

NOTE

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ABSTRACT

The UNECE/FAO Forest Products Annual Market Review, 2000-2001 provides general and statistical information on forest products markets in the UN Economic Commission for Europe region (Europe, North America and the Commonwealth of Independent States). The Review begins with a general overview of the forest products markets, followed by a description of the economic situation in the region. Two special chapters are included this year: "Influence on Japanese demand for wood products" and "Romania's forest products markets". The market developments in five standard sectors, based on annual country-supplied statistics, are described for: wood raw materials, sawn softwood, sawn hardwood, wood-based panels and paper and paperboard. Regular chapters discuss markets for certified forest products, secondary processed wood products and tropical timber. In each chapter production, trade and consumption are analysed 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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PREFACE

The UNECE/FAO Forest Products Annual Market Review, 2000-2001 provides a statistical analysis and general information on forest products markets in the UN Economic Commission for Europe region, including Europe, North America and the Commonwealth of Independent States, for the period 2000 through mid-2001. The Review serves as a background document for the UNECE Timber Committee's annual market discussions, which this year will be held on 2 and 3 October. Furthermore it provides readers with the earliest comprehensive analysis on recent developments in the forest and forest product sector in the UNECE region and its trading partners.

The Review begins with an overview of all forest products markets, followed by an appraisal of economic conditions influencing the UNECE region, including construction-sector influences. In-depth discussion of sector developments, based on country-supplied statistics for 2000, is included for wood raw materials (primarily roundwood), sawn softwood, sawn hardwood, wood-based panels, woodpulp, pulp, paper and paperboard. Three additional, regular chapters are on markets for certified forest products, secondary processed wood products, including engineered wood products as well as tropical timber. These are the sectors covered in the Committee's annual market discussions.

Two special chapters are included in this year's Review: "Romania's forest products markets" and "Influences on Japanese demand for wood products". The Review continues to highlight the dynamic market of a selected country within the UNECE region. In addition, the series of chapters on one important forest products trading partner with the UNECE region continues, this year focusing on Japan.

The primary information for this Review comes from the responses to a questionnaire sent out jointly by the UNECE Timber Section, the FAO Forestry Department, EUROSTAT and ITTO (see "data sources"). For the first time, the Review analyses two subregions of Europe: EU/EFTA and "Other Europe", basically the central and eastern European countries plus Turkey. In addition to the primary data, the Review is based on a wealth of secondary data obtained through forest products marketing experts, trade journals, trade associations and annual reports as 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>. 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. As of this year there was no attempt to meet the deadline for translation, preparation, printing and distribution of versions in French or Russian in preparation for the Timber Committee market discussions. However, we will attempt to provide an executive summary, ideally in three languages, on the website and in print at the market discussions. At this time we do expect that the Review will be translated, printed and distributed in French and Russian; however, there are currently discussions to end translation of this publication. Readers who depend on French and Russian versions are encouraged to voice their support of continuation of translation via the reader survey.

The Review will be complemented in October 2001 by the Timber Bulletin number 6, "Forest Products Markets in 2001 and Prospects for 2002", which will contain the results of the Timber Committee's market discussion. All statistics collected in the joint UNECE/FAO/EUROSTAT/ITTO questionnaire are presented systematically in issue number 2, Forest Products Statistics, 1996-2000. The other issues of the Timber Bulletin are listed at the end of the Review.

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

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It is with pleasure that we acknowledge the contributions of the people who directly and indirectly made possible the production of this Forest Products Annual Market Review, 2000-2001. While we name some people directly below, we know that often there are other contributors working with them, or companies or institutions which made their time and travel funds available, and we of course appreciate them. The vast majority of the contributions for the Review were either donated or contracted for the authors' direct expenses.

In addition to those named below, numerous other experts helped on specific parts of the Review and their names are mentioned in the following list of contributors. The *Review* is based on statistics received from official country correspondents and while not listed here, they are listed in the companion *Timber Bulletin* on "Forest Products Statistics, 1996-2000". Our sincere appreciation goes to these people without whose efforts we would not have been able to produce this *Review*. The UNECE Timber Committee and FAO European Forestry Commission established a new informal network of nominated country correspondents on certified forest products markets and certification of sustainable forest management. We thank those correspondents who contributed information for the chapter on certified forest products markets.

