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TIMBER COMMITTEE

Fifty-ninth session

2-5 October 2001

MARKET DEVELOPMENTS IN 2001 AND PROSPECTS FOR 2002

(Item 4 of the Provisional Agenda)

Note by the secretariat

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 Committee 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. As agreed by the bureaux in May 2001, the annual market discussions at the Timber Committee Session have been expanded from 1 day to 1½ days beginning in 2001 to enable more discussion time and comprehensive coverage of forest products markets. Discussions are scheduled to begin in the afternoon on Tuesday, 2 October and for the full day on 3 October 2001. The theme will be “Globalisation of forest products markets.”

2. Each forest products market segment will be introduced by a secretariat analysis comparing developments in the 3 subregions, i.e. CIS, Europe and North America. The analyses are based on responses to the 2001-2002 Timber Committee forecasting questionnaire. The secretariat introduction will be followed by expert presentations for each sector. After the introduction and presentations, the participants at the market discussions will be invited to discuss the trends and developments.

3. The timetable below may be adjusted according to length of discussions on individual market segments. The order of presentations is from the demand for products to the raw material markets. A detailed schedule of speakers and timing will be presented at the session.

Monday 2 October

- (a) 1300 hours Opening of market discussions with a keynote presentation on globalisation of forest products markets, including changing sources of supply and changing demand.
 - (b) General economic developments in the ECE region and general developments in forest products markets.
 - (c) Secondary processed forest products, including engineered wood products markets.
 - (d) Certified forest products markets.
 - (e) Paper, paperboard and wood pulp market developments
- 1800 hours End of afternoon session (any topics above which have not been completed will be carried over to Wednesday).

Wednesday 3 October (continuation of market discussions)

- (f) 1000 hours Sawn softwood market developments.
 - (g) Sawn hardwood market developments (temperate hardwoods)
 - (h) Tropical timber markets (including secondary processed, sawnwood, plywood and logs).
 - (i) Wood-based panels (particle board, OSB, plywood, MDF and fibreboard).
 - (j) Roundwood markets, including logs and pulpwood
- 1800 hours End of afternoon session. There will be a lunch break from 1300-1500 hours.

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:

<u>Friday</u> - morning	0900 hours	Drafting Committee prepares statement, on the basis of a secretariat draft (as there will be no formal interpretation on Friday morning, the secretariat proposes that the Drafting Committee be conducted in English);
- afternoon		The draft statement is submitted for approval by the Timber Committee. Because there is no time for translation, the statement will only be available in English
<u>Monday, 8 October</u>		Text of statement issued as press release and put on the Committee website with a summary table of regional forecasts for markets in 2001 and 2002.

5. The Committee's market statement will be published in the *Timber Bulletin* No.6 "Forest products markets in 2001 and prospects for 2002", with complete sector tables with national forecasts and posted on the website. Market discussion speakers' presentations will also be uploaded to the website following the session.

6. 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. As usual, the drafting committee will have a secretariat draft of the market statement at its disposal.

COUNTRY MARKET STATEMENTS

7. 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 enable all individual country presentations. Delegations' attention is drawn to the explanatory notes for the Provisional Agenda (ECE/TIM/94) in relation to item 5. A format is suggested in Annex I.

8. Following endorsement by the Timber Committee in 1999, market statements will be loaded onto the website again this year in order to allow delegations (and the secretariat) 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 **14 September 2001** to the secretariat. The electronic version of the written statement may be in Word or WordPerfect.

9. In particular, delegations are reminded to send 120 copies of their written statements on developments in their forest products markets according to the structure in the annex to the secretariat by **14 September 2001**. If it is not possible to transmit all 120 copies by the deadline, delegations are requested to bring them to Geneva. 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):

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10. 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 1 of the programme of work). 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 **1 September 2001** and are requested to ensure that this deadline is adhered to.

11. It is impossible to prepare the Committee's statistics and reports in time for the meeting unless all forecasts are received by the deadline. The nature of the data for the market discussion (forecasts for the current and forthcoming year) means that they cannot be based on full knowledge, unlike, for instance the historical data requested through the JFSQ. Therefore it is acknowledged that figures supplied by national correspondents are **estimates**. When using these forecasts the secretariat consistently acknowledges their nature as estimates and notes *when* they were made to minimize misunderstanding.

FOREST PRODUCTS ANNUAL MARKET REVIEW, 2000-2001

12. The "Forest products annual market review, 2000-2001", *Timber Bulletin*, Volume LIV (2001), 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>). As the full *Market Review* will not be available in French and Russian, an executive summary will be produced in all 3 languages and will be available on the website and at the market discussions.

13. 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. 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.

TEAM OF SPECIALISTS ON FOREST PRODUCTS MARKETS AND MARKETING

14. The team will hold its inaugural meeting just before the Committee session and team members will contribute to the Committee market discussion. The team's terms of reference are in TIM/2001/8. The Committee will be informed of the results of the team's meeting (under item 8 of the provisional agenda) and invited to make preliminary comments.

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Annex I

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 sawlogs and pulpwood

Sawn softwood

Sawn hardwood

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

Certified forest products

3. Tables

Economic indicators

Forest products production and trade in 2000, 2001 and 2002
