



INTERDEPENDENCE OF TOTAL REVENUE AND

EMPLOYMENT IN THE WOOD SECTOR

WoodEMA Conference – Development trends in economics and management in wood processing and furniture manufacturing

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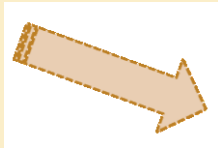
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1. INTRODUCTION

Wood Processing and Furniture Manufacturing



. . . has always been a significant segment of Croatian economy, based on domestic natural resources and qualitative human capital . . .

One of the important indicators of business is their size - - - - - expressed in

- ❖ total revenue and
- ❖ number of employees



Low revenue per employee in comparison to similar companies is a bad sign, often boding possible failure!

For every business entity it is important to gain understanding of the general economic condition as well as conditions in the sector that can or will affect its business success.

THE OBJECTIVE WAS TO DEFINE TRENDS IN TOTAL REVENUE AND NUMBER OF EMPLOYEES IN THE FIELD OF WOOD PROCESSING AND FURNITURE MANUFACTURING

2. MATERIALS AND METHODS

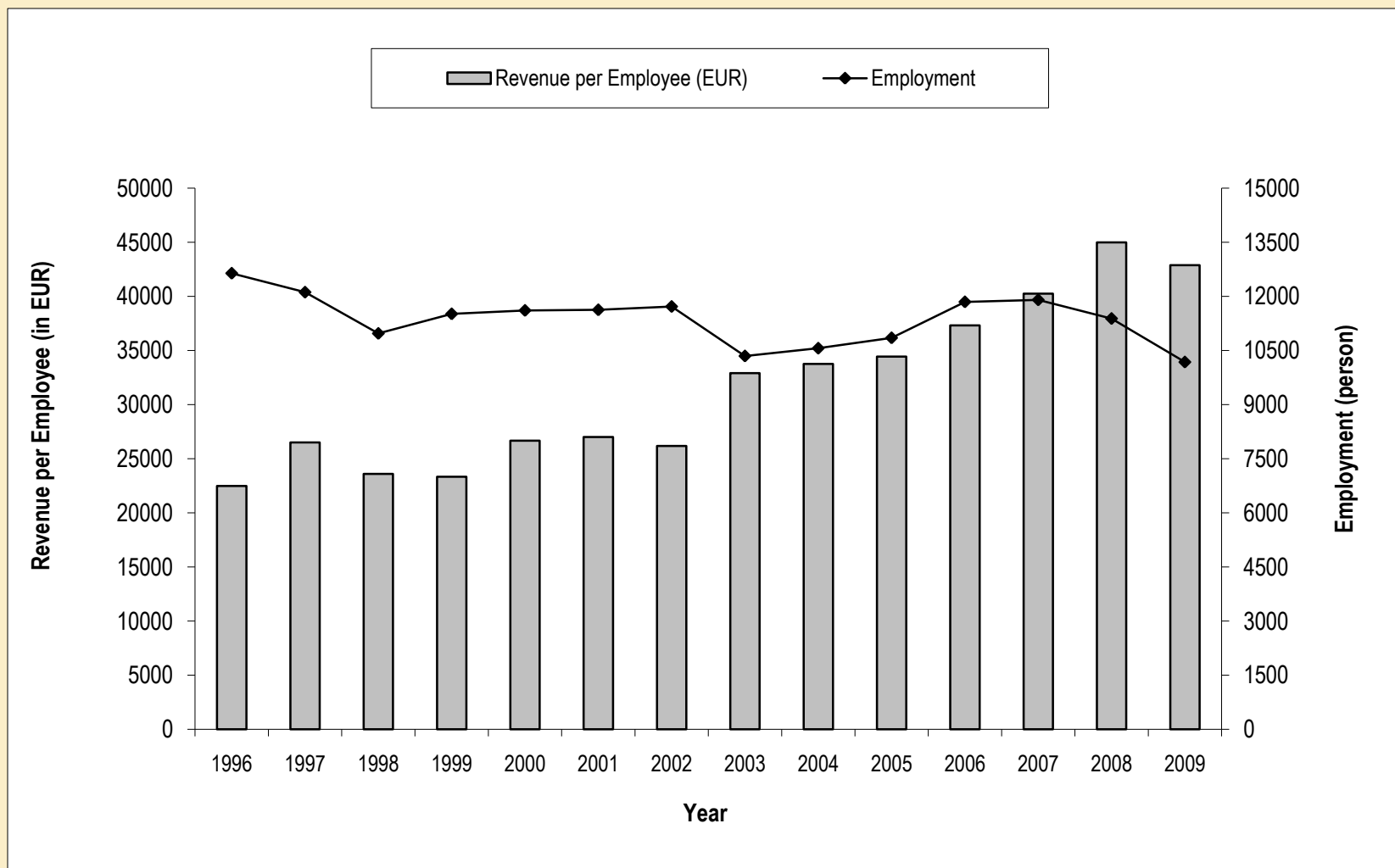
- data obtained from Croatian's State Bureau of Statistics, Ministry of Finance and Financial Agency
- by 2007 the Clasification of Activities was carried out on the basis of National Clasification of Economics Activities (NCEA) 2002 and since 2007 classification is based on NCEA 2007, BUT in this research the classification is conduced on the basis of NCEA 2007
- Based on the National Classification Activities (Regulation on Business Subjects Classification according to the National Classification Fo Economic Activities NCEA 2007, Official Gazette No. 58/07) these data were divided into two categories:
 - a) ***C 16 – Wood processing***
 - b) ***C 31 - Furniture Manufacturing***

