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ECONOMIC COMMISSION FOR EUROPE
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FOOD AND AGRICULTURE ORGANIZATION
European Forestry Commission

JOINT FAO/ECE WORKING PARTY ON FOREST ECONOMICS AND STATISTICS

Twenty-fourth session

to be held in the Palais des Nations, Geneva
8-10 April 2002, starting at 10.00 hrs on 8 April

Item 2 of the Provisional Agenda

Guidance of Work Area 1: Markets and statistics

This document is in two parts. The first part informs the Working Party on Forest Economics and Statistics of the market- and marketing-related work items of Work Area 1 which form the UNECE/FAO Forest Products Marketing Programme. The second part covers the statistical work item of Work Area 1. The document gives background information, discusses accomplishments and presents discussion points.

MARKETS

I. Introduction

1. Under this agenda item the Working Party is expected to provide guidance for activities in Work Area 1 Markets and Statistics. This paper will present the activities related to “markets” and “statistics”, excluding forest fire statistics. The Work Area 1 Programme of Work, 2002-2004, as approved after the 2001 review of the integrated Timber Committee and European Forestry Commission Programme of Work, is attached as Annex 1.

I.A. Objective

2. Collect, analyze and disseminate information on forest products markets and forest fires in cooperation with partners in international organizations and countries. Provide fora for discussion of forest products marketing, especially in countries in transition, and on market developments and disseminate current, neutral information in order to support sustainable development in the forest products sector.

I.B. Guidance

3. Joint FAO/ECE Working Party on Forest Economics and Statistics

I.C. Programme elements

4. Listed here are programme elements of Work Area 1
 - 1.1 Statistics on production, trade and prices of forest products
 - 1.2 Analysis of markets for forest products
 - 1.3 Capacity building for forest products marketing in countries in transition
 - 1.4 Monitoring of markets for certified forest products
 - 1.5 Statistics on forest fires
 - 1.6 Information network, activities of team of specialists

I.D. UNECE/FAO Forest Products Marketing Programme

5. The UNECE/FAO Forest Products Marketing Programme (FPMP) groups all the market- and marketing-related activities of the Timber Committee, specifically Work Area 1 programme elements 1.1, 1.2, 1.3, 1.4 and 1.6.
6. The objective of the FPMP is to ensure sustained forest products markets, i.e. with products meeting customers' demands, while maintaining production capacity and a continued demand for forest products, in order to ensure sustainable forest management in economic, social and ecological terms.
7. The main parts of the FPMP are:
 - ?? Analysis and reporting on market developments and trends which includes both analyzes by the secretariat and the annual Timber Committee market discussions (programme element 1.1 and 1.2)
 - ?? Marketing workshops and meetings, their presentations and reports (1.2 and 1.3)
 - ?? Monitoring of markets for certified for certified forest products, through a chapter in the *Forest Products Annual Market Review*, a discussion at the Timber Committee session, periodic updates of discussion papers and a dedicated part of the website (1.4)
 - ?? Collection and dissemination of market-related statistics and information (1.1 and 1.6)
 - ?? UNECE and FAO Team of Specialists on Forest Products Markets and Marketing. (1.6)

II. Developments since May 2001

8. Listed here are the developments since May 2001
 - ?? *Forest Products Annual Market Review* (ECE/TIM/BULL/54/3) publication (electronic and print, August 2001 and September 2001 respectively). There was no significant change from the previous year in the scope and format of the publication.
 - ?? *Forest Products Markets in 2001 and Prospects for 2002* (ECE/TIM/BULL/54/6) publication (electronic and print, October 2001 and January 2002 respectively). There was no significant change from the previous year in the scope and format of the publication.
 - ?? *Status of Forest Certification in the UNECE Region: Summer 2001* (ECE/TIM/DP/23) publication (electronic and print, August and September 2001 respectively). The study was based on a survey of a new, informal network of officially-nominated country correspondents.
 - ?? Timber Committee Market Discussions conducted. Expanded to 1½ day, documented through Timber Committee Market Statement and press release (October 2001).
 - ?? Team of Specialists on Forest Products Markets and Marketing created and inaugural meeting held (October 2001).
 - ?? Timber Committee Market Information Service (MIS) development continued with expansion of the website to include additional statistics, including entire TIMBER database, and new market-related publications (<http://www.unece.org/trade/timber/mis/mis.htm>).
 - ?? Market presentations given at: “Wood Visions” conference in Berlin; American Hardwood Export Council’s “European-American Hardwood Convention” in Dublin; Timber Committee market discussions in Geneva; and “Wood Marketing Day” in Lahti (Finland).
 - ?? Article on forest products market statistics submitted for publication in the *Forest Products Journal*, May 2002 issue.

III. Points for discussion

9. The Working Party is expected to guide the secretariat on the entire Work Area 1. The following specific work items of Work Area 1, which relate directly to the FPMP are taken in numerical order and brought to the Working Party’s attention for discussion and guidance. Points related only to statistics are contained in the second part of this document.

III.A. Analysis of markets for forest products (Work item 1.2 of the Work Area) and statistics on production, trade and prices of forest products (Item 1.1 of the Work Area)

10. The *Forest Products Annual Market Review* is the single largest output of the FPMP, and absorbs significant resources during an intense period of work between June and August. It is the annual “flagship publication” of UNECE/FAO Timber Section. In view of its visibility and the resources devoted to it, the secretariat considers it essential that it corresponds to the needs of member states, and uses resources in an optimal way.
11. The Working Party is reminded that it conducted a User Survey of the *Timber Bulletin* with focus on the *Forest Products Annual Market Review* in 1998. To date the secretariat has implemented and maintained the findings of that survey (TIM/EFC/WP.2/1999/5 and TIM/EFC/WP.2/1999/5/Add.1). In addition the Working Party is reminded of its recommendation to conduct user surveys on a 3 to 5 year interval (TIM/EFC/WP.2/1999/9, paragraph 28 and TIM/EFC/WP.2/2001/8 paragraph 36).

12. The Working Party is also reminded of the outcome of the extended Bureaux meeting in February 2001, which also considered the Forest Products Annual Market Review in light of changing resources within the Timber Section, and the integrated programme of work of the TC and EFC. In its focus on the review of markets for forest products, the report of the Bureaux meeting stated:

“Analysis in the *Forest Products Annual Market Review* is essential (not all countries/institutions have the resources to work out their own conclusions from bare statistics). Strong support for Committee’s forecasting exercise. For *Forest Products Annual Market Review*, comprehensiveness is more important than timeliness. Consider cutting chapter on pulp and paper. Special chapters are to be included as resources allow, suggested maximum per year: 2 or 3. No guidance on whether special chapters should appear in *Forest Products Annual Market Review* or separate publication (e.g. as Discussion Papers).”

13. The Working Party is invited to comment on the scope and format of the *Forest Products Annual Market Review*, and in particular on the following:

?? **Scope.** The most recent *Forest Products Annual Market Review* had 12 chapters, (10 standard chapters, and 2 special chapters). Is this an appropriate length, bearing in mind that the special chapters (which are not dependent on the availability of the annual statistics) must also go through editing and layout at the same time as the more “time-sensitive” chapters? Would it be appropriate to issue the special chapters separately, for instance as *Geneva Timber and Forest Study Papers* or *Geneva Timber and Forest Discussion Papers* at another time of the year? If so, where would the secretariat find the resources at other times of the year, or what activities should the secretariat drop to accomplish these additional publications? To date the secretariat has followed the advice of the *User Survey* and Bureaux in including 2 to 3 special chapters in the *Forest Products Annual Market Review*.

