

NOTE

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Any data provided under the heading "Yugoslavia" relate to the Federal Republic of Yugoslavia which, in accordance with General Assembly Resolutions 47/1 and 47/229, cannot continue automatically the membership of the former Socialist Federal Republic of Yugoslavia.

ABSTRACT

The *Forest Products Annual Market Review, 1999-2000* provides general and statistical information on forest products markets in the UN-ECE region of Europe, North America and the Commonwealth of Independent States. The *Review* begins with a general overview of the forest products markets in the region followed by a description of the economic situation in the region. Five special chapters are included this year: "Effects of the December 1999 storms on European timber markets," "Poland's forest products markets," "China's forest products markets" "Secondary processed forest products markets" and "Engineered wood products – Production, trade, consumption and outlook." The developments in seven standard sectors are described for markets of: wood raw materials, sawn softwood, sawn hardwood, wood-based panels, paper and paperboard, certified forest products and tropical timber. For each sector, production, consumption and trade are considered and relevant material on specific markets is included. Tables included with the text present detailed information and annex tables contain further reference material.

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CONTENTS

	<i>Page</i>
<i>Preface and acknowledgements</i>	xi
<i>Data sources</i>	xiii
<i>Contributors to the publication</i>	xiv
<i>Explanatory notes</i>	xvi
<i>Symbols and abbreviations used</i>	xvi
Chapter 1 OVERVIEW OF FOREST PRODUCTS MARKETS IN 1999 AND EARLY 2000	1
1.1 ECE region developments.....	2
1.2 Trends in forest products markets.....	4
1.3 Timber Committee forecasts.....	4
Chapter 2 ECONOMIC FACTORS AFFECTING FOREST PRODUCTS MARKETS	5
2.1 General economic developments	6
2.2 Construction sector developments.....	17
Chapter 3 EFFECTS OF THE DECEMBER 1999 STORMS ON EUROPEAN TIMBER MARKETS	23
3.1 Introduction.....	24
3.2 Damage magnitude: the equivalent of 2 years' harvest in 3 days!.....	26
3.3 Market effects: potential enormous imbalances mitigated through sector solidarity.....	28
3.4 Comparisons with 1990 market effects: similar problems and solutions	34
3.5 Assistance by governments: quick and multi-dimensional responsiveness.....	36
3.6 Positive outcomes?.....	37
3.7 Conclusion.....	37
Chapter 4 POLAND'S FOREST PRODUCTS MARKETS	39
Secretariat introduction.....	39
4.1 General economic developments	40
4.2 Forest resources.....	41
4.3 Institutional framework for forest and forest industries	42
4.4 Effects of the transition process.....	43
4.5 Integration into the EU	44
4.6 Forest industry – production and consumption	44
4.7 Trade of wood and wood products	46
4.8 Certified forest products	49
4.9 Prospects for wood industry	50
Chapter 5 CHINA'S FOREST PRODUCTS MARKETS	51
Secretariat introduction.....	51
5.1 General socio-economic development	51
5.2 Forest resources.....	53
5.3 Institutional framework	54
5.4 Analysis and development of production of China's major forest products, 1981 to 1999.....	54
5.5 Development of China's forest product trade from 1981 to 1999.....	58
5.6 China's forests product trade in 1999	63
5.7 Consumption of major forest products, with international comparisons.....	66
5.8 Projections of demand and supply of China's forest products to 2010.....	67
Chapter 6 SECONDARY PROCESSED WOOD PRODUCTS MARKETS	71
Secretariat introduction.....	71
6.1 Introduction.....	72
6.2 Secondary processed wood products.....	72
6.3 Main flows and trade patterns.....	74
6.4 Market profiles	76
6.5 Conclusion.....	80
Chapter 7 WOOD RAW MATERIAL – PRODUCTION, TRADE AND CONSUMPTION	81
Introduction.....	82
7.1 ECE region developments.....	82
7.2 Developments in EU/EFTA	86
7.3 Developments in "Other Europe"	87
7.4 Developments in the CIS.....	87
7.5 Developments in North America.....	89

