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**TELEVISION HOST:** [ELSA ESTERHUIZEN](#)  
**TELEVISION GUEST:** [RONALD HEATH](#), RESEARCH DIRECTOR AT  
FORESTRY SA

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**HOST: ELSA ESTERHUIZEN**

*Forestry South Africa kicked 2020 off on a high note with a brand-new website but what does this mean for the organisation and the industry? Ronald Heath will be talking about this now. Well done and a warm welcome to you Ronald.*

**GUEST: RONALD HEATH, RESEARCH DIRECTOR AT FORESTRY SA**

*Morning and thank you Elsa.*

**HOST: ELSA ESTERHUIZEN**

*Tell us a little more about Forestry South Africa's new website.*

**GUEST: RONALD HEATH**

*In 2019, we developed a strategy to drive our communications and marketing initiatives and a new website was one of the priorities. So, in January, we launched a new website, [forestrysouthafrica.co.za](http://forestrysouthafrica.co.za), that showcases our corporate image a little better to our members and the community as a whole as well as providing a better service to our members.*

*Forestry has historically had a very negative image which we are working very hard to correct. Although a lot of this is historical and no longer relevant today, we believe that we can achieve this change through the web page as well.*

**HOST: ELSA ESTERHUIZEN**

*And what new developments have been made possible thanks to this new website?*

**GUEST: RONALD HEATH**

*In addition to the website presenting the role and structure of the association, it provides a number of case studies available in the industry on sustainability and community support as well as many activities in the plantations in which the public can participate such as bird watching and walking or just enjoying nature.*

*In addition to this, we have the latest statistics available as well as relevant legislation.*

*One of the exciting changes is that we have now included a membership page where only our members have access to information pertinent to what is going on in the industry at the moment as well as to a research document developed through funding from Forestry South Africa.*

**HOST: ELSA ESTERHUIZEN**

*When you look at the economy, locally and internationally, we are all quite aware of what is going on. How do trading conditions specifically affect the forestry industry?*

**GUEST: RONALD HEATH**

*Like other sectors, the forestry sector is clearly feeling the pressure. With limited infrastructure development in South Africa at the moment, the sawmill industry is very much affected because most wood is used in the manufacturing of roof trusses. In 2019, we saw an almost 2% decline in sawmill production.*

*The trade war between China and America saw a drastic fall in the pulp price of almost \$310 a tonne, an almost 32% decrease. Pulp represents 64% of our production. You can imagine what effect this had on the forestry sector. So, for 2019, we saw an almost 5.6% drop in production, mainly due to weaker markets.*

**HOST: ELSA ESTERHUIZEN**

*Stay tuned for the rest of the conversation. Now the latest agricultural calendar.*

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**HOST: ELSA ESTERHUIZEN**

*We are talking to Ronald Heath about the state of the forestry industry. Now it seems that the industry is going through a very difficult time, or are there positive developments?*

**GUEST: RONALD HEATH**

*Yes, we are in very difficult times, locally and internationally, but there are definitely good signs. In 2019, the industry indicated that it would invest almost 19 billion rand in the next five years from 2019 to 2024 in new development, diversification, product development and energy generation in the sector.*

*Even in 2019, which was a bad year, the industry invested six billion rand of this amount and created about a thousand jobs, a good sign of growth in the sector going forward.*

**HOST: ELSA ESTERHUIZEN**

*What drove these investments?*

**GUEST: RONALD HEATH**

*I can't say they were driven by any specific factors, but I would comment that we are a very progressive and proactive sector and don't just rest on our laurels and wait for the markets to get better. There will always be competition in the timber market and we have to be ready. We are seeing a lot of product diversification which, together with energy generation, has triggered some of these investments.*

*It's also important to mention a specific intervention, the Presidential Public Private Growth Initiative, launched last year. This has prompted one of our major members to indicate that they themselves, will invest a further 14 billion rand in developing this sector and I think this is one of the big positives that has initiated investment. In short, the industry is in a place where it can grow and there is good opportunity for growth.*

**HOST: ELSA ESTERHUIZEN**

*You have referred to the fact that the industry is very competitive, so it is important to keep abreast of what is going on.*

**GUEST: RONALD HEATH**

*Yes, definitely. We often see competition with materials such as steel and all kinds of plastics being used instead of wood. Many people write at the bottom of emails, 'don't print this email' but these are actually all good things. These are materials that include carbon and, based on the pressures of climate change, this is important to us and we need to look at it, as I said, to diversify and keep competition going and to market paper, wood and relevant products made from wood in South Africa and internationally.*

**HOST: ELSA ESTERHUIZEN**

*Then there is the Public Private Growth Initiative, what influence did it have on the industry?*

**GUEST: RONALD HEATH**

*Translation: As I said, for us it has had a very, very positive impact. Apart from the additional investment that the initiative has unlocked in the sector, we have already seen progress in the last year. Some of the major positive developments are changes in water licence permits that are applied to promote industry growth. In the last ten/fifteen years, this has been one of the biggest obstacles to growing and foresting new areas.*

*As I said, real progress has been made that makes the process easier. Conditions on licensing are much more impactful for a person who enters into forestry which is a very good development that is mainly driven by the PPGO that you referred to.*

*Also recently announced, are the changes in electricity generation where industries are now able to generate their own electricity and then sell it into the international system which was not previously possible. This was mentioned and discussed during the state of the nation address last week.*

*One of the major developments for us is the recapitalisation of almost 64,000 hectares of state plantations now run by the Department of Environmental Affairs, Forestry and Fisheries and then the reforestation of areas in the Southern Cape which is very important to us, especially after the impact of the 2017/2018 fires.*

**HOST: ELSA ESTERHUIZEN**

*Well, we only have a few seconds left but is there something else or more that can be done to promote the growth of this industry?*

**GUEST: RONALD HEATH**

*No, I do not believe so. I believe, as I said, the industry is very proactive, and in areas such as land reform we have been incredibly successful. Historically, land that has been handed over to the rightful owners has left us with 100% success where these plantations are still being driven.*

*We work closely with our communities. There are many structures we use not only to help communities get into forestry when land is returned to them, but for the transfer of technology, genetic materials and ensuring that there are markets for small growers. And*

*with land reform, we are actually seeing that the structure in South Africa, and how the land is managed is going to change, and we are going to see a lot more small growers. So, we are proactive with these types of things and we are proactive on product development and I think we are just going to see growth ahead.*

**HOST: ELSA ESTERHUIZEN**

*Thank you so much for coming and talking to us. That was Ronald Heath. Tune in tomorrow morning around half past five when we focus on the latest agricultural news and then stay tuned for Groot Ontbyt at 6am.*

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