?? **Timing.** The secretariat has attached considerable importance to completing the *Forest Products Annual Market Review* by August, in order that it could be a background document for the Timber Committee annual market discussions and appear as soon as possible after the data become available and validated in May and June. This requires considerable organization of the *Forest Products Annual Market Review* team. At the February 2001 Bureaux meeting, they said that the *Forest Products Annual Market Review* does not necessarily have to be produced ahead of the Timber Committee market discussions. Should the secretariat continue to attach high priority to timeliness or would a more leisurely schedule also serve the needs of clients?

?? **Depth of analysis.** According to the *User Survey* readers seek analysis of forest products market statistics, along with information about surrounding market developments. Are readers still seeking just recent reliable statistics, or do they require presentation and market comment, (e.g. mention of relevant facts and explanation of the linkages between different developments) or do they require original analysis of an academic nature? Or do readers want a combination of the above options? Clearly the answers to these questions will have implications for the timing of the publication, its length and the amount and type of resources necessary.

14. *The Working Party is invited to provide guidance to the secretariat on the scope, format and timing of the Forest Products Annual Market Review. The Working Party also has the option of delegating this task to the Team of Specialists on Forest Products Markets and Marketing, which has this duty in its mandate (please see paragraphs 25-27). The Working Party may also consider repeating the user survey.*

III.B. Capacity building for forest products marketing in countries in transition (programme element 1.3)

15. Through the FPMP, and in conjunction with FAO's Forest Products Marketing Programme, a series of four workshops on forest products marketing has been carried out since 1994 in Hungary, Estonia, the Russian Federation and the Republic of Moldova. These workshops were almost entirely dependent upon external funding and in-kind contributions of host countries and agencies. The goal of the workshops was to sensitise key representatives from government, industry and higher education in CEECs of the importance of forest products marketing skills to ensure sustainable forest products markets and thereby supporting sustainable forest management. The most recent workshop was in 2000 in the Republic of Moldova and was titled "An International Workshop on Sustainable Development of Marketing of Non-Wood Forest Products in Countries in Transition to Market Economies." Both sawnwood and non-wood forest products have been used as examples of forest products in the four workshops.
16. Continuation of the series of CEEC marketing workshops is dependent upon finding external funding. The last workshop cost approximately \$30,000, with the majority of the funding going to transportation, lodging and meal expenses of the participants and speakers.
17. A new project is being proposed, upon the advice of previous donors, to promote sustained economic development through building capacity in marketing information in the forest and timber sector in central and eastern European countries as an essential element of sustainable forest management. The objective would be to develop centres of marketing information throughout Europe, especially in the CEECs. These centres would be key communication channels for the flow of information about forest products markets. Improvement of marketing capacity would enable countries to market their forest products and services more efficiently and effectively, at realistic prices.
18. The secretariat proposes that this project, if funded, would be administered through the FPMP and the Team of Specialists for Forest Products Markets and Marketing as it falls under their mandate. However a project of this magnitude would need to attract sufficient funding to hire outside expertise to carry out the majority of the work.
19. At the time of writing this note, a draft proposal is being edited in the FAO Forestry Department, Forest Products Division in Rome. It will be made available in the Working Party meeting room. The secretariat intends to customize the proposal for submission to potential donors.
20. ***The Working Party is requested to review the project proposal and suggest improvements and possible sources of funding to approach with the proposal.***

III.C. Monitoring markets for certified forest products (Item 1.4 of the Work Area)

21. For some years now the Committee has had a mandate to monitor the markets for certified forest products. In the last year, the main outputs have been:
 - ?? A chapter in *Forest Products Annual Market Review*
 - ?? Dedicated discussion at the Committee's market discussion, based partly on countries' contributions on their certified forest products markets within their national reports
 - ?? Annual *Geneva Timber and Forest Discussion Paper* with update of recent developments based on information supplied by an informal network of correspondents
 - ?? Dedicated part of the MIS website where the above outputs can be consulted and downloaded, as well as links to more information.
22. In addition, the former Team of Specialists on Certification of Forest Products held a workshop focussing on certification in transition countries (Prague, 1998). There is a new proposal that a workshop be arranged jointly with the UNECE Working Party on Standardisation Policies, focussing on

the structures necessary for satisfactory functioning of certification and accreditation systems.

23. *The Working Party is invited to consider whether the secretariat is satisfactorily fulfilling the mandate to monitor markets for certified forest products or whether any modifications or changes in emphasis would be desirable.*

III.D. Information network and teams of specialists (1.6 of Work Area 1)

24. The new UNECE and FAO Team of Specialists on Forest Products Markets and Marketing (mandate attached) had their inaugural meeting on 1-3 October 2001 in conjunction with the Timber Committee market discussions. At the time of drafting this note, the team's report was being finalised. The body of the report is attached. The full version with all the annexes will be made available to delegates in the meeting room. The meeting included 30 participants from 16 countries and 4 organisations, plus the secretariat. The main results of the Team's first meeting may be summarised as follows:
- ?? The Team reviewed their mandated tasks in plenary, then broke into four subgroups to formulate the approach to accomplishing those tasks.
 - ?? The Team elected its officers.
 - ?? The full Team meets next on 23-25 September 2002 in Geneva, coinciding with the Timber Committee market discussions on 24-25 September 2002.
25. The Team of Specialists is evaluating some of the market-related publications and the Timber Committee market discussions and their outcomes as it is mandated to "Advise the TC and EFC on their market-related publications, specifically these issues of the *Timber Bulletin*: "Forest Products Annual Market Review", "Forest Products Markets in (present year) and Prospects for (next year)", "Forest Products Prices", "Forest Products Trade Flow Data" and "Forest Products Statistics". The Working Party may guide the secretariat on these publications. The Working Party should realize that some of these *Timber Bulletin* issues will be discussed under the "statistics" side of this Work Area too.
26. As part of their mandate, the same Team of Specialists contributed to the Timber Committee market discussions for the first time in October 2001. The secretariat prepared a questionnaire requesting the advice of the Team of Specialists on:
- ?? The format and content of the market discussions which were expanded by the Bureaux of the TC and EFC to 1½ days beginning in 2001.
 - ?? Timing of publication of the *Forest Products Annual Market Review* and its executive summary in three languages.
 - ?? The style of the TC market statement arising from the Timber Committee Questionnaire and the market discussions. Specifically the secretariat asked the Team's advice, as representatives of an important clientele, to state as to whether they preferred a slightly longer market statement with forecasts, or something considerably less, devoid of forecasts. And the Team was asked their opinion about the introductory chapeau for the annual Timber Committee press release.
27. The survey was launched in February 2002 and preliminary results will be made available at the Working Party session.
28. *The Working Party is invited to comment on the Team's proposals for future work, its recommendations for the TC market discussions and their market statement and press release. The Working Party may provide guidance for its future activities. In particular, given the many items in the team's mandate it may wish to guide the team as to relative priorities in its activities.*