<i>Chapter 8</i>	SAWN SOFTWOOD – CONSUMPTION, SUPPLY AND TRADE.....	91
	8.1 Introduction.....	92
	8.2 ECE region market developments.....	92
	8.3 North American market developments.....	93
	8.4 European market developments.....	98
	8.5 CIS market developments.....	102
	8.6 Conclusion.....	102
<i>Chapter 9</i>	SAWN HARDWOOD – CONSUMPTION, SUPPLY AND TRADE.....	105
	9.1 Introduction.....	105
	9.2 ECE market developments.....	105
	9.3 North American market developments.....	106
	9.4 European market developments.....	110
	9.5 Russian Federation market developments.....	112
	9.6 Conclusion.....	112
<i>Chapter 10</i>	WOOD-BASED PANELS – SUPPLY, TRADE AND CONSUMPTION.....	113
	10.1 Overview of wood-based panels markets.....	114
	10.2 Plywood.....	115
	10.3 Oriented Strand Board.....	117
	10.4 Particle board.....	121
	10.5 Fibreboard.....	125
	10.6 Medium Density Fibreboard.....	125
	10.7 Hardboard.....	129
	10.8 Insulating board.....	130
<i>Chapter 11</i>	ENGINEERED WOOD PRODUCTS – PRODUCTION, TRADE, CONSUMPTION AND OUTLOOK	131
	Secretariat note.....	132
	11.1 Introduction.....	132
	11.2 Current market situation.....	133
	11.3 Production, consumption and trade statistics.....	139
	11.4 Outlook for EWPs.....	143
	11.5 Conclusions.....	145
<i>Chapter 12</i>	PAPER, PAPERBOARD AND WOODPULP – PRODUCTION, CONSUMPTION AND TRADE.....	147
	Secretariat introduction.....	148
	12.1 Introduction.....	148
	12.2 Paper and paperboard.....	148
	12.3 Demand and supply of woodpulp and other fibre.....	154
<i>Chapter 13</i>	CERTIFIED FOREST PRODUCTS MARKETPLACE.....	157
	13.1 Introduction.....	157
	13.2 What are CFPs?.....	158
	13.3 What are the objectives of certification?.....	158
	13.4 Demand for CFPs.....	158
	13.5 Supply of CFPs.....	160
	13.6 Mutual recognition between schemes.....	163
	13.7 Conclusion.....	164
<i>Chapter 14</i>	TROPICAL TIMBER DEVELOPMENTS.....	165
	Secretariat introduction.....	166
	14.1 Introduction.....	166
	14.2 Production.....	166
	14.3 Exports.....	169
	14.4 Imports.....	173
	14.5 Prices.....	177
	14.6 Secondary processed wood products.....	179
	14.7 Conclusion.....	182

ANNEXES

APPARENT CONSUMPTION TABLES

Annex table 1	Sawn softwood apparent consumption.....	183
Annex table 2	Sawn hardwood apparent consumption.....	184
Annex table 3	Particle board apparent consumption.....	185

Annex table 4	Plywood apparent consumption	186
Annex table 5	Fibreboard apparent consumption	187
Annex table 6	Chemical woodpulp apparent consumption	188
Annex table 7	Paper and paperboard apparent consumption	189
Annex table 8	Graphic papers apparent consumption	190
Annex table 9	Sanitary and household papers apparent consumption	191
Annex table 10	Packaging materials apparent consumption	192
Annex table 11	Other paper and paperboard apparent consumption	193
Components of forest product groups.....		194
Forest products terminology		196
General terms		196
Transactions.....		196
Primary products		197
Roundwood.....		197
Sawnwood.....		198
Wood-based panels		198
Wood pulp		199
Paper and paperboard.....		201
Secondary processed wood products		202
Engineered wood products.....		204
Countries in the ECE Region.....		206
Sources of information used in the <i>Forest Products Annual Market Review</i>		207
Special chapters in former <i>Forest Products Annual Market Reviews</i>		209
Some facts about the Timber Committee.....		210
UN-ECE/FAO Publications		211
Reader survey		212

