

ECONOMICS OF SLOVENIAN WOOD-INDUSTRY

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*Kozina (Slovenia)
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INTRODUCTION

- ✗ Studying of business performance is crucial in efforts to ensure
 - + long-term success and existence of any company and
 - + appropriate development directions of any branch.



GOALS

- ✗ to calculate and display the selected **aggregate economic indicators of wood industry** (i.e. financial result, profitability...)
- ✗ to estimate the **economic situation of Slovenian wood industry**.

WORKING METHOD

- ✖ data from official statistical databases (year 2010) and some in-depth analysis of selected key performance indicators in the Slovenian economy and/or in Slovenian wood-industry:
 - + sector C16 (wood processing – except furniture) and
 - + C31 (manufacture of furniture).
- ✖ At the branch level following indicators were calculated:
 - + financial result,
 - + operating efficiency,
 - + return on assets (ROA),
 - + labor costs and gross value added (GVA)

$$\text{GVA per employee} = \frac{\sum \text{Gross value added}}{\sum \text{Number of employees}}$$

RESULTS

✗ In the year 2010:

- + 875 wood-industry companies (excluding solo proprietorship)
- + total revenue was 1.039 million € (958 million € in 2009, 1.191 million € in 2008 and 1.320 million € in 2007),
- + expenses were 1.064 million € (982 million € in 2009, 1.209 million € in 2008 and 1.294 million € in 2007).
- + Branch had negative result from operations of € 29.5 million € net loss or 4.3-times more than in 2008 (-6.8 million €) – figure 1