III.E. Resources

29. The FPMP is led by Mr. Ed Pepke, Forestry Officer—Marketing. Some limited support comes periodically from other professional staff in the Timber Section. The statistics are collected, validated and presented by the statistician, Mr. Alex McCusker.
30. Periodic project teams, loaned by countries or partners, or funded through regular budget sources. For example, 33 people worked on the last *Forest Products Annual Market Review*, and 8 people worked on the last *Geneva Timber and Forest Discussion Paper*, “Forest Certification Update for the UNECE Region, Summer 2001”.
31. During the 2001 review of the integrated TC and EFC programme of work, the Work Area was assigned more of the secretariat’s time than any other Work Area, and was designated high priority, yet the share of secretariat time assigned to it was reduced from over 30% to 25%. As with all Work Areas, there is a dynamic balance between what it is desirable to achieve and the resources available. The secretariat was urged to find supplementary resources to address this issue. For Work Area 1, as for other areas, the main contributions are in the form of participation in teams, provision of information and statistics, and the loan of experts and interns. The secretariat is very grateful for the essential and generous support which it has received from many countries. However, there are some resource issues, of which the Working Party should be aware:
 - ?? It has not been possible, for resource reasons, to continue the successful programme of marketing workshops for countries in transition, even though the secretariat considers that these “downstream” issues are of great importance and generally under-valued at the political level. To carry out sustained work in this area, it would be desirable to have the services of a full time junior professional to find host countries and speakers, seek funding and in general run these activities under the supervision of the marketing officer. If the Working Party agrees with this assessment, it may care to review and endorse the attached request for a junior professional officer¹. Furthermore, the Working Party may suggest countries that the secretariat should approach with the proposal.
 - ?? All of the contributions received from countries to date are in the form of the loan of personnel (consultants, experts and interns) to work with the secretariat. The FPMP has not yet received contributions to trust funds which could be used to hire consultants, for short or long periods. For its part, the secretariat is usually expected to provide facilities, notably office space, IT and office equipment. This is a relatively minor contribution compared to the real cost of the expert’s time and living expenses. However, with the cuts in the UN budget decided by the General Assembly, which are concentrated on non-staff expenses, such as office space and IT, UNECE finds it increasingly hard to make even this minimal contribution. For its part, the Timber Section notes that all its offices are occupied in accordance with UN rules, and that there is no potential to “absorb” the extra demand for space. A paradoxical and disturbing situation has arisen where, in a few cases, the secretariat may have to refuse the loan of an expert or intern because it does not have office space available. The Working Party may wish to urge the UNOG administration to make available sufficient space to UNECE in order that adequate, efficient office space should be available not only for regular staff, but also for consultants and interns made available by countries to further UNECE’s objectives, including the complete fulfilment of the integrated Timber Committee and European Forestry Commission programme of work.

¹ The UN term is “Junior Professional Officer” and the FAO term is “Associate Professional Officer”. In the UNECE and FAO Timber Section, they perform the same function, but are termed differently depending on the recruiting organization.

- ?? Externally provided human resources, in the form of consultants and interns are especially crucial in the case of the *Forest Products Annual Market Review*. Many chapters are drafted by consultants while interns support the data handling, market research and graphics production. Most of this work has to be done as a project team, in Geneva, and within a concentrated time period. The secretariat hopes that it will be able to solve the problems of office space, but wishes to inform the Working Party that if some of the experts were unable to contribute to the Review, because of office space problems or any other reason, its scope would be correspondingly reduced.
32. The secretariat considers that the service provided by the FPMP could be improved, for instance by deepening the analysis in the *Forest Products Annual Market Review* and developing the current Market Information Service into an interactive Market Information System. However such improvements are not possible within the constraints of the regular budget and the priorities decided by the 2001 Review of the Integrated Programme of Work of the TC and EFC. For that reason, the Working Party is invited to comment on a proposal to approach possible donors to fund an associate professional officer (APO).
33. The secretariat has prepared a flexible proposal to recruit an APO (annexed), which is a limited time position funded by a member government. One APO would essentially double the secretariat resources going into the FPMP. Successful APO arrangements should be mutually beneficial to the donor country, the TC, the EFC and the secretariat. The current proposal is oriented towards assistance to CEECs, but the key to achieve funding for an APO is to find a balance between the donor's needs and the secretariat's needs.
34. *The Working Party is requested to review this proposal and, if it agrees endorse it for transmission to potential donors. Delegates are asked to consider whether their country might have the potential to fund such a position.*

IV. Conclusion

35. The Working Party is invited to review all activities under Work Area 1, make suggestions or comments and provide guidance to the secretariat on the implementation of these activities. The secretariat expresses its great appreciation to those countries currently supporting the programme with these in-kind contributions.

Annexes:

1. Work Area 1 programme of work, 2002-2004
2. Draft proposal for CEEC marketing workshops
3. Proposal for forest products marketing APO
4. Report of the meeting of the UNECE and FAO Team of Specialists on Forest Products Markets and Marketing (without its annexes)

STATISTICS

V. Introduction

36. The annual statistical work of the Timber Section is part of Work Area 1 of the integrated programme of work (Markets and Statistics), specifically area 1.1 (Statistics on production, trade and prices) and area 1.2 (Market analysis). According to the Strategic Review of the Integrated Programme of Work, conducted in 2001, this is seen “as an essential element of the joint programme”. It is also a necessary underpinning for Work Areas 3 and 5. The objective is to produce high-quality, reliable and consistent statistics on production, trade and prices of forest products on a timely and regular basis. The present document reports on activity in the field of statistics over the last year and invites the Working Party to provide guidance for these activities.

VI. Developments since May 2001

VI.A. Publications

published

37. *Forest Products Annual Market Review, 2000-2001* (Timber Bulletin 54/3). This year, the statistical data for 2000 appeared first in the *Review* published in August 2001. A major effort is made in this area to provide the earliest possible data to analysts and consultants responsible for drafting the chapters.
38. *Forest Products Markets in 2001 and Prospects for 2002* (Timber Bulletin 54/6). These are the forecasts made for the Timber Committee meeting, on the basis of a special questionnaire and reviewed at the Timber Committee meeting, and subsequently published.
39. *Forest Products Trade Flow Data, 1998-1999* (Timber Bulletin 53/5). This is produced from FAO-generated tables showing bi-lateral trade flows. There is a minimal level of Timber Section involvement in this.

delayed

40. *Forest Products Statistics, 1996-2000* (Timber Bulletin 54/2). This publication has been delayed and is now being published. The scope of the publication (and its length) has been extended to cover all items requested on the current version of the Joint Forest Sector Questionnaire (JFSQ). The secretariat intends to produce this publication at the same time as the *Forest Products Annual Market Review*, i.e. August, but it has been delayed for the last three years, partly due to changing data systems and partly due to increased demands for supporting the *Forest Products Annual Market Review*. Although the *Forest Products Annual Market Review* demands are expected to continue, the data system and publishing requirements should stabilize. It is the secretariat's intention in 2002 and following years to issue the Forest Products Statistics in the summer, practically simultaneously with the *Forest Products Annual Market Review*, ensuring the complementarity of the two publications (if they are issued at different times the data will have changed in the intervening period).

41. *Forest Products Prices, 1998-2000* (Timber Bulletin 54/1). Although this publication is not particularly demanding in terms of secretariat resources, it has been seen as being the least critical of the Timber Bulletin series. It has been repeatedly postponed from the planned publishing date of March 2001.
42. *Forest Products Trade Flow Data, 1999-2000* (Timber Bulletin 54/5). The data for this publication are not yet ready but will soon be available.

No	Title	Issued		Planned	
		Vol. LIII (2000)	Vol. LIV (2001)	Vol. LV (2002)	Years covered
1	Forest Products Prices (E/F)	March 2001	Not issued	April 2002	1998-2001
2	Forest Products Statistics (E/F)	February 2001	In press	August 2002	1997-2001
3	Forest Products Annual Market Review	September 2000	September 2001	August 2002	2001-2002
	French version	February 2001	In translation		
	Russian version	February 2001	In translation		
4	Forest Fire Statistics	In press	In press	November 2002	1999-2001
5	Forest Products Trade Flow Data	April 2001	Not issued	April 2002	1999-2000
6	Forest Products Markets in – and Prospects for – (E/F)	December 2000	December 2001	November 2002	2001-2003
	Russian version	January 2001	In translation		

VI.B. Meetings

43. Correspondents Meeting, May 2001. This was a productive meeting but, because of a lack of resources, many correspondents from countries with weak forest statistics institutions could not attend. The primary output was that correspondents felt they and the secretariat were moving in the right direction and that the Joint Forest Sector Questionnaire, in its current form and with supporting materials, was good. There was a desire for more meetings but only if it were possible that correspondents from countries that did not normally attend meetings could attend, i.e. if funding for travel was available. There might also be more formal training provided during the meeting.