LIST OF TABLES PRESENTED IN THE TEXT

1.1.1	Apparent consumption of sawnwood, wood-based panels and paper and paperboard.....	3
2.1.1	Annual changes in real GDP in western Europe and North America, 1997-2000.....	8
2.1.2	GDP growth rates for the ECE transition economies, 1997-2000.....	15
2.2.1	Developments and outlook for the construction sector in Europe, 1998-2002.....	18
2.2.2	Gross construction output in the ECE transition economies, 1996-1999.....	21
3.2.1	December 1999 windthrow versus 1998 annual removals in Europe.....	26
3.3.1	Resolution of windthrown timber in one forest area in Switzerland, 2000.....	32
3.3.2	Imports of beech roundwood by Germany, 1999-2000.....	32
3.3.3	Exports of beech roundwood from Germany, 1999-2000.....	33
3.3.4	Exports of beech sawnwood from Germany, 1999-2000.....	33
3.3.5	Imports of beech roundwood by Germany, 1999-2000.....	33
3.3.6	Exports of coniferous roundwood from Germany, 1999-2000.....	34
3.3.7	Imports of coniferous roundwood by Germany, 1999-2000.....	34
4.1.1	Polish economic indicators, 1996-1999.....	40
4.1.2	Consumption vs. gross national product in Poland, 1995-1999.....	41
4.2.1	Structure of forest ownership in Poland.....	41
4.2.2	Removals from Poland's forests, by forest ownership, 1990-1998.....	42
4.6.1	Wood products production, 1989, 1998, 1999.....	45
4.6.2	Production of forest industry in Poland, 1991-1999.....	46
4.6.3	Wood products consumption in Poland, 1989, 1998, and 1999.....	46
4.7.1	Exports and imports of wood products in Poland, 1989 and 1999.....	47
4.7.2	MDF consumption, production and trade in Poland, 1994-1998.....	48
4.7.3	OSB consumption, production and trade in Poland, 1994-1998.....	48
4.7.4	Sawn softwood exports from Poland, 1999.....	48
4.7.5	Sawn hardwood exports from Poland, 1999.....	48
4.7.6	Sawn softwood imports by Poland, 1999.....	48
4.7.7	Sawn hardwood imports by Poland, 1999.....	48
5.4.1	Production of China's major forest products, 1981-1999.....	57
5.5.1	Volume, value and ranking of major commodity imports in China, 1997-1999.....	60
5.5.2	China's import value of forest products and the changes of its precedence in global imports of forest products in 1991 and 1997.....	61
5.5.3	China's roundwood import sources, 1996-1998.....	62
5.5.4	China's forest products exports (volume), 1995-1999.....	63
5.5.5	China's forest products exports (value), 1995-1999.....	64
5.6.1	China's forest product exports, 1999.....	65
5.8.1	Projections of China's roundwood utilization to 2010.....	67
5.8.2	Projections of Supply and Demand of China's Industrial Roundwood in 2010.....	68
5.8.3	Forecast of China's imports of forest products, 2010.....	69
6.2.1	List of products mentioned in the report and their codes.....	73
6.3.1	Imports and exports of SPWPs by ECE countries, 1998.....	74
6.3.2	Main importers of secondary wood processed products (ECE countries), 1998.....	75
6.3.3	Main exporters of secondary processed wood products (ECE countries), 1998.....	75
6.3.4	Main importers of furniture (ECE countries), 1998.....	75
6.3.5	Main exporters of furniture (ECE countries), 1998.....	75
6.4.1	EU furniture market, 1998.....	77
6.4.2	United States, SPWP imports, excluding furniture, 1998 ranked by value.....	79
6.4.3	Main exporters of joinery and carpentry to the United States, 1998.....	80
6.4.4	Main suppliers of profiled wood to the United States, 1998.....	80
6.4.5	United States, SPWP exports 1998.....	82
7.1.1	Ratio between ECE and global roundwood removals, 1995-1998.....	83
7.1.2	Production (removals) of roundwood by selected countries in the ECE Region, 1995-1999.....	84
7.1.3	Industrial roundwood trade flows, exports by destination, average 1995-1998.....	84
7.1.4	Industrial roundwood trade flows, imports by countries of origin, average 1995-1998.....	84
7.1.5	Roundwood exports and imports by selected countries in the ECE Region, 1997-1999.....	85
7.2.1	German roundwood net trade, 1995-1999.....	87
7.2.2	Exports and imports of wood residues, chips and particles, 1995-1999.....	88
8.2.1	Sawn softwood balance in the ECE region, 1995-1999.....	93
8.3.1	Production of sawn softwood, 1996-1999.....	94
8.3.2	Exports and imports of sawn softwood, 1996-1999.....	96
8.4.1	Sawn softwood prices in France, 2000.....	99
8.4.2	Baltic countries sawn softwood production, 1997-1999.....	101
8.4.3	Baltic countries sawn softwood exports, 1997-1999.....	101
8.4.4	Baltic countries sawn softwood imports, 1997-1999.....	101
8.4.5	Baltic countries sawn softwood apparent consumption, 1997-1999.....	101
8.4.6	Exports of sawn softwood from Germany, 1999-2000.....	101
8.4.7	Imports of sawn softwood by France, 1999-2000.....	102
8.5.1	Imports of sawn softwood by Germany, 1999-2000.....	102
9.2.1	Sawn hardwood balance in the ECE region, 1995-1999.....	106
9.3.1	Production of sawn hardwood, 1996-1999.....	107
9.3.2	Exports and imports of sawn hardwood, 1996-1999.....	108
9.4.1	Sawn hardwood prices in France, 2000.....	112
10.1.1	Apparent consumption of wood-based panels (excluding veneer sheets) in Europe, the Russian Federation and North America, 1995-1999.....	114