Figure 1: Evolution of net profit/ loss in the wood-industry branch

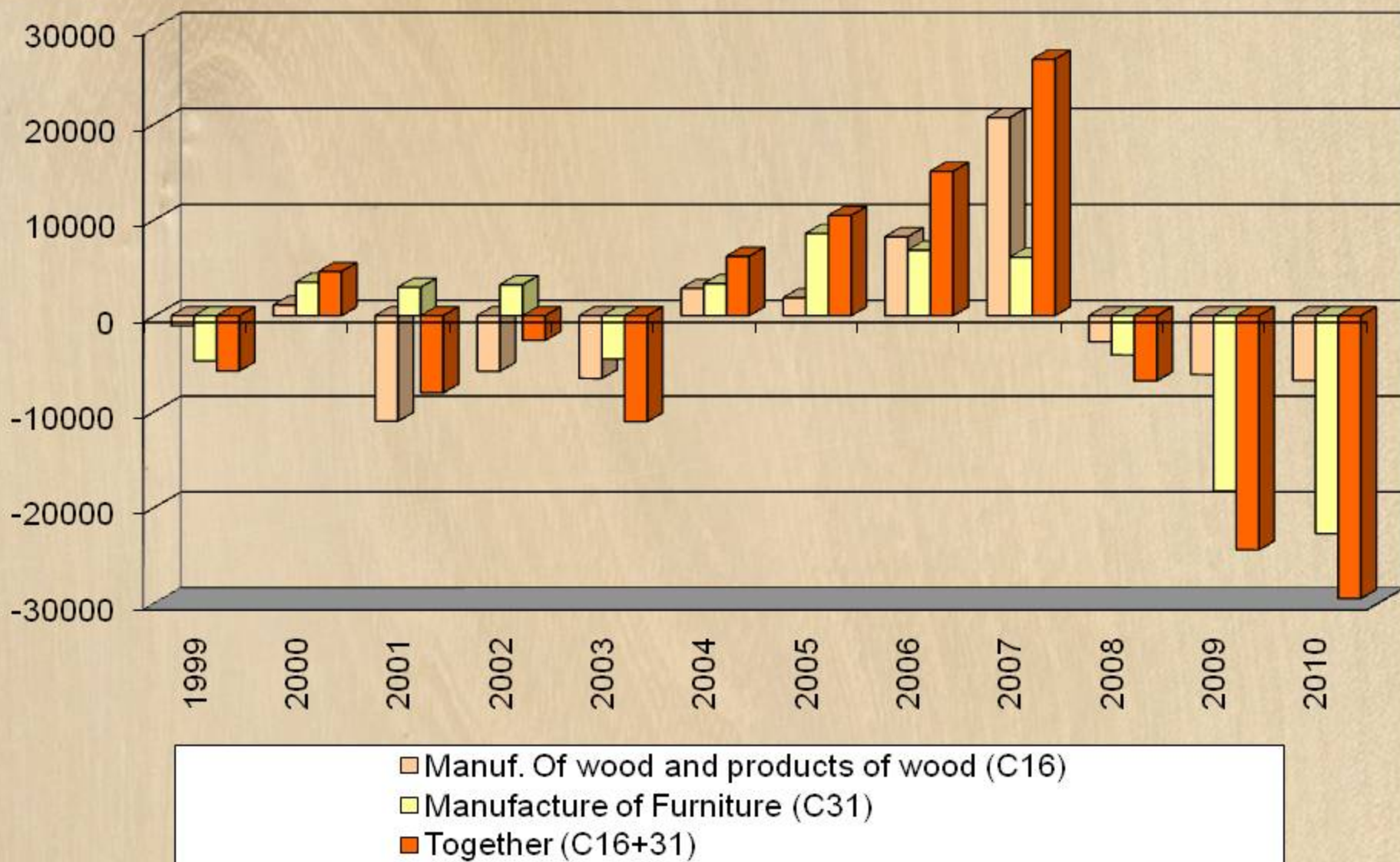


Figure 2: Evolution of employment in the wood industry companies