VI.C. Questionnaire results [2000 results in brackets]

44. Joint Forest Sector Questionnaire (JFSQ) 2001
- ?? JQ1 (production) - 39 countries replied [35], averaging 48.7 completed data points items out of 66 possible data points
 - ?? JQ2 (trade) – 38 replies [33], averaging 178.9 out of 216 possible data points, albeit with a wide dispersion.
 - ?? ECE1 (species trade) – 20 replies (not counting EU) [11]
 - ?? SP1 (secondary products trade) – 21 replies (not counting EU) [11]
45. Timber Committee Questionnaire (TCQ) 2001. This was the second year the questionnaire was pre-filled with JFSQ data.
- ?? TC1 (roundwood) – 32 replies, averaging 17.0 out of 21 possible data points [33 replies, averaging 15.9/22].

?? TC2 (products) – 31 replies, averaging 39.8 out of 45 [31 replies, averaging 25.4/33].

VI.D. Other issues

46. In an effort to confirm the data contained in the ECE database we mailed out an extract (10 years) of each country's data to all non-EU/EFTA countries in October 2001. EU/EFTA data were sent to Eurostat for forwarding in accordance with the procedures of the Inter-secretariat Working Group on Forest Statistics. This also gave countries a chance to see estimates and changes made by the secretariat during the 2001 questionnaire round. So far, unfortunately, responses have been minimal, despite the acknowledged imperfections of the data set and the desirability of full validation.
47. In accordance with the desires of the Working Party and our clients, all statistical information and publications are made available on the internet for reading and downloading. In general, information on the web is more up-to-date than the traditional printed sources. For example, a complete copy of the 2000 data was available on our web site in August 2001, prior to the issuance on paper of the *Forest Products Annual Market Review* and *Forest Products Statistics* publications.
48. Cooperation with the FAO continues to improve, building on the long history of collaboration. The principal effort is spent on providing the forest products data for the region into the FAO global statistical database and distribution system. The statistical data collected, after processing at ECE (and Eurostat), are passed on electronically to FAO where they are held in their working database until uploaded onto the public database three times a year.
49. The FAO actively reviews the data supplied, correlating it with other data and verifying the internal consistency of the data. This is in addition to verification checks made previously by correspondents, ECE and Eurostat. This extra step means we catch data problems missed earlier but also means that correspondents receive an additional round of queries.
50. A major support for timber statistics is the dissemination and distribution provided through the FAO website. The statistical data is available at <http://apps.fao.org/page/collections?subset=forestry>. This web site is (or should be) the first stop for users looking for information on forest products. By using this site the data supplied by national correspondents are rapidly available for worldwide use.

VI.E. Implementation of points raised during 2001 Working Party meeting

51. Encourage nomination of national correspondents. Although correspondents for Yugoslavia have been nominated and contact established with some central Asian States, we have several continuing gaps with important countries.
52. Encourage capacity building. The main suggestion here is to hold the correspondent's meeting for countries with weak forest statistics institutions and include funding to encourage attendance. However funding has not yet been made available.
53. Post Timber Bulletin timetable (and other organization's) on web site. Done (without listing the publications from other organizations).
54. Improve/update country profiles complementary to FAO. Several discussions have been carried out with FAO and a proposal has been put forward but no solution has been agreed upon.

55. Need to validate/publish ECE1 and SP1 data. The Working Party decided that these data should be published but not without proper validation. Unfortunately, so far, the secretariat has not managed to find the resources to do this.
56. Priority to improve quality, not expand data coverage. Here we have made stronger efforts to review the data as it comes in, to submit it to checks by analysts, and to have data re-checked by correspondents. The Joint Forest Sector Questionnaire forms now incorporate a number of checks to help correspondents immediately verify the internal consistency of the data.
57. Develop communication strategy for ECE/FAO outputs. No systematic work has been done in this area.
58. Several of the items requested by the Working Party have not been done. The main reason is the shortage of resources with our full commitment to the basic program. Although, in general, we are becoming more productive (e.g. improving communication, more rapid table preparation) we are also seeing greater requirements, e.g. improved data access, more extensive use of collected data.

VII. Issues for discussion and/or approval

59. Several issues have been put in Annex 6 as it is believed there will be time during the Working Party session to address only the more significant points which are listed below. The Working Party may wish to designate a Working Group or perhaps one of the Team of Specialists to investigate the issues raised in the annex and report back with a recommendation to the Working Party.

VII.A. Timber Bulletin work, priorities and structure

60. Given the postponement of the *Forest Products Prices, 1998-2000* (Timber Bulletin 54/1) and the time sensitivity of the monthly statistics, publishing in the current year no longer makes sense. The secretariat proposes to cancel this publication and to publish the data in *Forest Products Prices, 1998-2001*, Bulletin 55/1. The publication would show four years rather than three years. There would thus be no break in series due to this postponement and the spring publishing deadline will be met in future years.
61. The *Forest Products Trade Flow Data, 1999-2000* (Timber Bulletin 54/5) has not yet been issued. The secretariat proposes to change the numbering system of the trade flow publications, due to the inescapable fact that nearly 18 months are necessary to generate a useable world trade matrix, leading to long publishing delays and confusion in readers' minds. From now on the Timber Bulletin would include the most recent available trade flow data, i.e. in 2002 (Timber Bulletin 55/5) we will have data for 1999-2000. As a result the *Trade Flow Data* for the 2001 Timber Bulletin (54/5, with data for 1999-2000) would be cancelled.
62. *Does the Working Party agree with these two proposals?*
63. How many issues of the Timber Bulletin should there be and how often should they be published? There are currently six issues of the Timber Bulletin every year as listed above paragraph 43. Issues 3 and 4 (*Forest Products Annual Market Review* and *Forest Fire Statistics*) are outside of the purview of this topic but the remaining four issues are dependent on the guidance of the Working Party.

64. For several years there has been a continuing problem of producing all six bulletins per year in timely fashion. The secretariat believes that these can be published on time but the Working Party may wish to consider other options. These could include elimination of an issue, changing the frequency or perhaps building in the need for supplementary resources (i.e. if the supplementary resources are not available the issue will not be published).
65. Currently the secretariat works according to the following priorities in producing the bulletins (highest to lowest): *Forest Products Statistics*, *Forest Products Markets and Prospects*, *Forest Products Prices* and *Forest Products Trade Flow Data*. However, this priority is also affected by an efficiency calculation estimating the time needed to produce a single issue. The time needed to produce the *Forest Products Statistics* and *Forest Products Prices* is about one month each. The *Forest Products Markets and Prospects* and *Forest Products Trade Flow* take about 2 weeks each. For *Forest Products Prices* most of the time includes data collection but for the other publications this is essentially time needed to layout and prepare the pages for printing. This efficiency calculation is why, for example, the *Forest Products Markets and Prospects* were produced ahead of the *Forest Products Statistics*.
66. Is there any advantage to be gained by dropping one or more of the bulletins? If we proceed from the assumption that the Joint Forest Sector Questionnaire and Timber Committee Questionnaire data need to be collected for other purposes anyway, the time needed for the publication is that needed to properly extract the data and layout the pages, as indicated above. This time is a relatively small amount of secretariat resources. Dropping a bulletin would thus seem to have a major impact on data distribution for a small savings in time.
67. Is it possible and/or useful to produce these in a simpler fashion, for example only an electronic version or only tables? This would save layout time at the (possible) expense of clarity or comprehensiveness. Should the statistical work focus less on layout work? Should there be less emphasis on producing tables and more on simply providing the data.
68. ***The Working Party is asked to review these questions and decide if the structure of the Timber Bulletin series needs to be changed. In addition the Working Party should indicate if the current publication priority should be changed. The Working Party may wish to indicate its recommendations for the use of secretariat time in the field of statistics, as there will continue to be pressure on limited resources in both the secretariat and the countries.***

