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ECONOMIC COMMISSION FOR EUROPE  
Timber Committee

FOOD AND AGRICULTURE ORGANIZATION  
European Forestry Commission

**JOINT FAO/UNECE WORKING PARTY ON FOREST ECONOMICS AND STATISTICS**  
Twenty-seventh session

to be held in the Palais des Nations, Geneva  
22 – 24 March 2005, starting at 10.00 hrs on Tuesday, 22 March

Item 7 of the Provisional Agenda  
**Inter-organization co-operation on forest and forest products statistics \***

This document discusses the role and the work of the Inter-secretariat Working Group on Forest Sector Statistics (IWG). It also reviews the status of the revisions to international classifications. The Working Party is invited to suggest other items for the agenda for future meetings of the IWG.

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\* This document was submitted late for documents processing as clearances from relevant parties were received late.

## Introduction

1. The Inter-secretariat Working Group on Forest Sector Statistics (IWG) is an informal arrangement that brings together the FAO, International Tropical Timber Organization, Eurostat and the UNECE in collecting forest sector statistics. The European Environment Agency, European Union Directorates General Agriculture, Environment and Enterprise, and the OECD are also members. The IWG coordinates the collection of forest products statistics specifically with the objective of reducing duplication and reporting burden and improving data quality. The primary tool to implement this is the Joint Forest Sector Questionnaire (JFSQ), which is used by all the four organizations as the basic format for data collection.

2. During the past year the IWG met in Rome in January 2004 and again in January 2005. An oral report of the January 2004 meeting was made at the Working Party meeting last year.

## Results of IWG meetings

3. In 2004 the main results were the issuance of the Joint Forest Sector Questionnaire 2004 and the simplification of the Harmonised System (HS) 2002 trade classification. The aim was to reduce the number of "ex" (part of) codes, even at the expense of introducing discontinuities in the data series.

4. In 2005, aside from the review of the events of the current data cycle, the additional discussions revolved around the evaluation of the previous year's HS revision, the extent to which we should offer conversion factors, the EFSOS results revealing increasing shortfalls in the roundwood balance and the viability of using COMTRADE data versus directly requesting data on direction of trade from countries.

5. The IWG may add another item to secondary wood products to capture trade in such items as broom handles and picture frames. These were previously excluded on the grounds that they were not particularly significant but it appears that trade in such items may exceed \$1 billion per year. This is still under review however and *we would welcome the views of the Working Party.*

5. A number of issues were left for a future meeting, hopefully in 2005. This included the desirability of combining the ECE1, ITTO2 and EU3 questionnaires, looking into wood fuel and recovered wood data needs and improving data exchange formats to ensure greater consistency between data at the various organizations

6. The report of the meeting in 2004 can be found at <http://www.unece.org/trade/timber/mis/iwg> along with the agenda for the 2005 meeting. The notes of the 2005 meeting will be posted when they are finalized. The Secretariat will also make a verbal report of the 2005 meeting to the Working Party.

## International Classification Issues

7. The International Standard Industrial Classification (ISIC revision no. 4) is in the process of being finalized. This classification system is used for production and employment statistics. It forms the basis for the NACE and NASIC classification systems. The responsible body for this is the UN Expert Group/Technical Subgroup on Classifications, which is serviced by the UN Statistical Division in New York (see <http://unstats.un.org/unsd/cr/registry/isic-4.asp>). FAO has been asked to provide feedback to this group

on agriculture, fisheries and forestry. The current structure of ISIC and the proposed revision are shown below:

ISIC Rev. 3.1	ISIC Rev. 4 (FAO proposal)	Comment
Section A - Agriculture, hunting and forestry	same	
Division: 02 - Forestry, logging and related service activities	Division 05 - Forestry and logging	
→ There is no further subdivision	→ Group 051 - Forestry	
	→→ Class 0511 - Forestry activities	This division into natural and plantations has not been sought by FAO Forestry Department
	→→ Class 0512 - Tree plantation activities	
	→ Group 052 - Logging	
	→→ Class 0521 - Natural forest logging	
	→→ Class 0522 - Planted forest logging	
	→ Group 053 - Gathering of non-wood forest products	This is a new category supported by FAO
	→ Group 054 - Support services to forestry and logging	Such as fire-fighting services

8. For reasons of space and time we have not attempted to list the proposed changes to manufactured products nor shown the extensive notes. *If the Working Party wishes*, such a list could be drawn up. If so, please request this prior to the meeting so we can benefit from it this year.

9. The Harmonised System will be revised effective January 2007. These changes have been authorized by the World Customs Organization ([http://www.wcoomd.org/ie/En/Topics\\_Issues/HarmonizedSystem/HS2007-net-Eng.pdf](http://www.wcoomd.org/ie/En/Topics_Issues/HarmonizedSystem/HS2007-net-Eng.pdf)). Note that this forms the basis for all national trade classifications and the EU's Combined Nomenclature. This would affect the JFSQ cycle in 2008. A review of the proposed changes will be carried out by the IWG at a future meeting.

10. *The Working Party is invited to suggest other items for the agenda for future meetings of the IWG.*