

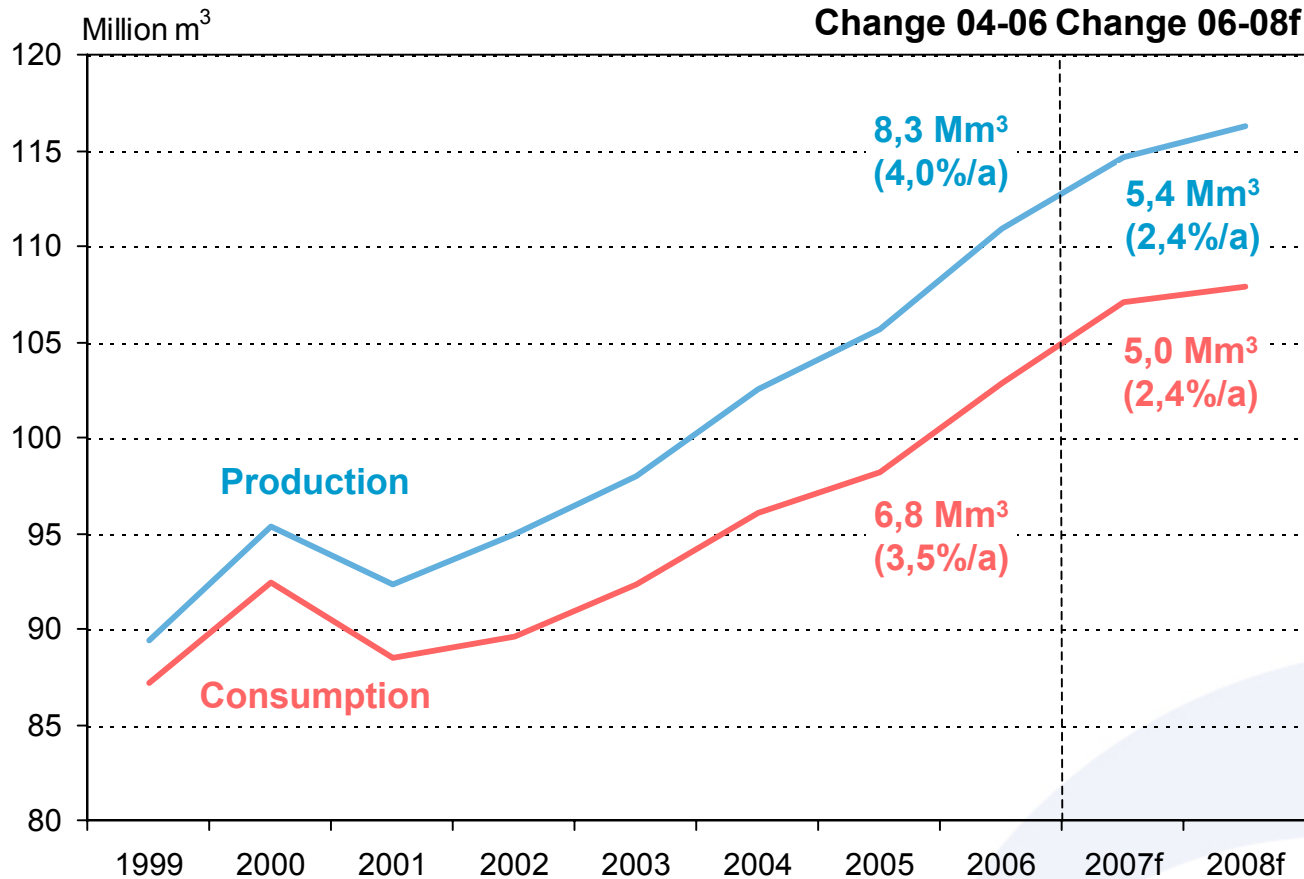
Timber Committee Forecasts for Sawn Softwood for 2007 and 2008

International Softwood Conference
and UNECE Timber Committee Market Discussions
8 October 2007, Geneva, Switzerland
Mr. Jarno Seppälä
Pöyry Forest Industry Consulting

Europe

Europe – Production and Consumption Forecasts

Both production and consumption are expected to continue to grow but at a slower pace.