3. RESULTS

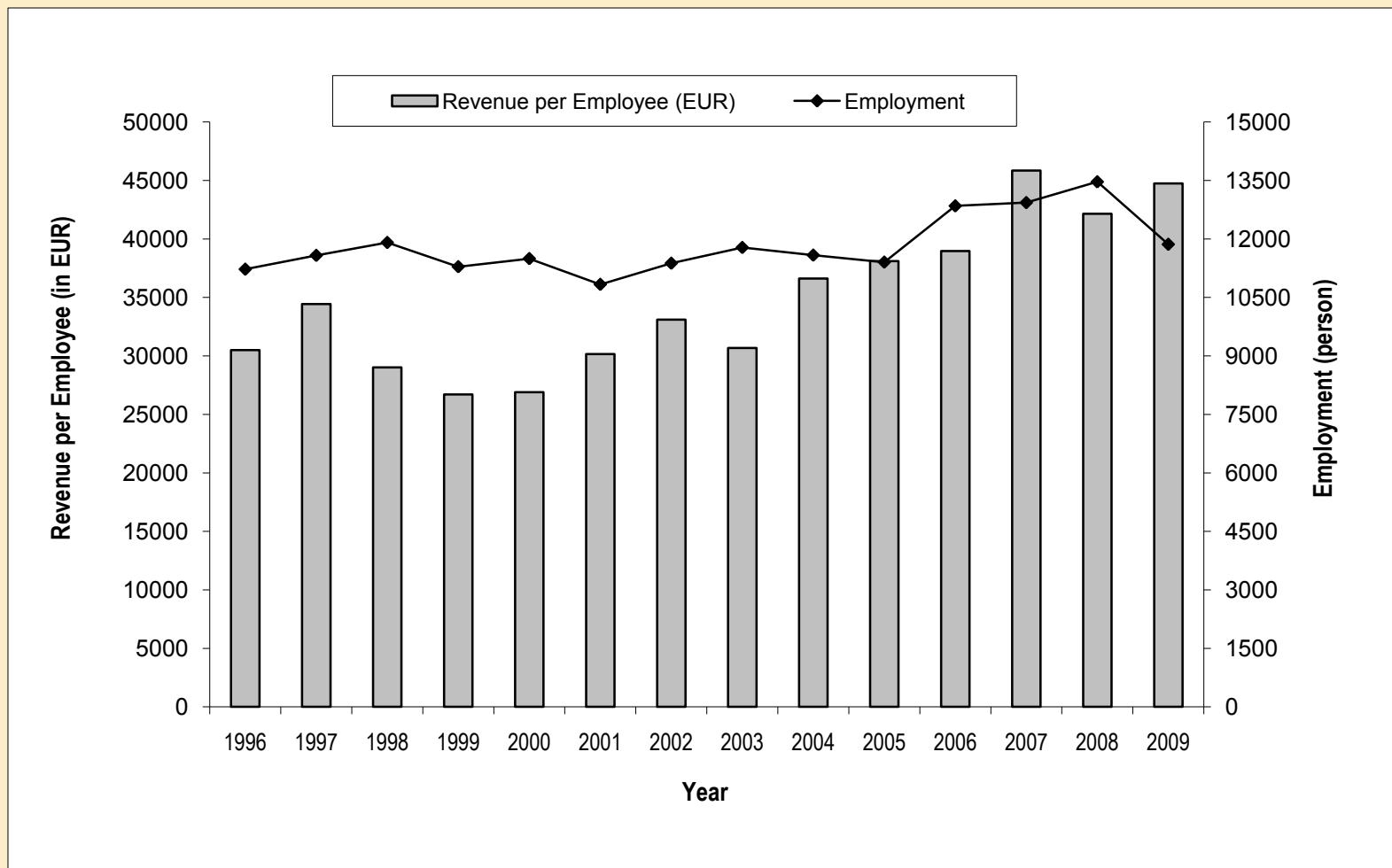
Furniture manufacturing and wood processing business indicators in Croatia from 1996 to 2009

