

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.
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ABSTRACT

The *Forest Products Annual Market Review, 1998-1999* 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. Four special chapters are included this year: "Forest products markets in Estonia," "Forest products markets in New Zealand," "Trade restrictions and their future" and "Forest products in the electronic marketplace." In addition a new chapter has been added to regularly cover the "Certified forest products marketplace." The developments in six sectors are described for markets of roundwood, sawn softwood, sawn hardwood, tropical hardwoods, wood-based panels and paper and paperboard, woodpulp and pulpwood. 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.

DATA SOURCES

This *Review* was compiled using data from ECE-region countries responding to a joint FAO/ECE/EUROSTAT/ITTO questionnaire and other data available until the end of May 1999. The authors express their appreciation to contributing countries which included all major ECE-region producers and traders. In light of the problems with reporting intra-European Union trade statistics, UN COMTRADE statistics or estimations of trade provided by the respondents enabled a timely estimation of the 1998 European market. Supplementary data were obtained from industry associations and other sources where official data were lacking.

Additionally a wide range of specialized trade journals were used to supplement information and the authors have tried to give proper citation to them. Country specialists and institutions, including the important statistical contacts, were called upon for additional information. Most of these people are listed below.

The World Wide Web is a growing source of information for the secretariat in producing this *Review* and the authors appreciate the availability of countries' forest products statistics in this convenient format.

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PREFACE

The *ECE/FAO Forest Products Annual Market Review, 1998-1999* 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 beginning 1998 through mid 1999. The *Review* serves as a background document for the ECE Timber Committee's annual market discussions which will be held on 28 September, 1999. Furthermore it provides readers with comprehensive analysis on recent developments in the forest and forest product sector in the ECE region as well as in other regions important for the ECE region trade.

The *Review* begins with an overview of the forest products markets, followed by a general appraisal of economic conditions which have directly or indirectly influenced ECE region markets. This economic chapter ends with an analysis of demands for wood and wood products and their substitutes from housing construction and related furniture and flooring demand. In-depth discussion of sector developments follows for roundwood, sawn softwood, sawn hardwood, wood-based panels, woodpulp, pulpwood and paper as well as tropical timber markets. A new regular chapter discusses markets for certified forest products – a new market sector covered in the annual Timber Committee discussions.

Four special chapters are included in this year's *Review*: "Estonia's forest products markets", "New Zealand's forest products markets", "Trade restrictions and their future" and "Forest products in the electronic marketplace." The chapter on Estonia's markets is the first of a new addition to the *Review*, that is, a focus on one ECE region country. The authors of the *Review* extend their gratitude to Mr. Erik Kosenkranius, Director, Estonian Department of Forestry, for authoring this enlightening chapter.

"New Zealand's forest products markets," is the first of a new annual series of chapters in the *Review* to highlight an important forest products trading country from outside the ECE region. As forest products are increasingly traded globally, competition for markets is no longer regional and is influenced greatly by countries which have fast-growing forest resources such as New Zealand. We thank Messrs. John Eyre and James Barton, New Zealand Ministry of Agriculture and Forestry, the authors of this special chapter.

"Trade restrictions and their future" was written by Dr. I. J. Bourke, Senior Forestry Officer, FAO Forestry Department. This timely chapter is an excellent introduction to the Timber Committee's special topic discussion at this year's session on "trade and the environment." We would like to express our gratitude to him for this comprehensive description of the tariff and non-tariff barriers affecting forest products trade worldwide.

The last special chapter, "Forest products in the electronic marketplace" describes the new marketing channel using the Internet and its prospects in the future.

Regular readers of the *Review* will notice that tropical timber is treated differently than in the past. Formerly tropical timber markets have been analysed in the hardwood chapter. Last year part of the tropical timber market was reported under a special chapter on "The effects of the Asian crisis on forest products markets in the ECE region" while the rest was treated under the hardwood chapter. This year the follow-up of the Asian crisis and discussion of the tropical timber markets are the subject of a new chapter written by Drs. Steve Johnson and Michael Adams of the International Tropical Timber Organisation. The authors of the *Review* appreciate this co-operative effort and the ITTO expertise.

The sources of information for this *Review* are mainly the responses to a new questionnaire sent out jointly by the ECE Timber Section, the FAO Forestry Department, EUROSTAT and ITTO. National correspondents from the 55 countries in the ECE region received the questionnaire and the tables and graphs result directly from their statistics. The secretariat acknowledges their important and timely work in supplying 1998 statistics following the first quarter of the year. It should be mentioned that some national correspondents had to make estimates for unavailable or partial statistics. We sincerely appreciate the extra effort made by some statisticians to supply advance data. All correspondents had the ability to revise former statistics for 1997 and thus there may be small differences in regional totals from the last *Review*.

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 other printed sources. In other words, many important statistics and ideas and other information came from trade journals and in such cases the secretariat does not claim originality. Attempts were made throughout the *Review* to appropriately cite sources of printed information and the authors did not intentionally leave out any sources. Readers' suggestions for additional sources of information are welcome. Sometimes we have quoted sources that are quoted by another journal or website — we would be especially grateful for direct links to some of these sources.

