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FOOD AND AGRICULTURE ORGANIZATION

TIMBER COMMITTEE
Fifty-eighth session

EUROPEAN FORESTRY COMMISSION
Thirtieth session

JOINT SESSION

FAO Headquarters, Rome
9-13 October 2000

MARKET DEVELOPMENTS IN 2000 AND PROSPECTS FOR 2001

(Item 5 of the Provisional Agenda)

Secretariat Note

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

The joint session is invited to:

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

Timetable and organization of the market discussions

1. The market discussions at the Joint Timber Committee and European Forestry Commission Session are scheduled to begin in the late afternoon on Monday 9 October and for the full day on 10 October 2000
2. There are a number of special features of the market discussion in 2000:
 - As the Timber Committee is in joint session with the ECE, the link between forest products markets and the sustainable development of the sector as a whole will be explored. The theme of the discussion could be summarized as “Sustainable forest products markets in the new millennium”.
 - The consequences of the storm damage by “Lothar” in December 1999 will be the subject of a special topic (item 4(b) of the provisional agenda). It is proposed to discuss roundwood markets back to back with the special topic and concentrate on the consequences of Lothar for roundwood markets.
 - For some years now, the Committee has been urging that attention be paid to markets for secondary processed wood products (SPWP). This year a section on trade in SPWP has been introduced into the joint questionnaire and the secretariat has engaged a consultant to prepare a chapter of the review on SPWP to address the joint session.
3. Each forest products market segment will be introduced by a secretariat analysis of responses to the 2000-2001 Timber Committee forecasting questionnaire and followed by expert presentations for the sector on which the Committee will be invited to discuss. Following is the proposed timetable, which could be adjusted according to length of discussions on individual market segments.

Monday 9 October

- | | | |
|-----|------------|---|
| (a) | 1700 hours | Roundwood markets, including briefly woodpulp and paper. Focus on the effects of the storm damage on roundwood markets. |
| (b) | 1745 hours | General economic developments in the ECE region and general developments in forest products markets by the secretariat. |

Tuesday 10 October

- | | | |
|-----|--------------------------|--|
| (a) | 1000 hours | Opening of market discussions with a short presentation drawing the links between sustainable forest products markets and sustainable forest management. |
| (b) | 1015 hours | Markets for secondary processed wood products. |
| (c) | 1045 hours
1300 hours | Softwoods: markets for coniferous sawnwood and logs.
End of morning session; |
| (d) | 1500 hours | Hardwoods: markets for temperate and tropical non-coniferous sawnwood and logs; |

- (e) 1600 hours Wood-based panels (particle board, including OSB, plywood, fibreboard including MDF) and engineered wood products markets;
- (f) 1700 hours Certified forest products markets;
1800 hours End of afternoon session.

Preparation of the Committee's market statement

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

Thursday - 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);

Friday - afternoon The draft statement (in English, French and Russian) is submitted for approval by the Committee and the Commission;

Monday Text of statement issued as press release with a summary table of regional forecasts for markets in 2000 and 2001.

5. The Committee's market statement will be published in the *Timber Bulletin* No.6 "Forest products markets in 2000 and prospects for 2001", with national forecasts and posted on the website.
6. In previous years the following countries have been represented at the Drafting Committee: Austria, Canada, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, the Netherlands, Poland, Russian Federation, Sweden, United Kingdom and United States of America. However, every country is welcome to participate.

Country market statements and forecasts

7. The Timber Committee places high priority on "review of short-term forest products market developments and prospects" (09(B).1.3) and "collection of forest products statistics and publication of the *Timber Bulletin*". The secretariat feels that the ability to fulfil these most important mandates is directly contingent on the quality and timeliness of countries' contributions, namely the market statements and the replies to the questionnaire on forecasts.
8. Country statements: Delegations' written and electronic market statements are imperative to the success of the market discussions as they provide the only means of ensuring that all countries' market developments are announced to the other delegations and the secretariat (there is not sufficient time during the session to allow any individual country presentations). Delegations' attention is drawn to the explanatory notes for the Provisional Agenda (ECE/TIM/94, FO:EFC/00/1) in relation to item 5. A format is suggested in Annex I.
9. Following endorsement by the Timber Committee in 1999, market statements will be loaded onto the website

again this year in order to allow delegations to read statements before arriving at the Session. Therefore delegations are reminded to send an electronic copy of their statement, preferably by e-mail, but alternatively on diskette, by **11 September 1999** to the secretariat. The electronic version of the written statement may be in WordPerfect or Word.

10. Delegations are also reminded to send 120 copies of their written statements on developments in their forest products markets to the secretariat in *Rome* for arrival by **2 October 2000**. 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, delegations are requested to bring them to Rome. However the electronic version (or as last resort, by fax) is essential for the secretariat information and website by the deadline above (please note that copying cannot be done at the session):

Electronic version

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11. Market forecasts: The secretariat is circulating the questionnaire requesting estimates for 2000 and for forecasts for 2001, which supplies the data necessary for the market worksheets. This year the questionnaire has been reformatted to bring it into line with the Joint FAO/ECE/Eurostat/ITTO questionnaire, although the data requested are the same as in previous years. In order to prepare the worksheets before the session, forecasts should be received by **10 September 2000**.
12. It is assumed that making forecasts requires estimations by statistical correspondents. When using these forecasts the secretariat consistently acknowledges *when* they were made to minimize confusion about their estimations. Please ensure that the estimates for 2000 and the forecasts for 2001 are comparable with historical data for 1998 and 1999, which will be pre-filled in the questionnaire.

Forest Products Annual Market Review, 1999-2000

13. The "Forest products annual market review, 1999-2000", *Timber Bulletin*, Volume LIII (2000), 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 timely distribution to delegates, it is placed on the Committee's website (<http://www.unece.org/trade/timber>).
14. Delegates will find several special chapters in the *Review* and it is anticipated that some of their authors will give presentations during the market discussions. The changes in the *Review* are directly from comments and suggestions received from the recently completed user survey of Timber Committee and European Forestry

Commission products and services.

15. 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. Following this format will facilitate the uploading and reading of the electronic statements:

1. General economic trends affecting the forest and forest industries sector (brief description)

2. Developments in forest products markets sectors (major emphasis)

Pulp and paper

Roundwood including pulpwood

Softwood (sawnwood and logs)

Hardwood (sawnwood and logs)

Wood-based panels (particle board including OSB, fibreboard including MDF, plywood) and engineered wood products

Certified forest products

3. Tables

Economic indicators

Forest products production and trade in 1998, 1999 and 2000.