VII.B. Products covered in questionnaires

69. A recurring issue is which items should be covered in the Joint Forest Sector Questionnaire (JFSQ). The Working Party and correspondents are clear that data quality and ease of collecting information should have the highest priority.
70. The Inter-secretariat Working Group on Forest Statistics (IWG) has received several requests including tracking:
- ?? Recycled wood (for particle board)
 - ?? Recovered paper by grade
 - ?? Wood used for renewable energy supplies
 - ?? Bamboo / rattan
71. ***Faced with these requests, what attitude should the secretariat and its partners in the IWG adopt?***

Should we simply turn down all proposals for adding new products or should we develop criteria for evaluating the utility of including (or dropping) an item?

72. Some possible criteria could be:
- ?? Can correspondents provide such data? If so, how much effort does it take?
 - ?? Can it be defined in terms of the Harmonised System (HS) 6-digit coding? Should it be entire items or can it be defined as “part of” an HS code.
 - ?? World trade (imports and exports) should exceed 2% of HS code 44 (wood products) and production should exceed \$100 million
 - ?? Product should be traded on a worldwide basis, i.e. 5 leading exporters and 5 leading importers should not account for more than 60% of trade.
73. Further questions concern the Timber Committee Questionnaire (TCQ). Should it:
- ?? Include pulp and paper. This was added last year and most countries (24/31) responded to this item. These items were also covered during the market discussion during the Timber Committee meeting in October 2001.
 - ?? Be more detailed. For example, ITTO would like to see plywood and veneer sheets split into coniferous and non-coniferous, rather than just tropical as is now the case.
 - ?? Match the roundwood structure of the JFSQ. A regular problem in combining data from the JFSQ and TCQ is that the requested trade data often do not match since the JFSQ asks for total trade and the TCQ asks for subitems. The consequence is that when users (ITTO) try to fit the current TCQ data to previous years’ JFSQ data there is often a gap. It also means that pre-filled data do not exist for the TCQ subitems, leaving respondents no reference to prior data.
74. ***The Working Party is invited to discuss and provide recommendations on the issues listed, as well as bringing forward any concerns of their own.***

VII.C. Price statistics

75. Currently the price statistics collected and published are limited to what can easily be found and maintained. They are used in the *Forest Products Annual Market Review* and the *Forest Products Prices* as well as forming the basis for the very long term Outlook Studies price series. Should they be expanded to keep track of more price data? Among the issues are:
- ?? Should prices, which tend to be for very specific products, be linked to production data for these specific products – this means another data set to track production of the items for which we have prices.
 - ?? If we cannot link the prices to specific products is there a way to link them to the more generic volume data currently being collected with the Joint Forest Sector Questionnaire. For example, collecting import and export unit values at classification levels that correspond to the JFSQ items.
 - ?? Should we request countries for the most important price series sources in their area? Can we expect a reasonable response from the countries?
 - ?? Annual data are needed for long-term outlook analyses, while the *Forest Products Annual Market Review* requires monthly or quarterly data. Should we be collecting both?
 - ?? Do our current series match user needs.
76. In favour of expanding the data is that it would simplify the data gathering for the European Forest Sector Outlook Studies (EFSOS), it would expand the usefulness of our statistics and we could exploit EFSOS

resources to initiate this work. Against this is the struggle we currently have to publish simple price statistics and the variation between the needs of the different user communities.

77. *The Working Party is requested to review the “Forest Products Prices” bulletin and express its wishes for the future focus of work in this area.*

VII.D. Using data from questionnaires ECE1 (trade by species) & SP1 (trade of secondary products)

78. For several years the Inter-secretariat Working Group on Forest Statistics has requested countries to complete these two questionnaires. As can be seen from the paragraph on questionnaire responses (para. 44.), countries are replying to these questionnaires. Unfortunately the ECE Timber Section has so far not been able to use these data and the FAO and Eurostat are using alternative data sources for secondary products data (COMTRADE and COMEXT).
79. The ECE has not used these data because it has not had the resources to validate and publish these data. Furthermore a table format suitable for these data needs to be worked out. As this is a relatively self-contained project it would be ideally suited to the loan of an expert, possibly at a junior level, who could work with the secretariat to validate and prepare these data. Most of this work could be carried out from the home country.
80. Are these data of interest to the Working Party and the clients? If so, how much effort should be expended to verify and produce the data? The secretariat believes these data are of interest but should only be published if they are validated with the primary trade data from the Joint Questionnaire on Trade.
81. Should the priority for publishing these data be increased? If so, what part of the statistical programme could be decreased in importance?

82. *The Working Party is asked to discuss the situation of the data from these two questionnaires, the priority to attach to them and indicate if they should be continued. Also, any suggestions for resources to process these data would be welcomed. Delegates are asked to consider whether their countries would be in a position to make available an expert to carry out this work.*

VIII. Conclusion

83. The Working Party is invited to review the statistical elements of the Integrated Programme of Work and approve the programme for 2001-2004, annexed to TIM/EFC/WP.2/2002/2. An emphasis has been put on improving data quality and publishing all available data. Cooperation and avoidance of duplication, both at the national and international level, has been identified as a successful element of the programme and instrumental to retaining confidence of all partners. The secretariat expresses its great appreciation to those countries currently supporting the programme.

Annexes:

5. Planned and proposed work in statistics in 2002
6. Issues to be discussed by Working Group

Annex 1

Work Area 1 Programme of Work, 2002-2004

Programme element	Description:	Outputs	Duration
Work Area 1: MARKETS AND STATISTICS			
1.1 Statistics on production, trade and prices of forest products	Collect, through national correspondents, statistics on production, trade and prices of forest products and disseminate them. Improve statistics quality and coverage through co-ordination in the Intersecretariat Working Group on Forest Sector Statistics (ECE, FAO, ITTO, Eurostat). Collect secondary data through trade journals and trade associations as necessary to complete analyzes described below.	(annual): ??Timber Bulletin (Issues 1, 2, 5) ??TIMBER database and FAOSTAT database ??Data available on websites	Continuing
1.2 Analysis of markets for forest products	Analyze markets for forest products and publish annual review. Publish forecasts annually of short-term market trends with analysis of current developments following annual market discussions at Timber Committee. Publish additional market analyzes as necessary.	?? <i>Timber Bulletin</i> , Issue 3, "Forest Products Annual Market Review" ?? Annual market discussions ?? <i>Timber Bulletin</i> , Issue 6, "Forest Products Markets in (present year) and forecasts for (forthcoming year)" ?? Periodic market reports in <i>Geneva Timber and Forest Discussion Papers</i> and special chapters in the "Forest products annual market review"	Continuing
1.3 Capacity building for forest products marketing in countries in transition	Conduct workshops on marketing of forest products (including non-wood forest products and services) normally in central and eastern European, Mediterranean and CIS countries, in cooperation with FAO, other organizations, country hosts and donors.	Workshops in countries to be determined (dates to be determined BY AVAILABILITY OF FUNDING ²)	to 2004
1.4 Monitoring markets for certified forest products	Monitor and disseminate objective and current information on markets for forest products certified as being from sustainable managed forests, primarily on the basis of reports from an informal network of OFFICIALLY-NOMINATED ³ country correspondents.	?? Discussion of markets for certified forest products at Timber Committee market discussions ?? Chapter in "Forest products annual market review" ?? Website containing recent information from a variety of sources and links to further information. ?? Periodic <i>Geneva Timber and Forest Discussion Papers</i> with updates on these markets and the status of forest certification in the ECE region	to 2004
1.5 Statistics on	Collect and disseminate statistics through	?? Database	Continuing