10.2.1	Plywood balance in Europe, the Russian Federation and North America, 1995-1999.....	116
10.2.2	Production and trade of Plywood, 1996-1999.....	117
10.3.1	New OSB capacity announcements in North and South America, 2000-2002.....	118
10.3.2.	Structural panel residential market shares, 1995 and 1998.....	118
10.3.3	OSB balance in Europe, the Russian Federation and North America, 1995-1999.....	120
10.3.4	Announced OSB capacity in Europe, 2000-2002.....	120
10.3.5	Production and trade of OSB, 1996-1999.....	121
10.4.1	United States and Canadian particle board annual rates of growth, 1961-2004.....	123
10.4.2	Particle board balance (excluding OSB) in Canada and the United States, 1998-1999.....	123
10.4.3	Particle board, including OSB, balance in the ECE region, 1995-1999.....	123
10.4.4	Production and trade of particle board, including OSB, 1996-1999.....	124
10.5.1	Fibreboard balance in Europe, the Russian Federation and North America, 1995-1999.....	125
10.5.2	Production and trade of fibreboard, 1996-1999.....	126
10.6.2	North American MDF annual rates of growth, 1973-2004.....	127
10.6.1	Production and trade of MDF, 1996-1999.....	128
10.7.1	Production and trade of hardboard, 1996-1999.....	129
10.8.1	Production and trade of insulating board, 1996-1999.....	130
11.2.1	Examples of efficient applications using EWPs.....	136
11.2.2	Sources of Japan's imports of glulam, 1997-1999.....	138
11.2.3	Japanese housing starts by method of construction.....	138
11.2.4	Estimated glulam consumption in Japan by type of housing.....	138
11.3.1	Production and trade of I-beams, 1995-1999.....	140
11.3.2	Production and trade of LVL, 1995-1999.....	140
11.3.3	LVL Consumption, 1995-1999.....	141
11.3.4	Production and trade of glulam, 1995-999.....	142
11.3.5	Apparent consumption of glulam, 1995-1999.....	143
12.2.1	Consumption of paper and paperboard in Europe, the Russian Federation and North America, 1996-1999.....	144
12.2.2	Production of paper and paperboard in Europe, the Russian Federation and North America, 1996-1999.....	150
12.3.1	Production of woodpulp in Europe, the Russian Federation and North America, 1996-1999.....	155
13.4.1	ECE region members of the WWF Global Forest and Trade Network, 2000.....	160
13.5.1	Certified forestland in Canada, 1999-2000.....	162
13.5.2	Summary of forest area certified in the ECE region.....	163
14.2.1	Tropical forest products production, 1997-1999.....	167
14.3.1	Composition of exports by producing regions, 1997-1999.....	170
14.3.2	Tropical timber export ratios, 1997-1999.....	170
14.3.3	Tropical forest products exports, 1997-1999.....	170
14.4.1	Tropical proportion of total imports by major ITTO importers, 1998.....	173
14.6.1	Direction of trade of SPWPs for main partners, 1997.....	181

LIST OF GRAPHS PRESENTED IN THE TEXT

1.1.1	Quarterly changes in real GDP in western Europe and North America, 1997-1999.....	6
2.1.2	World commodity prices, January 1990-February 2000.....	7
2.1.3	The Harmonized Index of Consumer Prices of the euro area, January 1996-February 2000.....	10
2.1.4	Real effective exchange rates, January 1995-January 2000.....	11
2.1.5	Consumer price indices in the United States, January 1996-February 2000.....	12
2.2.1	Housing starts in United States, 1996-2000.....	19
2.2.2	Housing starts in Japan, 1996-2000.....	20
2.2.3	Share of wood and non-wood housing in Japan, 1993-1999.....	20
3.1.1	Windstorm damage in European forests, 1950-1999.....	25
3.2.1	Windthrow versus annual removals in Europe, 1999.....	26
3.3.1	Sawlog prices in Switzerland, 1998-2000.....	29
3.3.2	Pulpwood and energy wood prices in Switzerland, 1998-2000.....	29
3.3.3	Spruce and fir sawnwood prices in Switzerland, 1998-2000.....	30
3.3.4	Sawn hardwood prices in Germany, 1998-2000.....	30
3.3.5	Sawn softwood prices in Germany, 1998-2000.....	30
3.3.6	Additional costs of spruce and fir logs from storm damaged forests in France, 1999-2001.....	31
3.4.1	Roundwood removals in selected European countries, 1988-1993.....	35
3.4.2	Roundwood imports in Europe, 1988-1993.....	35
3.4.3	Roundwood exports in Europe, 1988-1993.....	35
4.6.1	Sawnwood production in Poland, 1989-1999.....	45
4.6.2	Wood-based panels production in Poland, 1989-1999.....	45
4.6.3	Pulp, paper and paperboard production in Poland, 1989-1999.....	46
4.7.1	Export of industrial roundwood in Poland, 1995-1999.....	47
4.7.2	Export of wood-based panels in Poland, 1995-1999.....	49
5.2.1	Forest categories in China, 1999.....	53
5.2.2	Forest growing stock in China by forest categories, 1999.....	53
5.2.3	Annual planting areas in China, 1960-1999.....	54
5.4.1	Roundwood production in China, 1990-1999.....	55
5.4.2	Roundwood utilization in China, 1988-1996.....	55