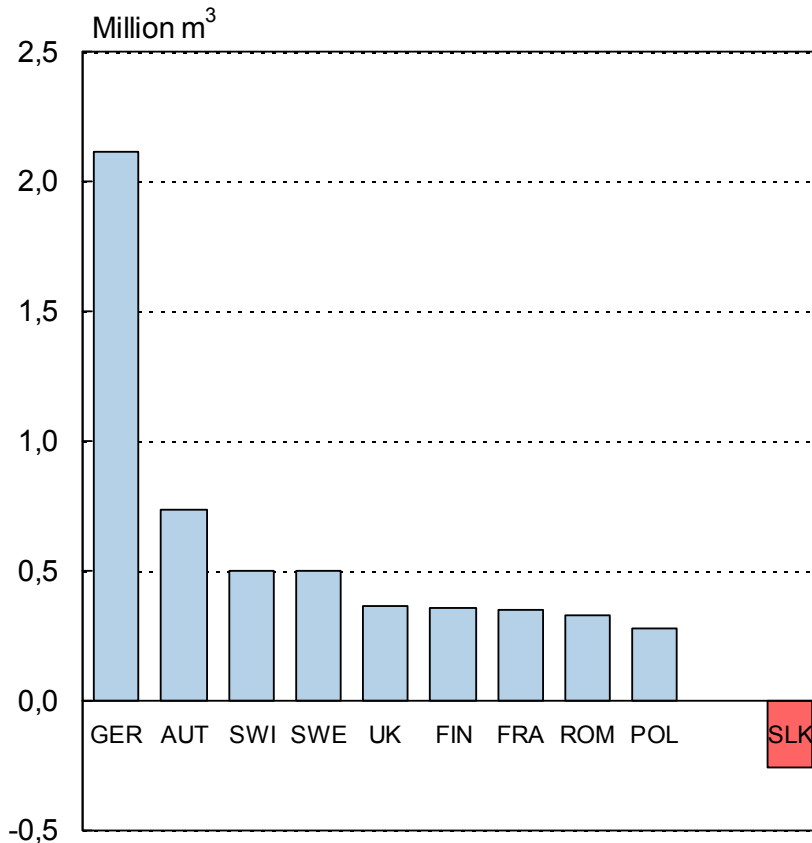


Source: UNECE Timber database 2007 and Timber Committee forecast

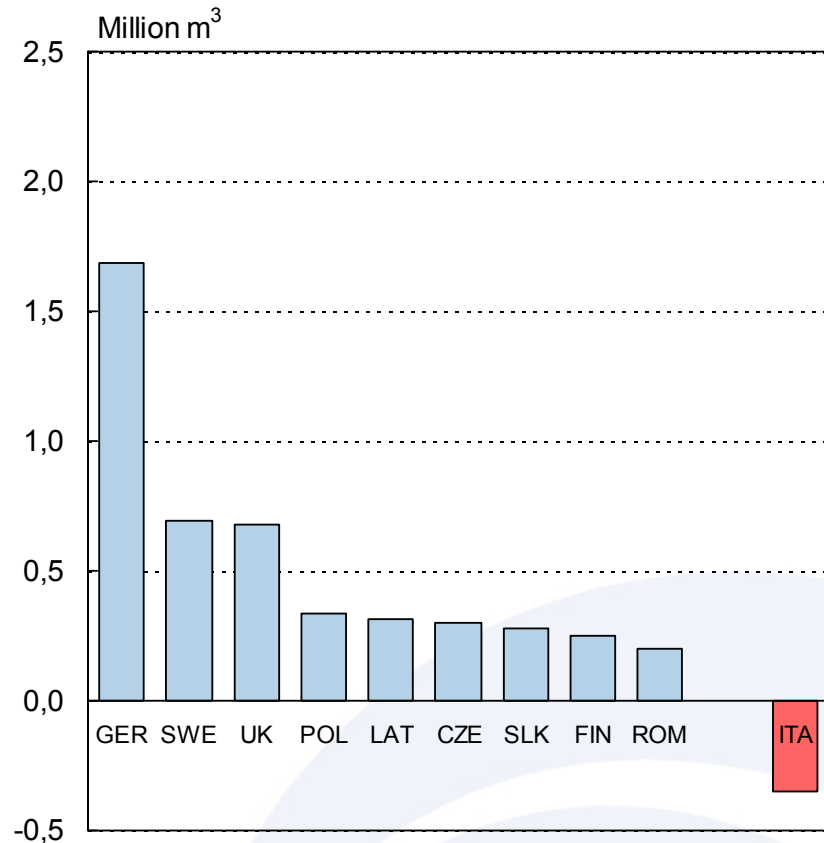
Europe – Production and Consumption Forecasts

Germany to consume most of the increment itself. EU15 countries expected to represent most of the production growth whereas consumption is forecast to increase both in the EU15 and new member countries.

