

Cyprus timber market statement – September 2001

1. General economic trends affecting the forest and forest industries sector

The performance of the economy during the first eight months of the year did not have any special and/or significant effects on the forest and forest industries sector. Table 1 presents the main economic indicators for the year 2000 and forecasts for the years 2001 and 2002.

2. Development in forest products markets

Pulp and paper: There has not been any major development in this sector.

Roundwood including sawlogs and pulpwood: In 2001, supply will be decreased down to 9000 m³ (underbark). Percentage – wise, the decrease from 2000 there would be 40%. If we consider the 1999 data then the decrease is up to 70%. This decrease of wood supply results from the newly adopted strategy for state forests where as far as the management is concerned, wood production ranks last in priority.

It is also noted that there has been a decrease in the demand of roundwood since in 2000 one company in the industry sector closed down its sawmill and particleboard units.

Sawn softwood: In 2001, the production of sawn softwood will be at the same level as in 2000. However, there has been a significant decrease (25%) between 1999 and 2000 because one company closed down its sawmill unit in 2000.

Sawn hardwood: There has not been any major development for this product.

Wood-based panels (particleboard, fiberboard and MDF, OSB, plywood) and engineered wood products: The production of particleboards in 2001 will be zero because the only one company manufacturing particleboards closed down. Its relevant unit.

Certified forest products: Any certification system has not been implemented yet.

3. Tables

☞☞ Table 1 presents the main economic indicators for the year 2000 and forecasts for the year 2001 and 2002.

☞☞ Tables for forest products production and trade in 2000, 2001 and 2002 have been sent to you via e-mail on 21 September. However, for your convenience please find them attached herewith.

Table 1. Economic indicators

Year	2000	2001 forecast	2002 forecast
Economic Indicator			
1. Gross Domestic Product (GDP)	5,1%	4,5%	4,0%
2. Unemployment	3,4%	3,0%	3,0%
3. Inflation	4,1%	1,8%	3,5%
4. Central Government Deficit	2,7% of GDP	2,6% of GDP	2,4% of GDP
5. Central Government Debt	60,4% of GDP	59,7% of GDP	60,5 of GDP