² Proposed change by secretariat

³ Proposed change by secretariat

forest fires	national correspondents on forest fires.	?? <i>Timber Bulletin</i> , issue 4, "Forest fire statistics"	
1.6 Information network and teams of specialists	Support and advise activities under elements 1.1 to 1.4 by teams of specialists and networks of national experts and correspondents.	?? Studies in support of above elements ?? Meetings and activities of teams of specialists (see mandate) ?? Periodic meetings of national statistical correspondents	To 2004

Annex 2

Draft proposal for marketing workshops in central and eastern European countries (as of 15 February 2002)

FOREST SECTOR MARKETING DEVELOPMENT PROPOSAL

INTRODUCTION

Viable forest products markets are essential to achieve sustainable forest management (SFM). Revenues from sustained production of wood and non-wood products and services from forests are necessary to insure continuity of production, as well as financing for other forest attributes, for example biodiversity. Forest-based industries provide essential rural economic development, as well as important trade revenues for countries endowed with forests.

When wood is processed into products and used, it must be done in an economically efficient and environmentally sound manner. This is not currently the case throughout Europe, and especially in the central and eastern European countries (CEECs).

In order to achieve the goals of SFM, and to promote the effective use of wood and wood products, marketing capacity needs development, especially in CEECs. "Marketing" includes the product development and production, its distribution and promotion.

GOAL

To promote sustained economic development through development of marketing information in the forest sector in central and eastern European countries as the fundamental basis for sustainable forest management.

OBJECTIVE

To develop centres of marketing information throughout Europe, especially in the CEECs, which would be key communication channels for the flow of information about forest products markets. Improvement of marketing capacity would enable countries to more efficiently and effectively market their forest products and services, at realistic prices equivalent to those in EU countries.

LINK TO ON-GOING INTERNATIONAL PROCESSES

The Helsinki Conference of the Ministerial Conference for Protection of Forests in Europe established the H3 Resolution, to provide assistance to CEECs. (more info needed on link)

The UN Intergovernmental Forum on Forests concluded with many proposals for action following their deliberations on the environmental implications of trade of forest products, market transparency and access, competitiveness of wood versus substitutes, non-discriminatory international trade, certification and improved market access, full-cost internalization in pricing of forest products and services and related topics. These proposals were carried forward to the UN Forum on Forests for implementation by countries. In order to further effective implementation of specific proposals for action⁴, the Intergovernmental Forum on Forests:

⁴ E/CN.17/IFF/2000/14, "Report of the Intergovernmental Forum on Forests on its Fourth Session", <http://www.un.org/documents/ecosoc/cn17/2000/ecn172000-14.htm>

- ?? “Urged countries to develop strategies for SFM with a long-term perspective so that the negative effects of short-term market changes, such as the recent regional financial crises, can be minimized”;
- ?? “Encourages countries and international organizations to improve data collection and information dissemination through: (i) Increasing the extent, quality and comparability of inventory data on forest resources, including both wood and non-wood forest products and services; (ii) Giving adequate attention to collection and reporting on the use of a broad range of non-wood products, including quantities gathered and consumed, ownership rights and their importance to rural and indigenous communities; (iii) The systematic collection and reporting of information on the source and use of wood fuels; and (iv) The provision of timely, useful and comparable data on prices of wood and non-wood products as well as their substitutes”;
- ?? “Develop and implement policies designed to promote sustainable production of wood and non-wood forest goods and services that reflect a wide range of values, and to ensure that the benefits of commercialization of wood and non-wood forest goods and services contribute to improved management of forests and are equitably distributed to the people who protect and provide them”;
- ?? “Review policies that have a direct effect on the price of forest products and of their substitutes, initiate studies on market behaviour, when appropriate, and recognize that appropriate prices can encourage and support sustainable forest management while discouraging overuse, waste, excess and inefficient manufacturing”;
- ?? “Undertake studies on the cost and benefits of using renewable wood and non-wood forest products, as opposed to non-renewable substitutes”.

OUTPUTS

- ?? Development of a national nucleus of market intelligence in CEECs;
- ?? Establish a system for collecting the information necessary for regional economic development in the forest sector;
- ?? Create a linked web-based market information system with a means for periodic updating;
- ?? Develop market research capability in order to achieve economic development. Component of market research include: techniques, market information, sources of further information, sources of assistance, specific forest products marketing training, etc;
- ?? (Others?).

COUNTRIES INVOLVED

To be selected upon the priorities of the sponsors and organizations involved. There could be several groupings or phases, e.g., phase 1 for EU accession countries and phase 2 for remaining 20 central and eastern European countries within UNECE region. The CEECs are not homogenous in their needs for marketing assistance and development of centres of marketing expertise, thus consideration should be given to those countries having the need as well as those countries having the experience and expertise to share.

MODALITIES

The project could be carried out under the auspices of the UNECE Timber Committee through its UNECE and FAO secretariat. Select 2 or 3 people from each country to form a “core group”, from which information will be exchanged. Conduct a series of workshops to monitor progress, exchange expertise and to focus on conducting market research. Workshops would have broader participation than core group. Conduct final seminar to disseminate results, including publication of proceedings and promotion of an interactive market information system (MIS). Upon securing funding, select consultant to organize project. Project would be overseen by a steering committee from all the organizations involved.

TIME PERIOD

The project could be 5 years, depending on the countries chosen. Consideration of renewal should come before the end of the period. (More detail on funding will be necessary in a final proposal.)

COSTS

Depending upon the final scope, the project could be 1 million euros or more (more detail on funding will be necessary in a final proposal).

Annex 3

Proposal for forest products marketing APO

FOREST PRODUCTS MARKETING ASSOCIATE PROFESSIONAL OFFICER

with the UN Economic Commission for Europe or the Food and Agriculture Organization

Title: Associate Professional Officer, Forest Products Marketing

Location: Timber Section, UNECE Trade Development and Timber Division, Geneva, Switzerland.

Starting: 2003

Need for an APO in forest products marketing:

- ?? Promote sustainable forest management in all countries and primarily in central and eastern European countries (CEECs) through market development.
- ?? Provide market access through efficient trade channels in CEECs.
- ?? Promote market information and transparency in CEECs.
- ?? Conduct follow-up to resolutions of the Ministerial Conference on the Protection of Forests in Europe.
- ?? Conduct follow-up to outcomes of the UN-CSD Forum on Forests.
- ?? Promote effective marketing of wood and non-wood forest resources and services in CEECs.
- ?? Promote efficient utilization of forest products through market development in CEECs.

Benefits to sponsoring country. In addition to the above, associate professional officers return to their countries with valuable training in forest products marketing. In turn the sponsoring country will have direct access to the work in the Timber Section, both in the short run while the officer is in place, and in the long term through the important communication channels built during employment in Geneva. Such links have proven beneficial to both the organizations, to the host countries and to the APO.

