above 94%.

From the beginning of the 1990s, there has been a significant increase in the number of forest associations and unions belonging to the *Federforeste* (National Federation of Forest Associations), which in June 2000 included 62 enterprises with a total surface area of 400,000 ha. This seems to be a fundamental way in order to overcome the difficulties and limitations of land fragmentation, which must be strongly enhanced in the future, in order to reduce total costs and make local timber more competitive in the market.

Silvicultural treatment

In Italy, forestry practices are carefully controlled and restricted by specific rules, aimed at a sustainable planning and management of forest land. Silvicultural systems are based on “close to nature” principles that must simultaneously respect socio– economic development and the enforcement of soil protection and water conservation; in other words, the multi - functionality of the forest ecosystems. Therefore, clear-cutting of high forests (forest regenerated by seeds) is forbidden, and operations leading to natural regeneration, such as selection systems and shelterwood systems (group, strip and edge), are strongly encouraged.

Coppice forests are most commonly managed on a rotational basis, when the stumps are clear-cut, but several trunks known as standards are left and distributed evenly over the land for partial coverage of the soil and for dissemination.

The uses of forests in Italy

Wood harvesting of Italian forests in 2012 has reached around 7.744 M m^3, most of which (around 60%) is wood for burning [firewood] (EUROSTAT 2015 - http://appsso.eurostat.ec.europa.eu/nui/show.do) and not for manufacturing into products.

THE STATE OF ITALIAN WOOD SECTOR

Economic features and timber use

Despite the large wooded surface area, the Italian internal supply of timber is limited. Notwithstanding the recent expansion of forest areas, in recent years there has been a decrease in the rate of harvesting (the ratio between the harvest and the forest area), which has registered an inversion of the trend between 2000 (the year when 9.242.130 m^3 of wood was harvested and a yield of 1,7 m^3/ha) and 2005 (with a yield of 1,2 m^3/ha). This decrease particularly impacted on timber for manufacturing (40% lower than in 2000 – ISTAT 2006). This decrease is comprised of 70% of broadleaved species, in particular poplar plantations (45%).

The significant incidence of industrial roundwood originating from poplar plantations illustrates the low utilisation rate of natural forests. This situation may be due to strict forest policies and particularly to an extremely low technological level of local forest enterprises that leads, as a natural consequence, to high harvesting costs and makes the wood non-competitive against supplies in neighbouring countries.

Italian wood industry - 2008

A totally different situation characterizes the Italian wood industry, which has a world-wide leading position in wood-working machinery and provides as much added value as possible to the raw material.

Italy is the sixth largest importer in the world and the second largest European importer of wood, wood products, wood pulp and paper after the UK. It plays a major commercial role in other areas of the forest-wood sector: in 2006, the total value of Italian imports was $13.44 billion USD, while exports were $8.39 billion USD, with an import-export deficit of $5.05 billion USD (ISPRA 97/2009).

Italy has around 10% of the world furniture market. Italy is the biggest exporter of wood furnishings in Europe, and the second largest exporter in the world of furniture after China (CSIL, 2005; ITTO, 2007). The furniture sector is highly export driven and produces around 72% of wood exports. In 2002, the Italian wood-furnishing sector had a 16,5% share of world exports with €38.100 million production turnover, €12.700 million export and €7.400 million balance.

The wood products for building sector, which includes companies (usually small or medium size) which produce semi-finished goods and finished products for residential building and other buildings, is the largest sector, with more than 55% of the workers. This sector takes up 24% of the workers of the entire wood-furniture sector.

Italy is the fifth largest world-wide importer of broadleaved timber, with a share reaching 5% of the total imports ($671.6 million USD from 2003-2006). For coniferous sawn wood, Italy is the fourth largest world-wide importer with a total value of $5, 149.7 million USD.

Italy is the fourth largest world-wide importer of wood pulp and cellulose, with a total value of imports of $7,975.1 USD (7% of worldwide imports in the period 2003-2007). It is also the fifth largest world-wide importer of paper with a total value of $2,057.3 million USD, equivalent to around 4% of total world imports from 2003-2006, but Italy is also the second largest exporter of tissue paper (with a width over 36mm) for domestic and toilet use.

Italy is the largest world-wide importer of wood for burning, with around 28% of worldwide imports, for a total value in 2006-2008 of $196.6 million USD.

Italy is also the sixth largest importer of coniferous wood chips and the eighth largest importer of broadleaved wood chips, while also being the third largest importer, after the USA and Denmark, of sawdust and other residues from wood manufacturing, with around 10.5% of the worldwide total.

On a world-wide level, Italy plays a major role in the field of exports of finished wood products. Total exports are $1,063.3 USD, which correspond to 12.7% of the total international exports between 2003 and 2006.

Italy is the fourth largest world-wide exporter of picture frames and mirror frames and other similar products at $269.3 million USD from 2003-2006, which corresponds to around 7% of the total value of worldwide exports of these products in the same period. Italy is the third largest exporter in the world of lathe-worked products (handles, knobs) at $70.7 million USD which corresponds to 7.2 % of the total worldwide exports.

Regarding furniture, there are two categories: seating furniture and other furniture. For seating furniture, Italy is the largest and second largest world-wide exporter respectively of stuffed seating with a wooden structure and non-stuffed seating with a wooden structure and without upholstering.

In the case of stuffed seating, the exports were about $9,094.6 million USD in 2003-2006, which corresponds to 26% of the total of worldwide exports. In the second category, however, exports were $949.5 million USD, which corresponds to 11% of worldwide exports in this sector.

For bedroom furniture, Italy is the fourth largest exporter in the sub-sector of bedroom furniture, with total exports of $1,873,8 million USD, corresponding to 8% of worldwide exports.

Italy is the second largest exporter for another three sub-categories of furniture: office furniture, kitchen furniture and “other furniture”. The value of exports for these sub-categories is $1,275.8 million USD (12.5% of the total), $2,535.2 million USD (15%) and $8,373.8 million USD (12.4%) respectively. However, Italy has seen a sharp increase in imported furniture in recent years (ISPRA 97/2009).

In 2008, the national wood industry employed 408, 464 employees, with a total of 75,299 companies (figures from Federlegno). Not included in these figures are workers and companies such as forest workers and timber and wood traders as they are classified by the ISTAT (National Statistics Office) as belonging to the agricultural and trade sectors and make up a total of a further 8,000 companies.

Companies in the wood-furniture sector are usually small-medium sized (companies with between 5-12 employees) and are mostly regarded as craftsmen (87%). 24% of the companies market wood products whose origin is certified by forest certification schemes. The small size of these companies has in the past been one of the most important factors for quality in the manufacturing sectors, but currently, the wood market seems to favour larger companies due to a greater degree of productive specialization and with higher levels of efficiency in product commercialisation.

Final considerations

An overview of the Italian forest and wood product sectors shows the existence of several contrasts and contradictions, particularly the lack of integration between forest activities and the wood industry. Internal supply of timber is able to cover small niches only, thus the industry has to rely on the import of rough and semi-finished products. One of the most evident and worrying consequences is the lack of interest in a continuous and efficient exploitation of local resources, mainly by small owners, leading to a progressive abandoning of woodland and land in general. The negative effect of such a situation may also reflect on tourism, which plays a very important role in Italy, and all those recreational services that are nowadays increasingly in demand.

At the present time, overcoming these difficulties is the main challenge in Italian forest and wood product sectors. Some ways that this can be achieved include the promotion of reforms in administrative structures (simplifying procedures) and the experimentation of new models for organizing management of forest operations on a long term perspective.