"Romania's Forest Products Markets" is the continuation of the Review series of special chapters focusing on one UNECE region country. We thank Mrs. Constanta Istratescu, Scientific Secretary, National Institute of Wood, Bucharest, Romania, for coordinating and producing this chapter, with its insight into the forest and forest industry sector in Romania. We appreciate the contributions of the co-authors, Mrs. Aurica Sereny, Deputy General Director, Ministry of Industry and Resources and Mr. Gheorghe Parnuta, Scientific Secretary, Forest Research and Management Institute, Romania. And we would like to express our gratitude to all the other people in Romania who provided information and statistics, drafted the graphics and translated the first draft.

"Influences on Japanese Demand for Wood Products" is a chapter continuing the Review series highlighting an important forest products trading country from outside the UNECE region. We would like to thank Drs. David Cohen, Associate Professor, Department of Wood Science, University of British Columbia, Christopher Gaston, Group Leader, Markets and Economics, Forintek Canada Corporation and Robert Kozak, Assistant Professor, Department of Wood Science, University of British Columbia, Vancouver, Canada. The authors' experiences in Japan have given valuable insight into the demand drivers for Japan's wood imports.

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For the chapter on "Secondary Processed Wood Products Markets, including Engineered Wood Products", we would like to express our appreciation to its four authors. The half on secondary processed products was written by Dr. Roger Cooper, Head of School, School of Agricultural and Forest Sciences, University of Wales, Bangor, Wales, United Kingdom, and Ms. Stella Xenopoulou, Consultant, Wood and Furniture Industry Consultants. For engineered wood products, like last year, the section was co-authored by Mr. Craig Adair, Director, Market Research, APA-The Engineered Wood Association, Tacoma, Washington and Dr. Al Schuler, Research Economist, Northeast Forest

Experiment Station, USDA Forest Service, Princeton, West Virginia. Dr. Schuler also was the main author, along with Mr. Adair, of the section on North American housing construction developments in the economic chapter. We express our gratitude to these four authors for the attention they bring to the importance of further-processed products. (Heretofore the Review focused only on primary products.)

We thoroughly appreciate the continued cooperation with our colleagues in International Tropical Timber Organization (ITTO), Drs. Steve Johnson, Statistician/Forest Economist, and Michael Adams, Market Information Service Coordinator, now joined by Ms. Masaki Miyake, Statistical Assistant, who have summarized tropical timber markets.

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This Review was produced as a joint effort by 33 people. Ed Pepke led and coordinated the work. The individual chapters had the following authors: 1. Ed Pepke; 2. Kit Prins (drawing on the Economic Survey of Europe, prepared by the UNECE Economic Analysis Division), plus for the construction section, Al Schuler and Craig Adair (United States); 3. Constanta Istratescu, Aurica Sereny and Gheorghe Parnuta (Romania); 4. David Cohen, Christopher Gaston and Robert Kozak (Canada), 5. Ed Pepke based on statistical analysis by Volker Sasse ; 6. Christopher Gaston and Robert Kozak (Canada); 7. Michael Buckley (United Kingdom); 8. Jorge Najera and Henry Spelter (United States); 9. Peter Ince (United States), Eduard Akim (Russian Federation) and Bernard Lombard (CEPI); 10. Ewald Rametsteiner (Austria); 11. (first half) Roger Cooper (Wales, United Kingdom) and Stella Xenopoulou (Ireland) and (second half), Craig Adair and Al Schuler (United States); 12. Steve Johnson, Michael Adams and Masaki Miyake (ITTO). Alex McCusker produced the statistics, wrote some statistics-related passages and proofread. Graphics production and market research were by Noora Kettunen and Anton Kiiskinen (Finland). Romi Chopra, who wrote the new Layout and Editing Guidelines, was responsible for the layout of the text, tables and graphs, as well as performing all administrative actions. She was assisted at the end by Violet Yee. Sefora Kifle prepared price data and supported authors with documents and journals. Christina O'Shaughnessy was the principal copy editor, and she also proofread the publication. Jim Bourke (FAO) contributed to the content editing during the FAO review step. Most content editing was done by Ed Pepke and Kit Prins.