Background. The Forest Products Marketing Programme continues to evolve according to the needs of the UNECE Timber Committee and the FAO European Forestry Commission as well as external clients in industry, governments and institutions. One important part of the programme involves assistance in development of forest products marketing in CEECs. The need for workshops in the 27 CEECs within the UNECE region exceeds the capacity of the Timber Section's forest products marketing officer. Creation of a Market Information Service on the Timber Committee website has opened a new resource for traditional clientele and has generated worldwide requests for more information and assistance.

The assignment will involve participation in other work areas of the forest products marketing officer which currently include certified forest products, public relations in the forest and forest industry sector and development of forest products statistics. Simultaneously the associate professional officer will be exposed to a variety of additional work programmes of the ECE and FAO which should enrich the working experience in Geneva and be valuable for future career development of the APO.

General objectives of the Forest Products Marketing Programme:

- ?? Assist 55 member countries in Europe, North America and the Commonwealth of Independent States in

- reviewing developments and forecasting trends in forest products markets.
- ?? Assist CEECs in developing capacity in forest products marketing, e.g. policies, gathering and reporting statistical information, economic development opportunities, etc.
 - ?? Promotion of sustainable forest management and expanded utilization of forest products within countries and internationally to maintain and regain market share from competitive, substitute materials.
 - ?? Support national market studies and reporting of statistics (production, trade and consumption) through development of capacity.
 - ?? Analyze forest products markets and report through the *ECE/FAO Timber Bulletin*, *Geneva Timber and Forest Study Papers*, *Geneva Timber and Forest Discussion Papers* and Timber Committee website as well as through presentations.
 - ?? Promote renewability and environmental benefits of wood and non-wood forest products.

Main activities for the APO and of the Forest Products Marketing Programme:

- ?? Analyze forest products markets in CEECs
- ?? Collect and report market statistics in CEECs
- ?? Assist in developing forest products marketing in CEECs
- ?? Disseminate information
- ?? Conduct special market studies, for example CEEC market profiles
- ?? Participate in multiple disciplinary work of the Timber Section.

Institutional framework: A cooperative working environment combines expertise in the FAO Forestry Department and the ECE Timber Section to accomplish mutual and individual goals of the organizations and their principal subsidiary bodies, i.e. the European Forestry Commission and the Timber Committee respectively. This institutional arrangement has proven positive in accomplishing forest products marketing work and will foster cooperative efforts in the future. Major components of the programme are carried out independently by member countries through production of statistical analysis and submission of national statistics and reports.

Forest products marketing activities are carried out as part of the programme of work of the Joint FAO/ECE Working Party on Forest Economics and Statistics, a subsidiary body of the FAO European Forestry Commission and the ECE Timber Committee.

Staff of the Timber Section:

- ?? Chief (administration, multiple disciplinary responsibilities)
- ?? Forest products marketing officer (Forest Products Marketing Programme)
- ?? Forest resources officer (Temperate and Boreal Forest Resources Assessment)
- ?? Forestry officer (European Forest Sector Outlook Studies)
- ?? Kari is what? APO? (European Forest Sector Outlook Studies)
- ?? Economics officer (Joint FAO/ECE/ILO Committee on Forest Technology, Management and Training)
- ?? Statistician
- ?? 3 additional support staff.

Proposed duty station of the APO: Geneva, Switzerland

Proposed duty station of programme headquarters: Geneva or Rome

Duty station of direct supervisor: Geneva

Proposed length of assignment: 2 years, renewable

Language: English or French

Additional information:

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Annex 4

Report of the meeting of the UNECE and FAO Team of Specialists on Forest Products Markets and Marketing (without its annexes)

UNECE/FAO TEAM OF SPECIALISTS ON FOREST PRODUCTS MARKETS AND MARKETING Inaugural Meeting, 1-3 October 2001

Report of the Meeting

1 October 2001

Mr. Ed Pepke, Forest Products Marketing Specialist, UNECE and FAO Timber Section, and Secretary of the Team, opened the meeting. The Team of Specialists had a minute of silence in memory of victims of last month's terrorist attacks on the USA. Mr. Kit Prins, Chief, Timber Section, addressed the meeting.

- Item 1 Adoption of the agenda
The agenda was adopted.
- Item 2 Introductions
See attached participant list (Annex 1).
- Item 3 UNECE/FAO teams of specialists
Mr. Pepke introduced the general responsibilities of teams of specialists according to document TIM/2001/8 pages 18-26 (Annex 2). Other teams were introduced as shown in the Timber Committee Session document (TIM/2001/8).
- Item 4 UNECE/FAO Team of Specialists on Forest Products Markets and Marketing
Mr. Pepke gave an overview of the terms of reference of the Team (Annex 3).
- Item 5 Mandated task 1. Advise the TC and EFC on forest products market developments
Introduced as shown in explanatory notes for the meeting. On Tuesday, 2 October, this was discussed by subgroup A (see subgroup A report, Annex 4).
- Item 6 Mandated task 2. Provide a forum for discussion of forest products marketing in the UNECE region
Introduced as shown in explanatory notes. The Team decided that the mandate is done in part through the Timber Committee market discussions. Further forums to be explored in context with marketing events.
- Item 7 Mandated task 3. Undertake studies on marketing issues, emerging markets, market development, etc.
Introduced as shown in explanatory notes. On Tuesday, 2 October, this task was discussed by subgroup D (see subgroup D report, Annex 7). The Team does not expect to duplicate the work of other teams of specialists.
- Item 8 Mandated task 4. Provide assistance in marketing to central and eastern European countries through information collection, analysis and dissemination, including workshops
Introduced as shown in explanatory notes and then discussed by subgroup D (see subgroup D report, Annex 7). The Team discussed opportunities and some participants from CEECs expressed strong interest in this task.
- Item 9 Mandated task 5. Contribute to the Committee's annual market discussions

Introduced as shown in explanatory notes. The Team observed and participated in the marketing discussions on 2-3 October 2001.

- Item 10 Mandated task 6. Advise the TC and EFC on their market-related publications
Introduced as shown in explanatory notes. On Tuesday, 2 October, this task was discussed by subgroup C (see subgroup C report, Annex 6).
- Item 11 Mandated task 7. Contribute information to the TC and EFC on markets for certified forest products
Introduced as shown in explanatory notes. On Tuesday, 2 October, this task was discussed by subgroup A (see subgroup A report, Annex 4).
- Item 12 Mandated task 8. Analyze market trends and forecasts for the TC and EFC forest sector outlook studies
Introduced as shown in explanatory notes. On Tuesday, 2 October, this task was discussed by subgroup B (see subgroup B report, Annex 5).
- Item 13 Mandated task 9. Advise the secretariat on the UNECE/FAO forest Products Marketing Programme
Introduced as shown in explanatory notes. On Tuesday, 2 October, this task was discussed by subgroup A (see subgroup A report, Annex 4).
- Item 14 Any other business
None.
- Item 15 Election of officers
The Team elected Dr. Chris Gaston (Canada) as Team Leader.
Mr. Michael Buckley (United States) and Mr. Harijs Jordans (Latvia) were nominated to Deputy Leaders.
- Item 16 Arrangements for the meeting report preparation and distribution
The Secretariat drafted the meeting report. The officers and the secretariat finalized the report. The secretariat distributed the report by e-mail and via the Timber Committee website.
- Item 17 Date and place of next meeting
Next meeting is on 23-25 September 2002 in Geneva, coinciding with the Timber Committee market discussions on 24-25 September 2002. Individual subgroups may meet before the full Team meeting.