Increasingly valuable market information is available on the World Wide Web and we thank the generous contributors who upload information for international use. The Timber Section has established a Market Information System on the Timber Committee website and aside from publications like this *Review*, the site will be gradually developed with important links to more market information. Readers' suggestions of additional web sources are welcome.

Another important source of information comes from the individual contributors to the review who are listed separately. The authors sincerely appreciate their contributions and regret if anyone was unintentionally left off the list.

We apologise to those readers who relied on a paper copy, or on a version in French or Russian, in preparation of the Timber Committee. The document was completed late which delayed translation, printing, duplication and distribution. We hope that those delegates who have the electronic version in August 1999 find this method of distribution agreeable.

We would like your feedback on this *Review* and its improvements from previous reviews. A simple reader survey is attached at the end which can either be returned by fax or e-mail. An ongoing user survey has documented that changes to the *Review's* layout and content have been appreciated by readers, but additional improvements are possible.

The *Review* will be complemented in October 1999 by the *Timber Bulletin* issue No. 6, *Forest Products Markets in 1999 and Prospects for 2000*, 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, 1994-1998*. The other issues of the *Timber Bulletin* are listed at the end of the *Review*.

This publication is available on the Timber Committee website at: <http://www.unece.org/trade/timber>. Eventually the site will include the statistical database, TIMBER, used in the *Review*. Until then, the database is available from the secretariat.

Mr. Claude Huysbrechts, who was the Timber Section statistician for over 20 years, has retired. However his legacy lives on as the TIMBER database, which he created, was updated and used for this *Review*. Readers familiar with past *Reviews* will also notice that the graphics and tables in this year's *Review* have a new look as a result of more advanced desktop publishing techniques. The secretariat would like to express its gratitude to Messrs. Topi Sarpakunnas and Petteri Vuorinen, forest products marketing graduate students at University of Helsinki, who were interns with the Timber Section during the production of the *Review*. Our experience of engaging interns during the production of the publication, which has grown enormously in scope and time, has been extremely positive and prospective interns are encouraged to apply to work with the secretariat.

The *Review* is produced as a joint effort by the Geneva Timber Section and 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 Division of Economic Analysis of ECE); 3. Erik Kosenkranius (Estonia); 4. John Eyre and James Barton (New Zealand); 5. I.J. Bourke (FAO, Rome); 6. Ed Pepke; 7. Kit Prins; 8. Ed Pepke; 9. Ed Pepke; 10. Jorge Najera; 11. Kit Prins; 12. Ed Pepke; 13. Steve Johnson and Michael Adams. Messrs. Topi Sarpakunnas and Petteri Vuorinen produced all the graphics and were assisted by Ms. Sefora Kifle. Mr. Philippe LeMay-Boucher was responsible for preparation, formatting, integration and presentation of the text, tables and graphs. Mlle. Claire Pages produced the statistics tables. This manuscript was completed on 6 August 1999. More information may be obtained by contacting:

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EXPLANATORY NOTES

“Apparent consumption” is calculated by adding a country's production to imports and subtracting exports. Since data are not universally available, the apparent consumption volumes are not adjusted for changes in the level of stocks.

“Net trade” is calculated as the balance of exports and imports and is shown as “+” for net exports, when exports exceed imports and is shown as “-” for net imports, when imports exceed exports. Trade data for fifteen European Union countries include intra-EU trade, which is often estimated by the countries.

The countries of the former USSR and other former centrally planned countries of central and eastern Europe are referred to collectively as “transition economies”. The term “central and eastern Europe”, 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. Due to a change in statistical methods in producing this *Review*, the European totals do not include the Baltic Countries of Estonia, Latvia and Lithuania — this will be rectified in future *Timber Bulletins*.

The term “softwood” is used synonymously for “coniferous.” “Hardwood” is used synonymously for terms “non-coniferous” or “broadleaved” wood.

When no data were available, the previous year's figure is used to calculate the regional total. As a convention in the analysis, one time period, for example first quarter of 1998, is compared to the analogous time period, continuing this example, the first quarter of 1997.

Statistics were received on the basis of joint ECE/FAO/EUROSTAT/ITTO questionnaires to official statistical contacts in the 55 countries in the ECE region in early 1999. Correspondents had the opportunity to update their 1997 statistics and thus slight changes may occur from statistics reported in last year's *Timber Bulletin*. The secretariat is grateful for correspondents diligence to provide actual statistics for 1998 and in the absence of formal statistics, their best estimates. Therefore all statistics for 1998 can be categorised as preliminary and subject to confirmation next year.

SYMBOLS AND ABBREVIATIONS USED

-	nil or negligible
...	not available
*	secretariat estimate or unofficial figure
\$	United States dollar unless otherwise specified
C\$	Canadian dollar
c.i.f.	customs + insurance + freight included
CIS	Commonwealth of Independent States
EU	European Union (currently 15 States)
f.a.s.	free alongside ship
FOB	free on board
GDP	gross domestic product
IMF	International Monetary Fund
m ³	cubic metre (solid volume of roundwood or processed product)
m.t.	metric ton
MW/h	Megawatt per hour
N.A.	Not available
NIEs	Newly industrializing economies
OPEC	Organisation of Petroleum Exporting Countries
Q	Quarter
T	Trimester
USDA	United States Department of Agriculture
WWF	World Wide Fund for Nature