Changes in Production 2006-2008f

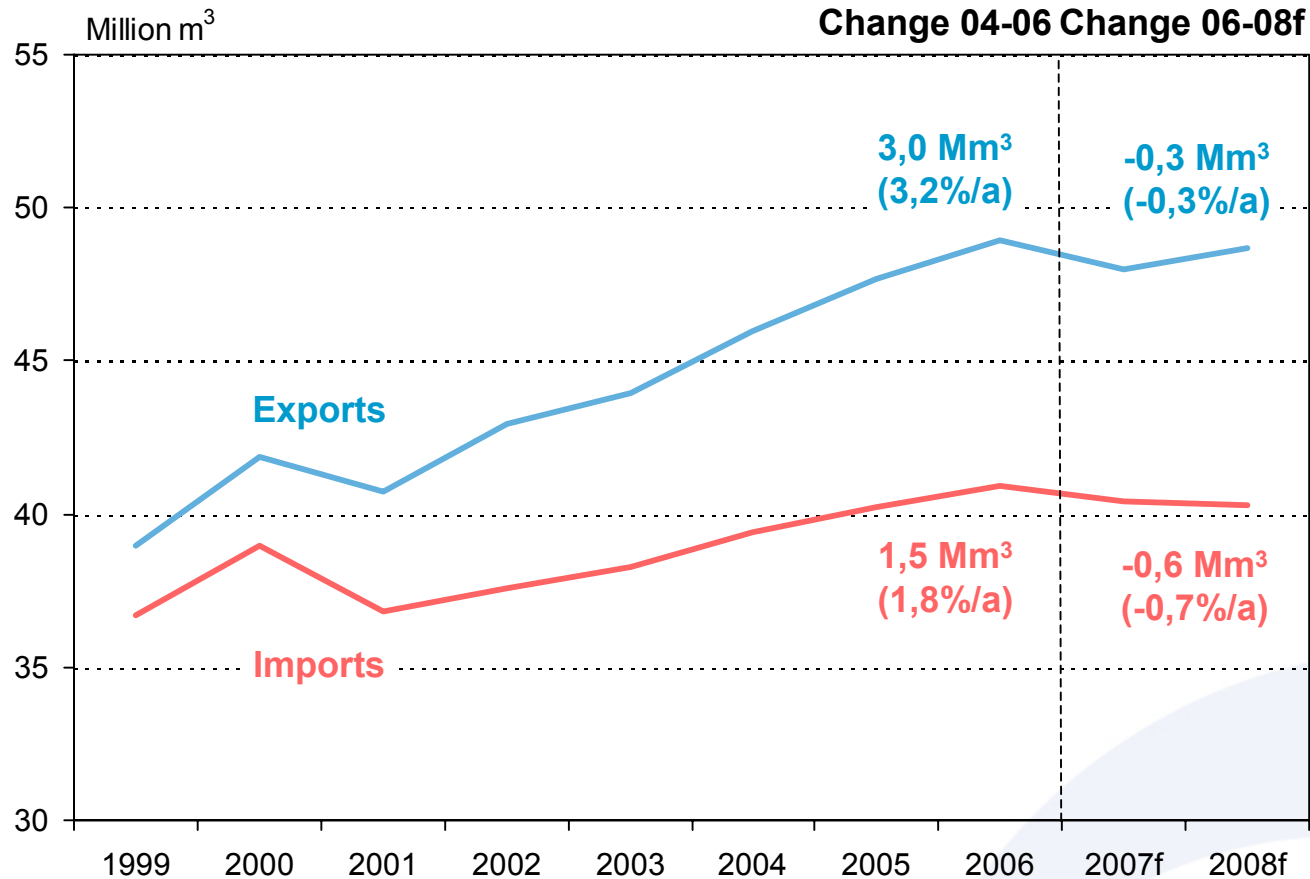


Changes in Consumption 2006-2008f



Europe – Import and Export Forecasts

Imports are forecast to decrease stronger than exports.