5.4.3	Sawnwood production in China, 1990-1999	56
5.4.4	Wood-based panels production in China, 1990-1999.....	56
5.4.5	Production of pulp, paper and paperboard in China, 1990-1999.....	56
5.5.1	China's roundwood and sawnwood imports by volume, 1981-1999.....	58
5.5.2	China's roundwood and sawnwood imports by value, 1981-1999.....	58
5.5.3	China's imports of plywood and veneer by volume, 1981-1999.....	59
5.5.4	China's imports of plywood and veneer by value, 1981-1999.....	59
5.5.5	China's imports of Pulp, waste paper and paperboard by volume, 1981-1999.....	59
5.5.6	China's imports of Pulp, waste paper and paperboard by value, 1981-1999.....	59
5.5.7	China's major forest product imports cumulative, 1981-1988.....	60
5.5.8	China's major forest product imports in 1998.....	61
5.5.9	Prices of roundwood, sawnwood and plywood, 1981-1999.....	63
6.1.1	World trade of SPWPs versus primary products, 1991-1998.....	72
6.1.2	ITTO consumer imports of primary and secondary tropical timber products, 1991-1998.....	72
6.4.1	EU15 balance of trade for selected SPWPs, including wooden furniture, 1989-1997.....	76
6.4.2	EU15 balance of trade, 1989-1999.....	76
6.4.3	EU15 exports of SPWPs, 1989-1997.....	76
6.4.4	EU15 exports of SPWPs, 1997 breakdown by products.....	77
6.4.5	EU15 production of wood flooring, 1985-1997.....	77
6.4.6	European wood flooring production by type, 1990-1999.....	78
6.4.7	EU15 trade of mouldings, 1989-1997.....	78
6.4.8	EU15 trade of barrels, 1989-1997.....	78
6.4.9	United States imports of SPWPs, 1991-1998.....	79
6.4.10	United States exports of SPWPs, 1991-1998.....	79
6.4.11	United States trade of SPWPs, excluding furniture, 1991-1998.....	79
7.1.1	Development of roundwood production in the ECE area by regions, 1995-1999.....	83
7.1.2	Development of apparent roundwood consumption in the ECE area by regions, 1995-1999.....	86
7.1.3	Development of roundwood production in the ECE area by product groups, 1995-1999.....	86
7.4.1	United States hardwood log prices, 1994-1999.....	89
8.2.1	Consumption of sawn softwood, 1995-1999.....	92
8.2.2	ECE region sawnwood exports to Japan, 1996-2000.....	93
8.3.1	North American sawn softwood prices, 1994-2000.....	95
8.3.2	United States sawn softwood import sources (without Canada), 1999.....	95
8.3.3	United States sawn softwood import sources from Europe, 1999.....	97
8.4.1	Sawn softwood prices in Sweden, 1994-2000.....	99
9.2.1	Consumption of sawn hardwood, 1995-1999.....	106
9.3.1	United States sawn hardwood export destinations, 1999.....	109
9.3.2	United States sawn hardwood prices, 1996-2000.....	109
9.4.1	Parquet production in Europe, 1985-1999.....	111
9.4.2	French and German beech sawnwood prices, 1995-2000.....	111
10.2.1	Life cycles of plywood, 1945-2000.....	115
10.2.2	North American structural panel demand and capacity, 1969-2000.....	115
10.2.3	Consumption of plywood, 1994-1999.....	116
10.3.1	Life cycle of OSB, 1970-2010.....	118
10.3.2	OSB prices and costs versus utilization rate, 1990-2002.....	119
10.3.3	North American structural panel composite prices, 1994-2000.....	119
10.3.4	United States OSB prices, 1995-2000.....	119
10.3.5	OSB production capacity in Europe, 1994-2000.....	120
10.4.1	Life cycle of particle board, 1955-2000.....	122
10.4.2	United States particle board prices, 1995-2000.....	122
10.4.3	Consumption of particle board, 1994-1999.....	122
10.5.1	Consumption of fibreboard, 1994-1999.....	125
10.6.1	Life cycle of MDF, 1960-2005.....	127
10.6.2	MDF production capacity in Europe, 1994-2000.....	127
11.1.1	Regional markets for glulam and LVL, 1999.....	132
11.1.2	I-beam production in North America and Europe, 1999.....	132
11.1.3	Consumption of sawnwood, wood-based panels and EWPs in Europe and North America, 1998.....	133
11.2.1	Wood frame construction.....	133
11.2.2	Regional fibre cost (sawlog stumpage), 1990-1999.....	133
11.2.3	North American manufactured housing vs. wood frame construction.....	136
11.2.4	Engineered wood product applications in North America.....	136
11.2.5	Glulam production in Europe, 1999.....	137
11.2.6	Japanese LVL production, 1995-1998.....	139
11.2.7	Estimated LVL consumption in Australia, 1999.....	139
11.3.1	LVL end uses by region.....	141
11.3.2	Regional glulam production and imports, 1999.....	141
11.3.3	European glulam demand, 1999.....	143
11.4.1	EWP "Product Life Cycle".....	144
11.4.2	Forecast EWP growth in North America, 1992-2004.....	144
11.4.3	Forecast growth of European glulam production, 1990-2003.....	145
12.2.1	Capacity utilization rates for paper and paperboard in some European countries, 1996-1999.....	151
12.2.2	United States monthly trade-weighted dollar index and monthly United States trade deficit, 1996-2000.....	151
12.2.3	United States monthly average price index and domestic purchases of paper and paperboard, 1996-2000.....	152
12.2.4	United States price index and capacity utilization rates for paper and paperboard, 1996-2000.....	153
12.2.5	United States exports and capacity utilization for paper and paperboard, 1996-2000.....	153
12.2.6	Finnish export prices for paper and paperboard, 1996-2000.....	154