Year	Furniture manufacturing (C 31)			Wood processing (C 16)		
	Revenue (Million EUR)	Employment (person)	Revenue per Employee (EUR)	Revenue (Million EUR)	Employment (person)	Revenue per Employee (EUR)
1996	284.2	12 641	22.486	342,3	11 223	30.498
1997	321.2	12 116	26.510	398,7	11 577	34.440
1998	258.9	10 973	23.594	345,6	11 908	29.026
1999	268.7	11 515	23.332	301,4	11 287	26.706
2000	291.4	11 611	26.669	309,2	11 495	26.896
2001	312.6	11 627	27.010	326,8	10 833	30.165
2002	306.8	11 719	26.177	376,6	11 376	33.106
2003	340.6	10 348	32.914	361,4	11 780	30.679
2004	356.6	10 563	33.760	424,2	11 584	36.619
2005	374.4	10 851	34.444	434,5	11 404	38.104
2006	442.2	11 848	37.326	500,5	12 848	38.967
2007	478.8	11 904	40.255	592,8	12 932	45.843
2008	512.2	11 386	44.985	567,7	13 466	42.157
2009	436.6	10 180	42.884	530,7	11 862	44.742
Average	356.1	11 377	31.596	415.2	11 826	34.853

Employment and revenue per employee trends in FURNITURE MANUFACTURING in Croatia from 1996 to 2009



Employment and revenue per employee trends in WOOD PROCESSING in Croatia from 1996 to 2009



Wood processing and furniture manufacturing revenue shares in manufacturing industry from 2007 to 2009

REVENUE	2007		2008		2009	
	Value	Percentage	Value	Percentage	Value	Percentage
	Million EUR	%	Million EUR	%	Million EUR	%
Manufacturing industry(C)	21,911	100,0	24,144	100,0	20,251	100,0
Wood processing (C16)	593	2,7	568	2,4	531	2,6
Furniture manufacturing (C 31)	479	2,2	512	2,1	437	2,2

- Total revenue in the manufacturing industry was 21.9 billion EUR, in 2008 it rose to 24.1 billion EUR, but in 2009 it dropped to 20.3 billion EUR.

-In terms of revenue share realized in the field of wood processing and furniture manufacture in the total revenue realized by the processing industry in the observed period (2007 to 2009), the share of revenue of wood processing in the total revenue realized by the processing industry amounted to 2.7% (in 2007), 2.4% (in 2008), and 2.6% (in 2009).

-The share of revenue realized by furniture production in the total revenue of the processing industry amounted to 2.2% in 2007, 2.1% in 2008, while in 2009 it went back to the percentage from 2007 and amounted to 2.2%.

In terms of the share of both wood processing and furniture manufacture in the total revenue of the processing industry in all the observed years, the share of wood processing was higher in relation to the share of furniture production.

Wood processing and furniture manufacturing employment shares in manufacturing industry from 2007 to 2009

EMPLOYMENT	2007		2008		2009	
	People	Percentage	People	Percentage	People	Percentage
Manufacturing industry (C)	257314	100,0	260661	100,0	242057	100,0
Wood processing (C16)	12932	5,0	13466	5,2	11862	4,9
Furniture manufacturing (C 31)	11904	4,6	11386	4,4	10180	4,2

4. SUMMARY

- ❖ The highest revenue in the field of furniture manufacture was realized in 2008 and amounted to 512.2 million EUR, while the lowest occurred in 1998, when it reached 258.9 million EUR.
- ❖ The average total realized revenue in the furniture industry in the 13-year period was 356.1 million EUR.
- ❖ The highest employment rate in the field of furniture manufacture was recorded in 1996, including 12,641 persons, and the lowest in 2009, when 10,180 people were employed in the said industry.
- ❖ The employment trend in the observed period (from 1996 to 2009) did not manifest constant growth or decline.
- ❖ Average employment in wood processing was 11,377 people.
- ❖ However, considering the quality of the raw material potential, wood processing tradition and strong growing trend of using wood as ecological and renewable material, it is realistic to expect further increase of production and total income and numbers of employees of the Croatian wood industry even last two years have been very hard for the sector.

Thank you



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