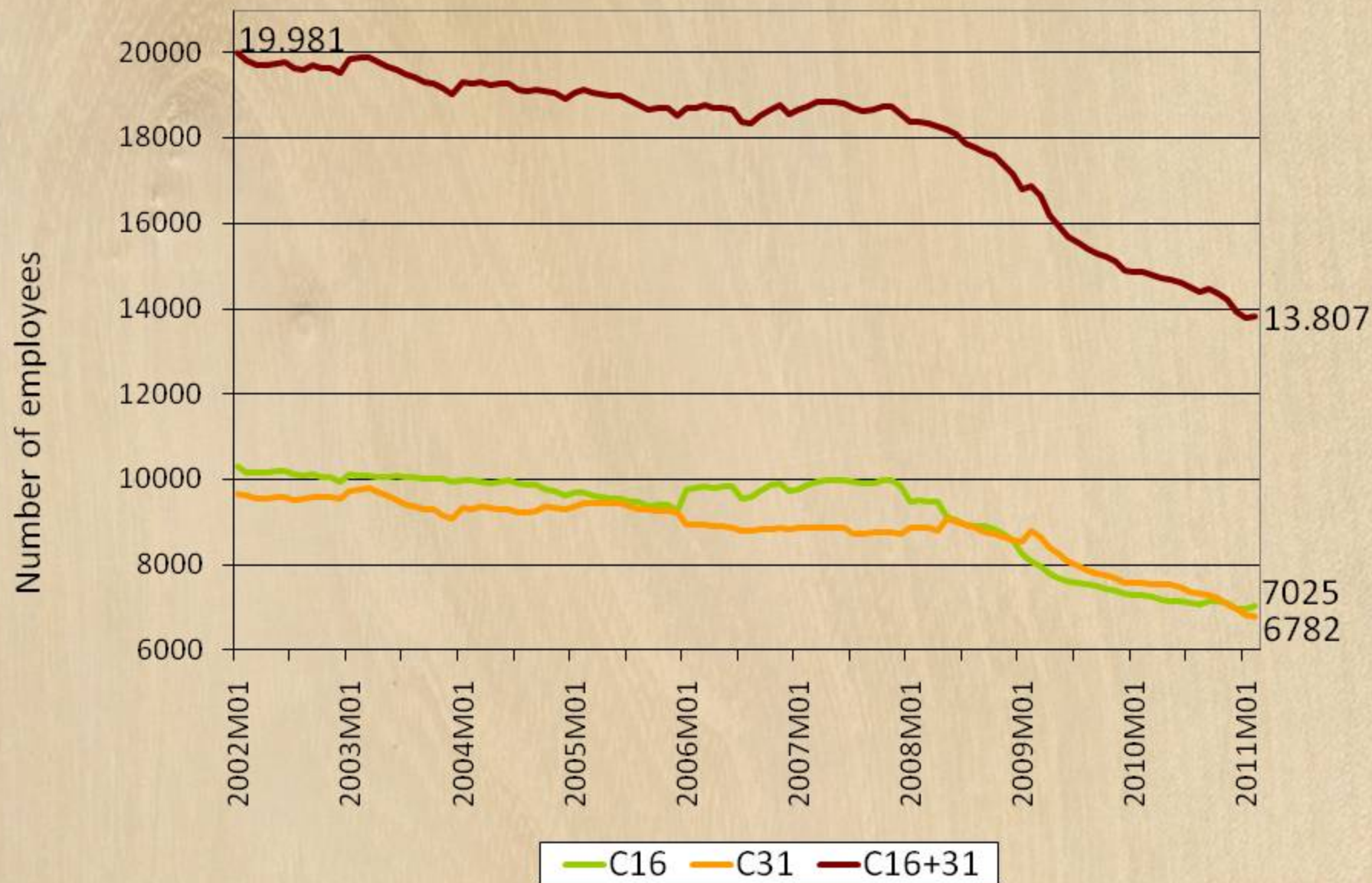
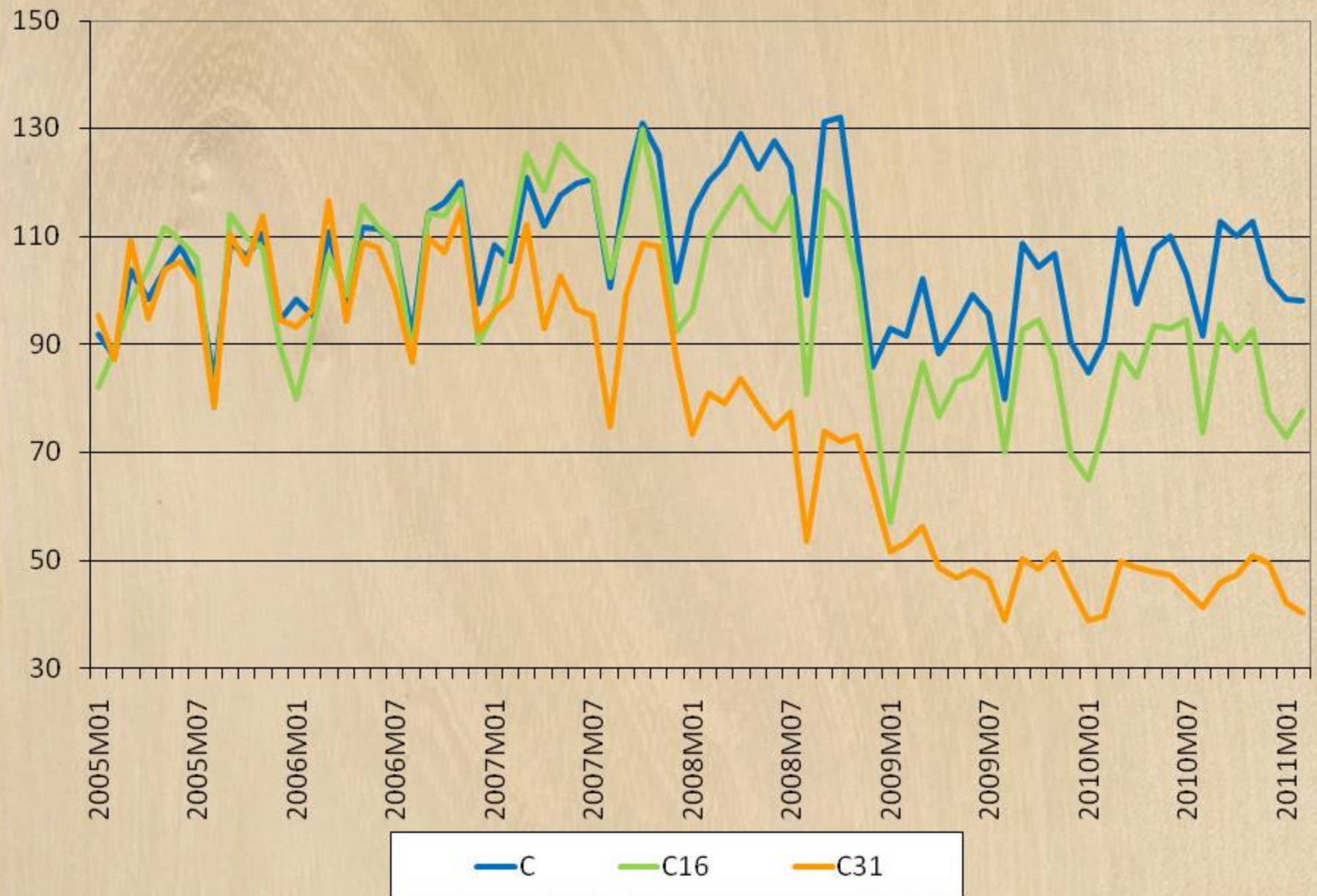