Dr. Chris Gaston closed the meeting.

2 October 2001

The Team divided their mandate into four groups for discussion in breakout sessions:

Group A considered mandates 1, 7 and 9 which are:

- 1) Advise the TC and EFC on forest products market developments.
- 7) Contribute information to the TC and EFC on markets for certified forest products.
- 9) Advise the secretariat on the UNECE/FAO forest Products Marketing Programme.

Group B considered the mandate item 8:

- 8) Analyze market trends and forecasts for the TC and EFC forest sector outlook studies.

Group C considered the mandate item 6:

- 6) Advise the TC and EFC on their market-related publications.

Group D considered the mandate items 3 and 4:

- 3) Undertake studies on marketing issues, emerging markets, market development, etc.
- 4) Provide assistance in marketing to central and eastern European countries through information collection, analysis and dissemination, including workshop.

No specific subgroup was assigned mandate items 2 and 5 as it was considered that these items would be done automatically in the Timber Committee sessions, at least for 2001.

Every subgroup gave an oral report about their mandate discussions, and were to prepare a written report for the Team Leader for incorporation in this report.

Subgroup members were:

A	B	C	D
J. Bourke	E.L. Akim	E.L. Akim	E.L. Akim
M. Boutin	R. Bali	A. Koskinen	G.F. Borlea
M. Buckley	J. Bourke	Z. Kovács	M. Boutin
K. Forsyth	C. Gaston		M. Buckley
U. Kaubi	P. Hviid		K. Forsyth
T. Krejzar	H. Jordans		C. Gaston
A. Koskinen	S. Labbé		U. Kaubi
S. Labbé	J. McLoughlin		A. Pavel
P. Martikainen	K. Montgomery		J. Wall
T. Parik	E. Rametsteiner		
E. Rametsteiner	A. Splawa-Neyman		
A. Splawa-Neyman	J. Wall		

Annexes¹

1. List of participants
2. General responsibilities of teams of specialists
3. Terms of reference of the Team
4. Subgroup A report
5. Subgroup B report
6. Subgroup C report
7. Subgroup D report

¹ Annexes to this report are intentionally not included in this Working Party document, but will be available in the meeting room.

Annex 5

Programme element	Description:	Outputs	Duration
Work area 1: MARKETS AND STATISTICS			
Planned activity 2002	?? Issue questionnaires for JFSQ and TCQ and process data		3 months
	?? Provide analytical support to Forest Products Annual Market Review		1 month
	?? Publish Forest Products Markets and Prospects (issue 6) and supporting documentation for TC		1 month
	?? Publish Forest Products Statistics (Issue 2)		1 month
	?? Publish Forest Products Prices (issue 1)		1 month
	?? Publish Forest Products Trade Flow (issue 5)		2 weeks
	?? Cooperate with IWG / FAO		1 month
Proposed activity 2002/2003 as resources permit	?? Follow up on data validation / improve data quality		1 month
	?? Hold correspondents meeting for eastern Europe / CIS		1 month
	?? Extend price series		3 months
	?? Improve contacts with CIS, particularly Ukraine		2 weeks

Annex 6

Issues to be discussed by the Working Party if time available, otherwise by a Working Group or a Team of Specialists

Topic 1 - Publication layout

1. The current aim is to provide all the data that we have collected in as coherent a manner as possible. Very little attempt is made in these publications to group (aside from creating regional totals), analyse or derive data, either by creating composite tables or graphs. Including such elements would have major implications as regards page count and, above all, timing. All of this analysis is left to the user or to the *Forest Products Annual Market Review*. Is this suitable and does it meet the concepts of the Working Party?
2. Whether to show non-responses, i.e. if all years show not available (three dots) should we retain that line. Should we still show the country even if no data exist from it? This will clearly show gaps in our data and permits highly standardized tables that facilitate referring to and looking up data. On the other hand it can be embarrassing to both the individual country and the secretariat and takes up space. Alternatively, we can simply suppress the lines that have no data. A prior solution was to combine smaller countries into one grouping, thus avoiding most non-responses. However this hid actual data. This question also applies to countries that have replied indicating 0. This can mean that the entire row in the table says 0. Is this information worth showing or should the line for that country be suppressed.
3. There has been a steady addition of front matter to the *Forest Products Statistics*. This is used to explain the terminology, the country groupings, sources and the data flow. Is this helpful?
4. Data are increasingly being marked with the source, i.e. official, estimated or repeated. Does this improve the clarity of the data?

5. How important is it to have an exact copy of the publication available electronically? The secretariat currently provides Excel files of tables as they are generated for the publication. These are available on the web site. To create a PDF version of the publication (including the cover and front and back matter) is additional work and not fundamental to making the data available electronically.
6. Should we favour electronic over paper versions? This assumes the resources used would remain the same but changing the emphasis to take advantage of electronic characteristics at the cost of simplifying the paper version. Currently the publication is produced with the goal of having a clean paper version but perhaps it would be more sensible to aim to produce a more dynamic electronic version.
7. *The Working Party/Group is invited to approve the actions taken by the secretariat to improve the layout and to express its opinion on these questions.*

Topic 2 - Improvement of data

8. Despite some improvements over the last few years, we continue to need better in data sources in eastern Europe/CIS. We propose to write governments requesting contact, to visit countries to establish and improve contacts and to provide more support to educate and inform correspondents. Although country visits require resources that we have so far not been able to find, the other steps can and are being done by us. We would welcome further suggestions from the Working Party in this area.
9. The 10-year data review and the EFSOS study have highlighted literally thousands of unexplained “jumps” in the data. How should the secretariat identify and tackle jumps in the series? How much importance should be attached to reviewing older data? The only solution is to identify the changes and either try to smooth the data by using information available here or pass the query back to the correspondent. It should be remembered that, due to the interlocking nature of the items, incorporating data from other sources would mean changing several years or subitems. The major obstacle is resources. We would need a qualified person to identify changes and then people qualified for each country / flow to work on data.
10. The 10-year data review is partly an attempt to validate our data. However, as there have been only two replies to this so far, it is clear the countries need to invest more resources in this. The secretariat and its partners are now in a position to store and check long series for internal inconsistencies, but resolving anomalies cannot be done without the active participation of national correspondents. It seems that asking national correspondents to verify data older than 2 or 3 years may be overtaxing their resources. The question is what kind of priority should this be given by the secretariat. Should we continue to seek responses to our 10-year update?
11. We had intended to conduct a 1-week verification of data during the *Annual Market Review*, giving correspondents a chance to review the data they had provided and see what estimates the secretariat had made. This was not done but is it something we should try to do? Would correspondents be in a position to review/correct/complain about data with such a short turn-around period?
12. How important or useful would pre-filling the Joint Forest Sector Questionnaire (with prior year figures) be? This is not too difficult to do but increases the complexity of the questionnaire distribution substantially. Is it worth it?
13. Is there a need for a correspondents meeting? Currently the position is that this is not needed as there

have been no major changes in the questionnaires and the correspondents from countries with strong forest statistics institutions are fully capable of completing this questionnaire. The secretariat agrees with this. There is, nevertheless, a clear need for a correspondents meeting for those who do not manage to complete the data or do not respond. Does the Working Party feel the position has changed?

14. *The Working Party/Group is asked to review these questions and provide guidance to the secretariat on our common efforts to improve data quality. The Working Party/Group is invited to indicate the importance it attaches to the validation of long term data series, and, if it agrees that this is most important, to urge national correspondents to contribute actively to this effort. The Working Party/Group is also asked to indicate the level of effort the secretariat should expend on data validation.*