

## The *Journal of Forest Business Research* to Support Sustainable Forest Investments for Economic, Social, and Environmental Benefits

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The forest sector plays an important role in sustainable development for market and nonmarket goods and services. Investors and policy makers are increasingly seeking to rely on forests to provide both commercial forest products and nature-based solutions that will meet consumer demands and contribute to bioenergy, climate change amelioration, and biodiversity. To meet the expectations of climate and energy policies, forecasts estimate that more than US\$70 billion of investments are needed annually by 2050. To achieve this level of investments, these increasing demands for investments in forests must be based on scientific research, reliable data, and credible business applications. In the era of information overload, access to peer-reviewed open-access journals has never been more critical than it is now. We summarize the role of our new *Journal of Forest Business Research* in providing improved applied research for practitioners seeking to achieve better outcomes relative to investment, finance, and economic goals for sustainable development.

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### Private and Public Forest Investments Drive Sustainable Development

Forestry and forest products markets play an essential role in global sustainable development, consisting of the classical three pillars: economic, environmental, and social. Just as these different components of development must be balanced, so must the science and research that underlies such knowledge, policies, and practice. In order to contribute to increased knowledge for practitioners about forest investments for private and public goods and services, we have started a new journal, *Journal of Forest Business Research* (JFBR). In fact, JFBR draws significantly from the concept and the format employed here in *Bioresources*.

Drawing from our introduction to JFBR regarding economic criteria (Chudy *et al.* 2022), we note that: “Research and applications of forest finance and economics have increased greatly in the last few decades as forests have become more important for active investments by a diverse set of private and public landowners, including traditional small private, industrial, and government owners. In addition, new groups of forest landowner structures and categories have emerged, including timber investment management organizations (TIMOs) and Real Estate Investment Trusts (REITs), as well as various community partnerships, environmental nongovernment organizations (ENGOS), and land

trusts. These groups have been attracted to forests not only for the commodity and ‘provisioning’ services (*e.g.*, wood fiber and fuel) that forests provide, but also for regulating (*e.g.* climate and flood), cultural (*e.g.*, aesthetic and recreational), and supporting (*e.g.*, nutrient and soil cycles) ecosystem services. New investment vehicles and increases in timberland as an asset class have diversified and increased greatly. These innovations and applications of timberland investment have outpaced the research and dialogue about forest as a commercial asset class, calling for more research and more accessible practical literature on the subject.”

To address the environmental pillar, society has increased its focus on reducing our carbon footprint, increasing biodiversity protection, and overall reduction of damage to the environment to support the maintenance of ecosystem services. In addition to the renewable energy targets (*e.g.*, Chudy *et al.* 2021) and bioeconomy strategies, it has been widely accepted that the forest sector can contribute to climate change mitigation and biodiversity conservation by the stimulation of additional carbon sequestration and reduction of emissions through changes in sustainable forest management (Bowditch *et al.* 2020), product substitution and storage in long-lived forest products (*e.g.*, Hurmekoski *et al.* 2023), and reducing the pressure on natural forests through high-yield forestry (McEwan *et al.* 2020).

From a social perspective, the forest sector is an important source of employment and income (*e.g.*, Robert *et al.* 2020), especially in rural areas. Around 33 million people are estimated to be employed in the global forest sector, accounting for 1% of total employment across all economic activities (Lippe *et al.* 2022). On top of forestry and logging activities, more than half of the sector’s employment (58 per cent) is in the manufacturing of wood products, with another 18 per cent in pulp and paper industry (Lippe *et al.* 2022). Finally, the global forest sector has a direct contribution of more than US\$539 billion and a total contribution of more than US\$1,298 billion to the world GDP (Li *et al.* 2019).

### Forest Sector Investment Needs

Planted forests have been proposed as one of the most efficient and cost-effective means to store more atmospheric carbon and reduce adverse impacts of climate change in the short to medium term, along with improved forest management and reduced emissions from forest area loss. Forest plantations account for at least 30% of global industrial roundwood production and, if managed properly, they could double their contribution (McEwan *et al.* 2020).

Today, traditional forestry investment potential is estimated to be between US\$100 billion and US\$300 billion; however, if forests grown for carbon are included, then the investable universe in forestry can even exceed US\$1.0 to 1.5 trillion (Chudy and Cabbage 2021). Nevertheless, the maintenance and expansion of industrial roundwood production may require about US\$40 billion annually by 2050. Another US\$25 billion per annum of investment is also necessary to modernize and establish wood industries to meet the expected growth in the consumption of wood products in 2050. Furthermore, annual investment requirements in forestry and related industries are expected to increase by another US\$4.5 billion to US\$7 billion in response to increasing demand for materials to substitute for non-renewable materials. Therefore, in total, the forest sector needs more than US\$70 billion per annum of new investments to meet the expectations of climate and energy policies by 2050 (FAO, 2022). To satisfy these funding requirements, a mix of

public and private capital and financial instruments are needed, as is access to the highest quality research to make data-driven investment decisions.

### **Unlocking Research-Driven Investment Decisions in Forest Sector**

If the forest sector is expected to play an important role in climate, energy or biodiversity policies, the investors and interested stakeholders must have access to reliable data sources. The ability to make research-driven investment decisions in the forest sector has never been more critical than it is now, especially in times of information overload. Otherwise, how can investors make research-driven decisions if access to peer-reviewed articles and science is limited? The *Journal of Forest Business Research* can help address this knowledge gap by becoming a premier international peer-reviewed open-access journal for forest resource investment, finance, and economics research and applications.

### **Conclusions**

As the world strives to meet increasing consumer demands for forest products, ameliorate climate change with forest nature-based solutions, decrease energy reliance on fossil fuels, increase biodiversity, and enhance rural communities and livelihoods, forest finance, investments, and economics will be increasingly important. The forest sector faces many challenges and barriers in the future to become the leading natural climate solution. Long-term financing solutions in the forest sector are expected to increasingly rely on the private sector rather than government funding, which is challenged by intensifying funding shortages (European Investment Bank 2022). Private and public investors and policy makers need more rigorous and credible scientific research about forest finance and economics. This must include not only increasingly theoretical or abstract research articles, but also useful applications and cases that can be easily understood and used by practitioners in investment and budget allocation decisions. The *Journal of Forest Business Research* will provide a new approach to enhance our knowledge and utility of such refereed research that can improve sustainable forest and natural resource development.

### **What Types of Articles Are We Seeking?**

Examples of subjects that are within the scope of JFBR include, but are not limited to the following:

- **Forest investment finance and business**  
timberland investments; forest finance; portfolio management; business structures and forest investment strategies; conservation forestry; corporate social responsibility; ESG in forest investments; nature-based solutions; sustainable business practices within the forestry sector
- **Forest-related industries and wood market dynamics**  
wood markets; wood-product trade and policy; timber prices and forecasts; production, consumption, and trade of forest products; forestry contractors and timber harvesting; business leadership and organizational management; business management case studies
- **Forest silviculture and management**  
production economics and forest applications; intensively managed plantations; natural and high conservation value forest management; improved technologies for

- forest management and investments; forest carbon and bioenergy markets; agroforestry and silvopasture
- **Natural resource economics and policy**  
forest economics; risk, uncertainty, and decision-making; policy and law; natural resource and ecosystem service investments and payments

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