Figure 2a: Index of industry production trends



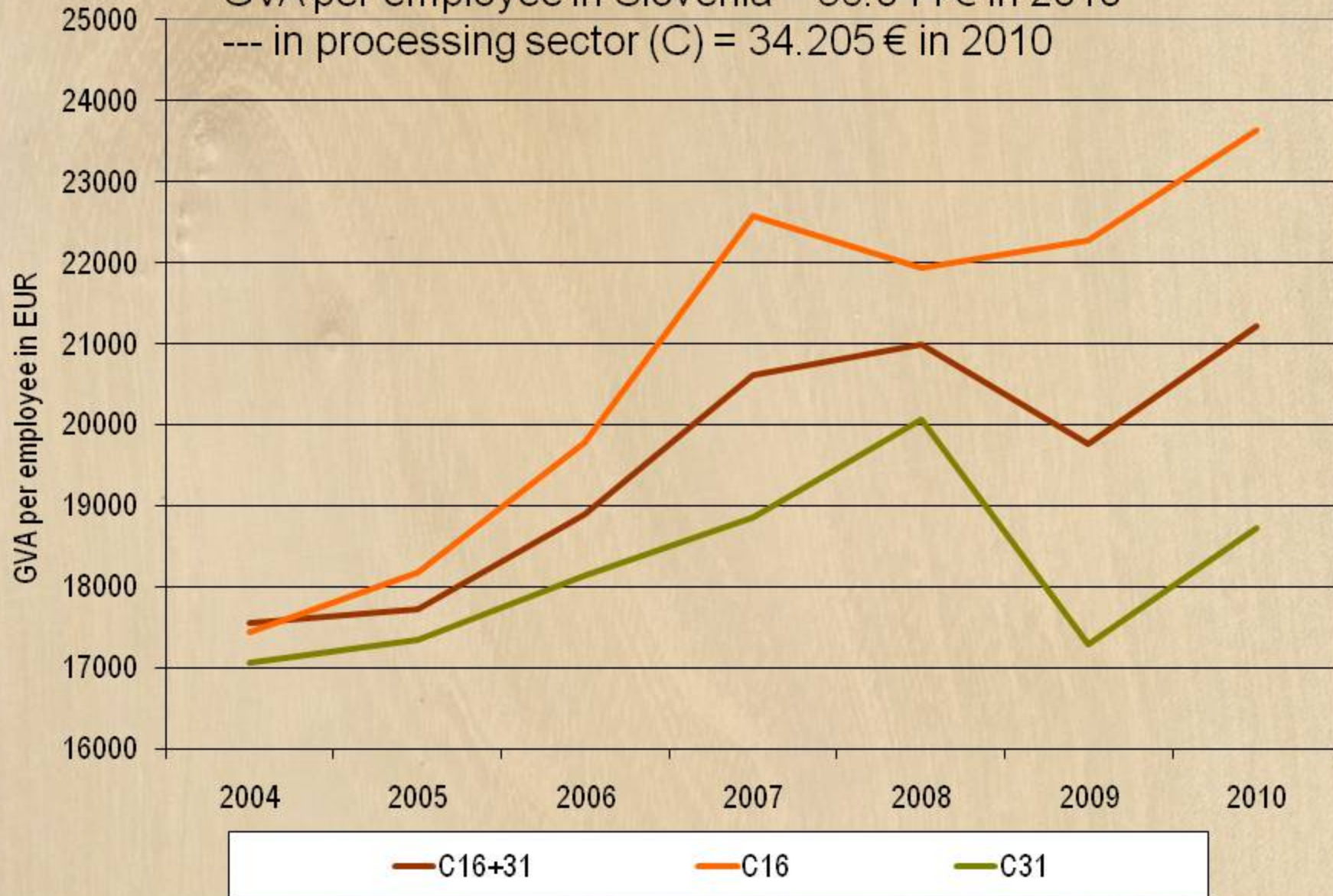
RESULTS

- ✖ Operating efficiency = 0,977 or 0.2% more than in 2009.
- ✖ Return on assets (ROA) = -2.8%.
- ✖ In general, sector C31 suffered greater drop in profits than sector C16.
 - + In absolute terms, sector C31 contribute almost 77% of the total net loss of the branch.

Figure 3: Growth in value added per employee

GVA per employee in Slovenia = 36.044 € in 2010

--- in processing sector (C) = 34.205 € in 2010



RESULTS

✕ In the year 2010:

+ **Net revenues from sales in the domestic market**

✕ (C16) – 1,3%, and in

✕ (C31) + 5,7%.

+ **Net revenues from sales in foreign markets**

✕ in C16 raise by 10,8%; their share in the structure was 49,9%.

✕ and in C31 by 2,4%; their share in the structure was 41,3%.

+ Overall, the net revenues from the sale of wood-processing branch have increased by 6,7%.



The main export articles

- Residence Furniture (kitchens, rooms, upholstery, chairs and tables...)
- Prefabricated wooden houses
- Building Joinery (windows, doors...)
- Wood based panels, glued construction elements, veneer, ...
- Custom made furniture for objects / Engineering
- Primary wood products (sawn wood and elements, biomass...)