12.3.1	United States average price indices for market pulp and recovered paper, 1994-2000.....	156
13.5.1	Area of FSC-certified forestland, 1995-2000.....	161
13.5.2	Distribution of FSC-certified forestland, 2000.....	161
13.5.3	ISO 14001 environmental management system certificates, 1995-1998.....	161
13.5.4	Potential certified forestland in Canada, 1999-2003.....	163
14.2.1	Major tropical log producers, 1997-1999.....	166
14.2.2	Major producers of tropical sawnwood, 1997-1999.....	167
14.2.3	Major tropical veneer producers, 1997-1999.....	168
14.2.4	Major tropical plywood producers, 1997-1999.....	169
14.3.1	Major tropical log exporters, 1997-1999.....	171
14.3.2	Major sawnwood exporters, 1997-1999.....	171
14.3.3	Major tropical veneer exporters, 1997-1999.....	172
14.3.4	Major tropical plywood exporters, 1997-1999.....	172
14.4.1	Imports of tropical wood products, 1995-1999.....	174
14.4.2	Major tropical log importers, 1997-1999.....	174
14.4.3	Major tropical sawnwood importers, 1997-1999.....	175
14.4.4	Major tropical veneer importers, 1997-1999.....	176
14.4.5	Major tropical plywood importers, 1997-1999.....	176
14.5.1	Tropical log prices, 1997-2000.....	177
14.5.2	Tropical sawnwood prices, 1997-2000.....	178
14.5.3	Tropical plywood prices, 1997-1999.....	178
14.6.1	ITTO Consumer imports of primary and secondary tropical timber products, 1991-1998.....	179

PREFACE AND ACKNOWLEDGEMENTS

The ECE/FAO *Forest Products Annual Market Review, 1999-2000* provides a statistical analysis and general information on forest products markets in the UN-ECE region, including Europe, North America and the Commonwealth of Independent States, for the period 1999 through mid 2000. The *Review* serves as a background document for the ECE Timber Committee's annual market discussions (9 and 10 October 2000). Furthermore it provides readers with comprehensive analysis on recent developments in the forest and forest product sector in the ECE region and its trading partners.

The *Review* begins with an overview of the forest products markets, followed by an appraisal of economic conditions influencing the ECE region, including construction sector influences. In-depth discussion of sector developments is included for roundwood, sawn softwood, sawn hardwood, wood-based panels, woodpulp, pulp, paper and paperboard, certified forest products as well as tropical timber markets. These are the sectors covered in the Committee's discussions.

Five special chapters are included in this year's *Review: Poland's forest products markets, China's Forest Products Markets, Secondary Processed Wood Products Markets and Engineered Wood Products – Production, Trade, Consumption and Outlook. Effects of the December 1999 Storms on European Timber Markets* describes the results in 2000 of catastrophic storms which felled nearly 200 million m³ of roundwood in Europe's forests.

Poland's Forest Products Markets is the continuation of the *Review* series focusing on one ECE region country. We extend our gratitude to Drs. Wladyslaw Strykowski, Deputy Director, and Ewa Ratajczak, Head of the Wood Economics Department, Wood Technology Institute, Poland, for authoring this enlightening chapter.

China's Forest Products Markets, continues a *Review* series highlighting an important forest products trading country from outside the ECE region. Chinese imports of wood have multiplied to become the world's third wood importer. We thank Drs. Kunshan Shi, Fengming Lin and Mr. Zhisheng Xu, Chinese Academy of Forestry, for their noteworthy contribution.

Secondary Processed Wood Products was written by Mr. Pierre-Marie Desclos, a consultant in wood products. We express our gratitude to him for the attention he brings to the importance of further-processed products to the *Review* which has heretofore focused on primary products.

The last special chapter, *Engineered Wood Products – Production, Trade, Consumption and Outlook* describes the exciting new market outlet for products which are changing construction methods and being increasingly substituting for solid wood. We sincerely appreciate the outstanding work of Dr. Al Schuler, USDA Forest Service and Mr. Craig Adair, APA – The Engineered Wood Association, who will also contribute at the market discussions.

Drs. Steve Johnson and Michael Adams, International Tropical Timber Organisation, have again written an informative chapter for the *Review* on tropical timber markets. We thoroughly appreciate this co-operative effort with ITTO expertise.