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DATA SOURCES

The data on which the Review analysis is based are collected from official national correspondents¹ through the FAO/ECE/Eurostat/ITTO Joint Forest Sector Questionnaire. Within the 55-country ECE region, data for the 19 EU and EFTA countries are collected and validated by Eurostat and for other ECE countries by ECE/FAO Geneva.

Distributed in April 2001, the questionnaire requested data for 1999 and 2000. Revised in light of 2000 experiences, it: 1. redefined sawnwood (excluded sleepers), 2. redefined roundwood (excluded poles). The new definitions have 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-1999 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 2001 to discuss experiences in completing the questionnaire and to clarify points in the revised questionnaire. Follow-up meetings are envisaged.

The statistics for this Review are from the TIMBER database system. As the database is continually being updated, any one publication's analysis is only a snapshot of the database at that particular time. The database and questionnaires are in a state of permanent development. Data quality differs between countries, products and years. So far, only a few countries of the CIS sub-region provide data although the largest producer (Russian Federation) does so. Improvement of data quality is a continuing task of the Secretariat, paying special attention to the CIS and Central and East European countries. With our partner organizations and national correspondents, we strongly believe that the quality of the international statistical base for analysis of the forest products sector is steadily improving. 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 2001. The data appearing in this publication form only a small part of the total data available. Forest Products Statistics (Timber Bulletin #2) will include all the data available for the years 1996-2000. The TIMBER database is available on the Market Information Service of the Timber Committee website at www.unece.org/trade/timber/mis.htm.

The secretariat is grateful that correspondents provided actual statistics for 2000 and, in the absence of formal statistics, their best estimates. Therefore all statistics for 2000 are subject to confirmation next year. The statistics received for 1999 and 2000 are the most reliable and interesting part of the data set and this Review analysis focuses on the change between these two years.

The responsibility for national data lies with the national correspondents. The official data supplied by the correspondents account for the great majority of records. In some cases, where no data were supplied, or when data were confidential, the Secretariat has estimated figures to keep region and product aggregations comparable and to maintain comparability over time. Sometimes unofficial data (e.g. from industry associations) are used, sometimes data for earlier years are simply repeated. Estimates are distinguished from official statistics in this Review. When estimates occur the figure is identified as an estimate (E) or a repeated figure (R). Product or regional aggregates that contain estimates are, however, not identified. See the annex for a graphic list of aggregates. In addition, roundwood, sawnwood, veneer sheets and plywood are further split into hardwood and softwoods which means that, for example, aggregate plywood figures will not be flagged as estimates.

Data for Belgium and Luxembourg are combined through 1998 while for 1999 and 2000 the data are reported separately.

Part of the information in chapter 10 on certified forest products came from the initial 14 returns of a survey of the new network of (officially-nominated) country correspondents on certified forest products markets and certification of sustainable forest management.

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 and internet sites were used for supplementary information, as well as institutions and experts, including national correspondents. Most of these sources are cited in the text and in the annex.

¹ Correspondents are listed in the companion Timber Bulletin, "Forest Products Statistics, 1996-2000".

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. Export data usually include re-exports.

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.

This year, Europe has been split into “EU/EFTA” (19 countries) and “Other Europe” (34 countries). For a breakdown of the regions please see the map in the annex.

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
E	estimated statistic by secretariat
R	repeated statistic from previous year
P	provisional statistic
\$	United States dollar unless otherwise specified
C\$	Canadian dollar
CIS	Commonwealth of Independent States
CEECs	Central and eastern European countries
ECE	Economic Commission for Europe
EFTA	European Free Trade Association
EQ	equivalent of wood in the rough
EU	European Union
EWP	engineered wood products
FAO	Food and Agriculture Organization of the United Nations
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
UNECE	United Nations Economic Commission for Europe
USDA	United States Department of Agriculture
WWF	World Wide Fund for Nature