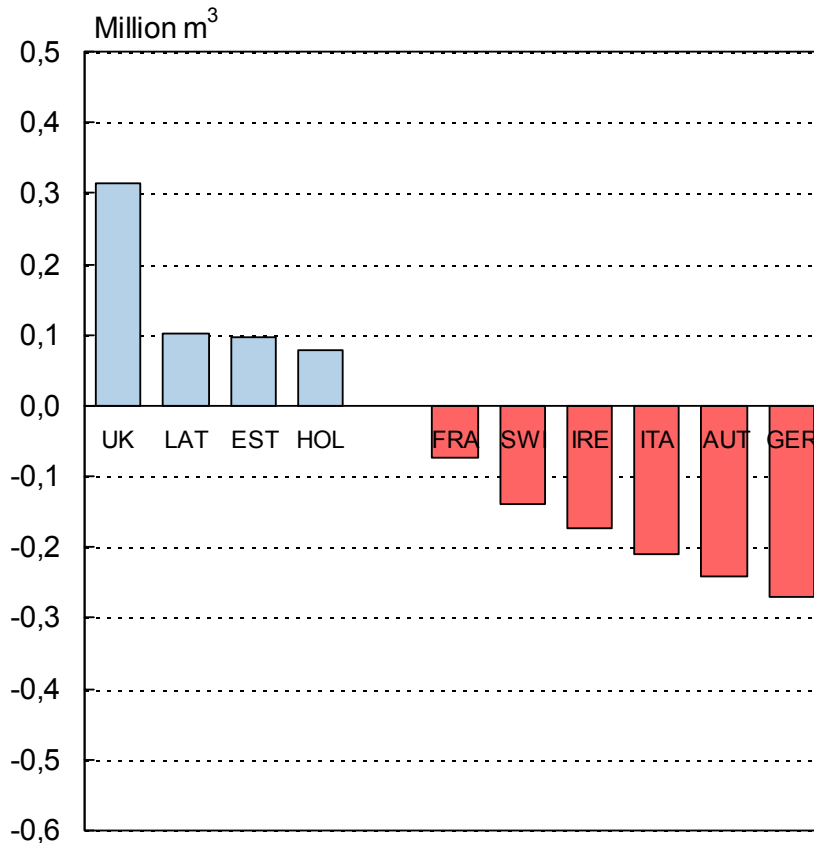


Source: UNECE Timber database 2007 and Timber Committee forecast

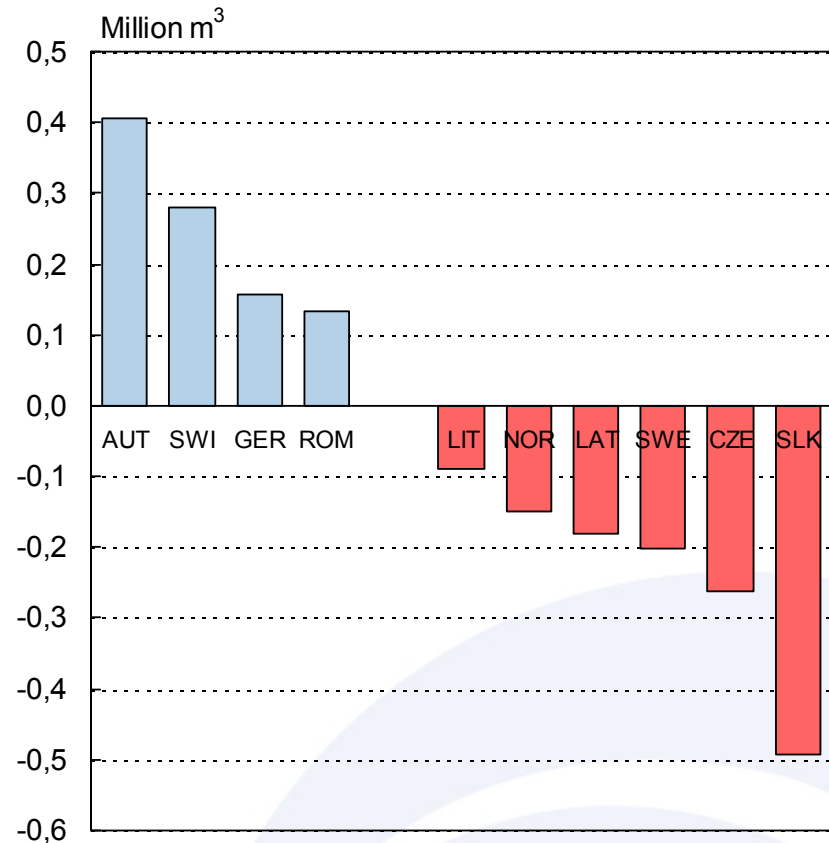
Europe – Import and Export Forecasts

The UK the only major importing country with positive import outlook. Central European countries expecting the largest growth in exports.