Drs. Peter Ince and Henry Spelter, Forest Products Laboratory, USDA Forest Service contributed substantially to two chapters, pulp and paper and wood-based panels, respectively, adding new dimensions to these analytical chapters. We sincerely thank them for their assistance and look forward to future collaboration.

The primary information for this *Review* comes from the responses to a new questionnaire sent out jointly by the ECE Timber Section, the FAO Forestry Department, EUROSTAT and ITTO (see "data sources"). In addition to the primary data, the *Review* is based on a wealth of secondary data obtained through trade journals, trade associations, annual reports, and experts cited in the text. Readers' suggestions for additional sources of information are welcome.

Increasingly valuable market information is available on the World Wide Web and we thank the generous contributors who provide information for international use. A Market Information Service has been established and is being developed on the Timber Committee website at: <http://www.unece.org/trade/timber/mis.htm> and this *Review* may be found there along with the TIMBER database on which this publication is based.

The analysis included here was performed in a concentrated period due to delays in receiving and preparing statistics for the analysis. Members of the *Review* Team, both in the Timber Section and outside, are to be commended for their perseverance. We apologize to those readers who rely on a paper copy, or on a version in French or Russian, in preparation for the Timber Committee market discussions. The document was completed late which delayed translation, printing, duplication and distribution. We hope that those delegates who have the electronic version in August 2000 find this method of distribution useful. We will also provide an executive summary, hopefully in 3 languages, on the website.

The *Review* will be complemented in October 2000 by the *Timber Bulletin* issue 6 *Forest Products Markets in 2000 and Prospects for 2001*, which will contain the results of the Timber Committee's market discussion. All statistics collected in the new joint ECE/FAO/EUROSTAT/ITTO questionnaire are presented systematically in issue No. 2, *Forest Products Statistics, 1995-1999*. The other issues of the *Timber Bulletin* are listed at the end of the *Review*.

Readers familiar with past *Reviews* will also notice that the appearance has been improved thanks to the design assistance of Ms. Marilyn Langfeld, Graphics Designer. The graphics look has also been improved thanks to Messrs. Antti Koskinen and Perttu Pohjonen, forest products marketing graduate students at University of Helsinki, who were interns with the Timber Section during production of the *Review*. Mr. Koskinen also developed the annex from the former standard apparent consumption s by adding definitions, lists of former special chapters, list of countries in the ECE region, product flow charts, a reader survey and a list of ECE/FAO publications. Mr. Pohjonen further developed a planning system for production of the *Review*. Our experience of engaging interns during the production of the publication, which has grown enormously in scope, has been extremely positive and prospective interns are encouraged to apply to work with the Timber Section.

Complementary data tables for wood raw materials and tropical timber may be found on the website version of the *Review*. Data tables for secondary processed wood products will be published in a forthcoming *Geneva Timber and Forest Discussion Paper* as well as appearing on the website with their Discussion Paper.

We welcome your feedback via the attached reader survey on this *Review* and its changes.

The *Review* was produced as a joint effort by 27 people. Ed Pepke led and coordinated the work. The individual chapters had the following principal authors: 1. Ed Pepke; 2. Kit Prins (drawing on the *Economic Survey of Europe* prepared by the ECE Economic Analysis Division); 3. Ed Pepke; 4. Wladyslaw Strykowski and Ewa Ratajczak (Poland); 5. Kunshan Shi, Fengming Lim and Zhisheng Xu (China); 6. Pierre-Marie Desclos (Italy); 7. Volker Sasse¹; 8. Ed Pepke; 9. Ed Pepke; 10. Jorge Najera and Henry Spelter (United States); 11. Al Schuler and Craig Adair (United States); 12. Peter Ince (United States) and Kit Prins; 13. Eric Hansen, Keith Forsyth and Heikki Juslin (United States, United Kingdom and Finland); and 14. Steve Johnson and Michael Adams (Japan). Messrs. Antti Koskinen and Perttu Pohjonen (Finland) performed market research and produced all the graphics and the annex. Mr. Alex McCusker² produced the statistics with assistance on the database by Mr. André Sceia, consultant. Ms. Sefora Kifle assisted with price data preparation and other market research. Ms. Romi Chopra was responsible for preparation, formatting, integration and presentation of the text, tables and graphs and was aided at the end by Ms. Isabelle Hay³. This manuscript was completed on 10 August 1999. I would like to personally thank all members of the Team, whether in Geneva or far away, for their devoted efforts in producing this *Forest Products Annual Market Review*.

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¹ The Timber Section welcomes Dr. Volker Sasse, Forestry Officer, to the "Review Team". His primary responsibilities in the Section are in European Forest Sector Outlook Studies.

² Mr. Alex McCusker has joined the Timber Section as statistician and is a key member of the Team.

³ We also welcome Ms. Isabelle Hay, Secretary, to the Section and the Team.

