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TIMBER COMMITTEE  
Fifty-sixth session  
28 September - 1 October 1998

### MARKET DEVELOPMENTS IN 1998 AND PROSPECTS FOR 1999

(Item 4 of the Provisional Agenda)

Note by the secretariat

This document contains the schedule for the forest products markets discussions and their follow-up market statement preparation. The document requests timely submission of national market statements and forest products forecasts.

The Committee is invited to:

- discuss developments in forest products markets;
- draft a market statement for issue after the session;
- consider the need for developing information on certified forest products;
- comment on the *Forest Products Annual Market Review*.

### **Timetable and organization of the market discussions**

1. The market discussions at the fifty-sixth session of the Timber Committee are scheduled for Tuesday 29 September 1998.

2. Following is a proposed timetable, which could be adjusted according to length of discussions on individual market segments. Each forest products market segment will be introduced by a secretariat analysis of responses to the Timber Committee forecasting questionnaire for 1997-1999 and followed by expert presentations for the sector on which the Committee will be invited to discuss.

- (a) 1000 hours      General economic developments in the ECE region and general developments in forest products markets by the secretariat;
- (b) 1030 hours      Roundwood markets, including briefly woodpulp and paper;
- (c) 1130 hours      Softwoods: markets for coniferous sawnwood and logs;
- (d) 1500 hours      Hardwoods: markets for temperate and tropical non-coniferous sawnwood and logs;
- (e) 1600 hours      Wood-based panels and engineered wood products markets (particle board, plywood and fibreboard including MDF);
- (f) 1700 hours      Certified forest products markets.

### **Preparation of the Committee's market statement**

3. The following timetable for preparing and approving the Committee's market statement and press release is proposed:

<u>Tuesday</u>	- morning and afternoon	Market discussions;
<u>Thursday</u>	- morning 0900 hours	Drafting Committee prepares statement, on the basis of a secretariat draft (as there will be no formal interpretation on Thursday morning, the secretariat proposes that the Drafting Committee be conducted in English);
	- afternoon	The draft statement (in English, French and Russian) is submitted for approval by the Timber Committee;
<u>Friday</u>		Text of statement issued as press release with a summary table.

4. The Committee's market statement will be published in the *Timber Bulletin* No.6 "Forest products markets in 1998 and prospects for 1999", with national forecasts and posted on the website.

5. In previous years the following countries have been represented at the Drafting Committee: Austria, Canada, Finland, France, Germany, Hungary, the Netherlands, Poland, Russian Federation, Sweden, United Kingdom and United States of America. However, every country is welcome to participate.

## Country market statements

6. Delegations' written market statements are imperative to the success of the market discussions as they provide the only means of insuring that all countries' market developments are announced to the other delegations and the secretariat (there is not sufficient time during the session to enable all individual country presentations. Delegations' attention is drawn to the explanatory notes for the Provisional Agenda (ECE/TIM/90) in relation to item 4.

A format is suggested in Annex I.

7. In particular, delegations are reminded to send 120 copies of their written statements on developments in their forest products markets to the secretariat in Geneva for arrival by **1 September 1998**. At its fifty-fourth session the Timber Committee requested the inclusion of a special section in the statements on "markets for certified forest products". If it is not possible to transmit all 120 copies by the deadline, please send at least 1 copy to the secretariat if necessary by fax (please note that copying cannot be done at the session):

Timber Section	E-Mail	info.timber@unece.org
Trade Division		
Palais des Nations	Tel.	+ 41 22 917 2868
CH-1211 GENEVA 10 (Switzerland)	Fax	+ 41 22 917 0041

8. The Timber Committee places high priority on "review of short-term forest products market developments and prospects" (09(B).1.3, priority 2 of programme of work) and "collection of forest products statistics and publication of the *Timber Bulletin*, (priority 4 of the programme of work). This second activity is shared with the European Forestry Commission. The secretariat feels that the ability to fulfil these most important mandates is directly contingent on prompt and complete replies to the questionnaires, as refined and endorsed by member countries. Delegations are reminded that the deadline for replies to the Timber Committee Questionnaire is **31 August 1998** and are requested to ensure that this deadline is adhered to. It is impossible to prepare the Committee's statistics and reports in time for the meeting unless all statistics are received by the deadline.

## Forest Products Annual Market Review, 1997-1998

9. The "Forest Products Annual Market Review, 1997-1998", *Timber Bulletin*, Volume LI (1998), Number 3, will be published ahead of the session. It is intended to serve as a background document for the session's market discussions. To ensure distribution to meeting delegates, it has been placed on the Committee's website (<http://www.unece.org/trade/timber>).

10. Delegates will find a special chapter in the Review titled "Certified forest products marketplace." This chapter followed partly from the Committee's special topic discussions on this same subject at the last Session. Section 3.7 "For the Timber Committee's consideration" is reproduced below:

Current trends suggest that certification in some form will be part of the forest industry for some time. As mentioned above, there are no sources of reliable, objective statistics regarding production, trade, and consumption of certified forest products.

Collection of specific statistics presents a considerable challenge since certified products are not distinguished from non-certified in traditional measurement mechanisms. The situation is further complicated by the number of certification schemes that are, or soon will be operational. The Timber Committee could consider how to best monitor developments in certification and the impact of those developments on markets for forest products.

Aspects which might be considered could include:

1. information needed to appropriately monitor developments in this growing market segment;
2. potential information sources (official, certifiers, associations, etc.);
3. questions of confidentiality;
4. methods of collecting information (regular official enquiries may not be the most effective method).

It is suggested that the Timber Committee consider at its September 1998 session whether and how a system to monitor these trends should be set up. It may wish to refer this matter to the Joint FAO/ECE Working Party On Forest Economics and Statistics, which will meet in May 1999.

11. A second special chapter prepared for these market discussions is titled, "The effects of the Asian crisis on ECE region forest products markets." Delegates may wish to consider this issue in their written market reports.

12. Delegates may suggest subjects for future special chapters, either current issues, new developments, trends or specific ECE or non-ECE forest products markets. Comments on the Review are welcomed by the secretariat.

**Annex**

**Suggested format for written country market statements**

Written market statements are traditionally organized like the market discussions. It is suggested that the following subjects be addressed, where appropriate, for the current year as well as for the next year's forecast:

- General economic trends affecting the forest and forest industries sector

- Developments in forest products markets

Pulp and paper

Roundwood including pulpwood

Softwood (sawnwood and logs)

Hardwood (sawnwood and logs)

Wood-based panels (particle board, fibreboard and MDF, OSB, plywood)

Certified forest products

- Tables

Economic indicators

Forest products production and trade in 1997, 1998 and 1999.