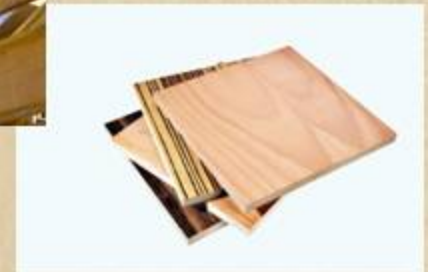
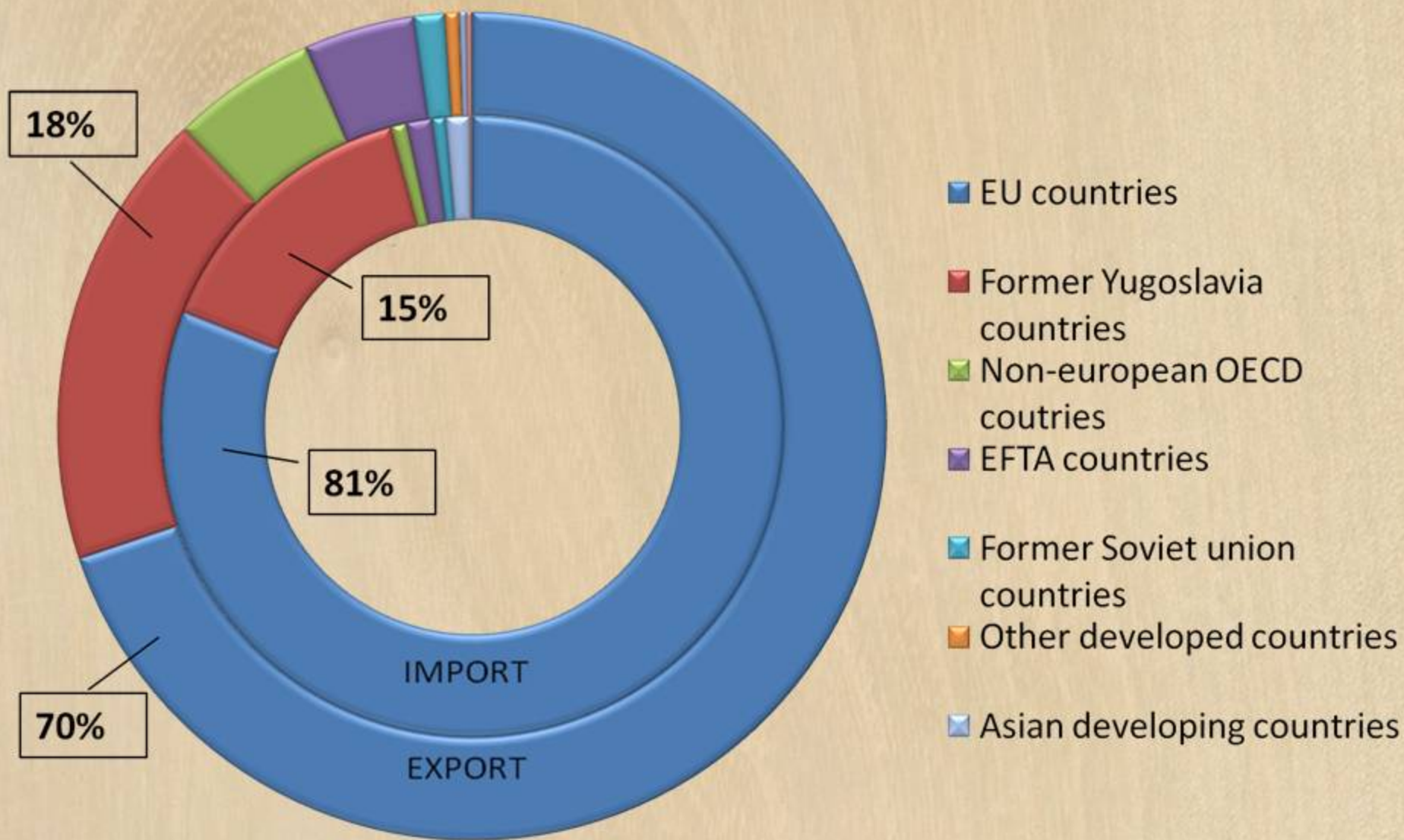


Figure 4: Share of external trade by economic groups



CONCLUSIONS

- ✗ The trend of employment in the wood-industry in recent years is markedly declining.
- ✗ In the year 2010 wood-industry companies generated a negative financial result from operations of 29.5 million €
- ✗ The weak growth in sales on both the domestic and foreign markets has been noticed.
- ✗ In general, economic performance indicators slightly worsened regarding the previous year.

CONCLUSIONS

- ✖ Net revenues from sales in foreign markets in 2010 slightly increased,
 - + their share in the structure of the net revenues from the sales was slightly under 50%.
- ✖ In 2010, exports and imports in absolute value slightly increased, what means that the surplus of the branch in trade remain same to previous year.
- ✖ The main export / import markets remain Germany, Italy, Croatia and Austria.
- ✖ THE ECONOMIC CRISIS STILL NOT FINISHED FOR SLOVENIAN WOOD PROCESSING BRANCH. THE MOST AFFECTED IS FURNITURE MANUFACTURING!

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**THANK YOU VERY MUCH FOR YOUR
ATTENTION!**

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