DATA SOURCES

The data on which the *Review* analysis is based are collected from official national correspondents⁴ through the FAO/ECE/Eurostat/ITTO Joint Forest Sector Questionnaire. Within the 55-country ECE region, data for EU and EFTA countries are collected and validated by Eurostat and for other ECE countries by ECE/FAO Geneva.

Distributed in April and May 2000, the questionnaire requested data for 1998 and 1999. Revised in light of 1999 experiences, it: 1. redefined sawnwood (excluded further-processed sawnwood such as mouldings), 2. clarified treatment of MDF and OSB, 3. corrected cross references to the Harmonized System, 4. disaggregated paper and paperboard, and 5. introduced recovered fibre pulp. The new system has inevitably introduced some discontinuities into the data series, not all of which could be resolved before publication. Therefore in some instances data are not comparable with pre-1998 series. The secretariats are working with national correspondents, to whom we are grateful for their valuable assistance, to resolve discrepancies. National correspondents met in May 2000 to learn about and critique the revised questionnaire and follow-up meetings are envisaged.

The statistics for this *Review* are from a new, dynamic TIMBER database system which is currently under development. The system stores, retrieves, calculates and validates data and will also be used for production of the statistical *Timber Bulletins*. As the database is continually being updated, any one publication's analysis is only a snapshot of the database at that particular time.

The secretariat is grateful that correspondents provided actual statistics for 1999 and in the absence of formal statistics, their best estimates. Therefore all statistics for 1999 are subject to confirmation next year. The secretariat has made estimates, where necessary, to obtain product and regional totals. Trend-based formulas were used, rather than the former practice of simply repeating previous data. Therefore some totals in this *Review* differ from those in earlier *Reviews*, although in most cases the differences are not significant. Although estimates are distinguished from official statistics in the database, it was not possible to identify estimates in this *Review*. We intend to correct this and readers are asked to draw any inconsistencies to the attention of the Geneva secretariat. The statistics received for 1998 and 1999 are the most reliable and interesting part of the data set and this *Review* analysis focuses on the change between these two years.

Thus the database is in a state of permanent development. With our partner organizations and national correspondents, we believe strongly that the quality of the international statistical base is steadily improving for analysis of the forest products sector. Our goal is to have a single, complete, current database, validated by national correspondents, with the same figures available from FAO in Rome, Eurostat in Luxembourg, ITTO in Yokohama and ECE/FAO in Geneva. We are convinced that the data set used in the *Review* is the best available anywhere as of July 2000.

In addition to the official statistics received by questionnaire, trade association and government statistics are used to complete the analysis for 2000. A number of trade journals were used for supplementary information, as well as institutions and experts, including national correspondents. Most of these sources are cited in the text. The Internet has become a key source of information for producing this *Review*.

⁴ Correspondents are listed in the companion *Timber Bulletin*, "Forest Products Statistics, 1995-1999".

CONTRIBUTORS TO THE PUBLICATION

The secretariat would like to express its sincere appreciation for the information received from the following people in preparation of the *Forest Products Annual Market Review*. The base data for the *Review* were supplied by country statistical correspondents, who are acknowledged by name in the companion issue of the *Timber Bulletin* "Forest Products Statistics, 1995-1999." We regret any omissions.

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EXPLANATORY NOTES

“Apparent consumption” is calculated by adding a country's production to imports and subtracting exports. Apparent consumption volumes are not adjusted for levels of stocks because all countries cannot report stocks.

“Net trade” is the balance of exports and imports and is positive for net exports, i.e. when exports exceed imports, and is negative for net imports, i.e. when imports exceed exports. Trade data for fifteen European Union countries include intra-EU trade, which is often estimated by the countries.

The term “central and eastern Europe countries”, used exclusively for presentational convenience, includes Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia, The former Yugoslav Republic of Macedonia and Yugoslavia.

For the first year, European totals include the Baltic countries of Estonia, Latvia and Lithuania, which has increased European totals from previous *Reviews*.

The term “softwood” is used synonymously for “coniferous.” “Hardwood” is used synonymously for terms “non-coniferous” or “broadleaved” wood. More definitions appear in the annex.

SYMBOLS AND ABBREVIATIONS USED

-	nil or negligible
..	not available
\$	United States dollar unless otherwise specified
C\$	Canadian dollar
CIS	Commonwealth of Independent States
ECE	Economic Commission for Europe
EFTA	European Free Trade Association
EQ	equivalent of wood in the rough
EU	European Union
EWP	engineered wood products
FOB	free on board
GDP	gross domestic product
IMF	International Monetary Fund
kph	kilometres per hour
m ²	square metre
m ³	cubic metre (solid volume of roundwood or processed product)
m.t.	metric ton
N.A.	Not applicable
NIEs	Newly industrializing economies
OPEC	Organization of Petroleum Exporting Countries
SPWP	secondary processed wood products
sq	square
USDA	United States Department of Agriculture
WWF	World Wide Fund for Nature