

# Thousands lose jobs as timber production wanes

At least 12 500 workers have lost their jobs in the forestry sector since 2008 according to Michael Peter, executive director of Forestry South Africa, mainly as a result of the sharp decline in timber production, which dropped from 19-million tons in 2008 to 15-million tons in 2010.

*Business Report* quotes Peter as saying that the industry is worth about r40-billion a year and it is likely to shed more jobs in the months ahead as timber production and demand continues to slide.

The local forestry industry does not benefit from tariff protection - unlike many other countries around the world - and it was also situated far from international markets. Peter says that exorbitant, unpredictable and unsustainable price increases in transportation costs and electricity were making times hard for the timber producers.

Peter says that transport costs represent about 50% of timber production costs. He criticised Transnet for setting freight costs "unilaterally" alleging that there was no transparency in its pricing policies and no negotiations with timber producers.

The association has called for a freeze on tariffs.

Read the [full article](#) on [www.iol.co.za](http://www.iol.co.za).

Read more on [Forestry South Africa](#).

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