Changes in Imports 2006-2008f



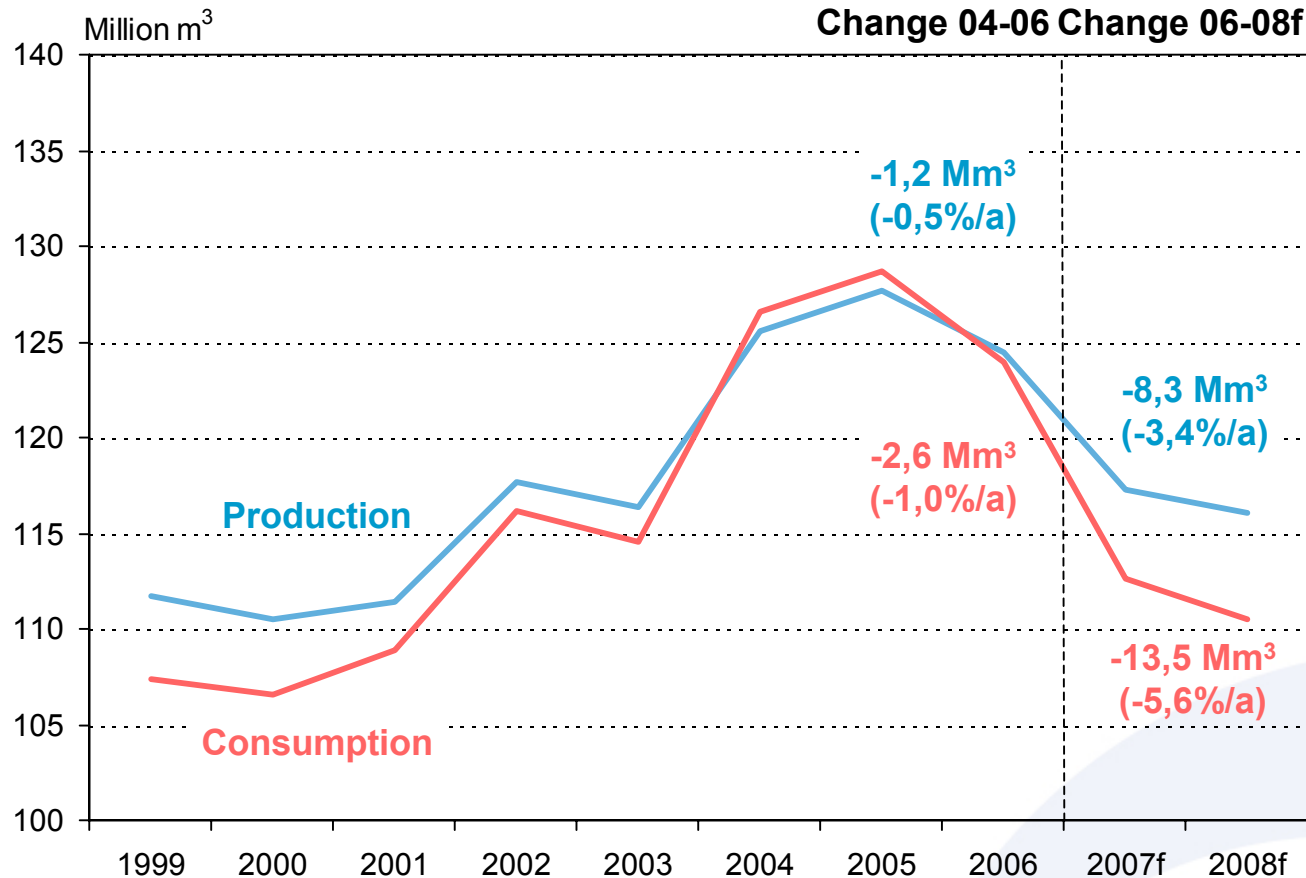
Changes in Exports 2006-2008f



North America

N-America – Production and Consumption Forecasts

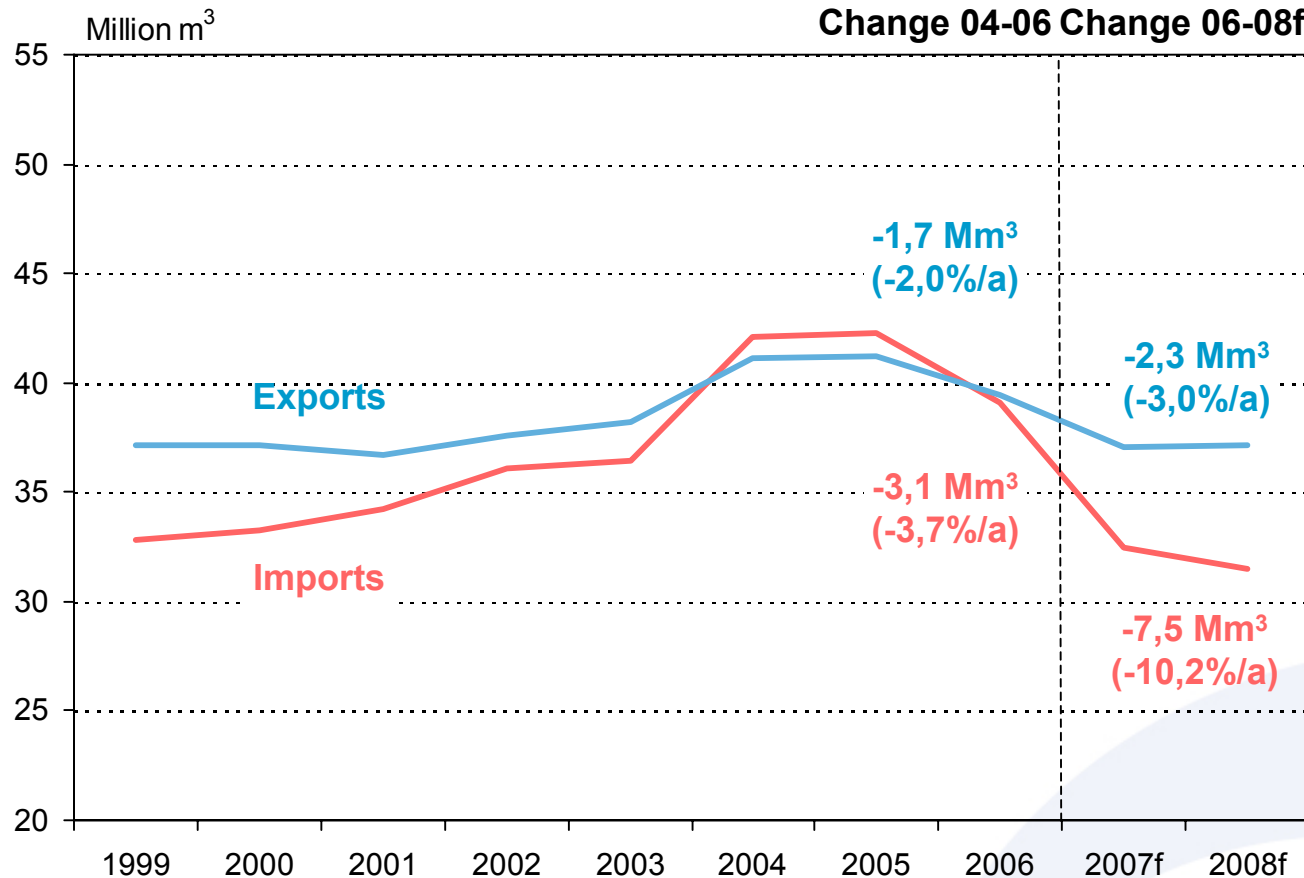
Production is again expected to exceed consumption which is to drop to its lowest levels since late 1990s. USA accounts for about 70% and 100% of the production and consumption changes, respectively.



Source: UNECE Timber database 2007 and Timber Committee forecast

N-America – Import and Export Forecasts

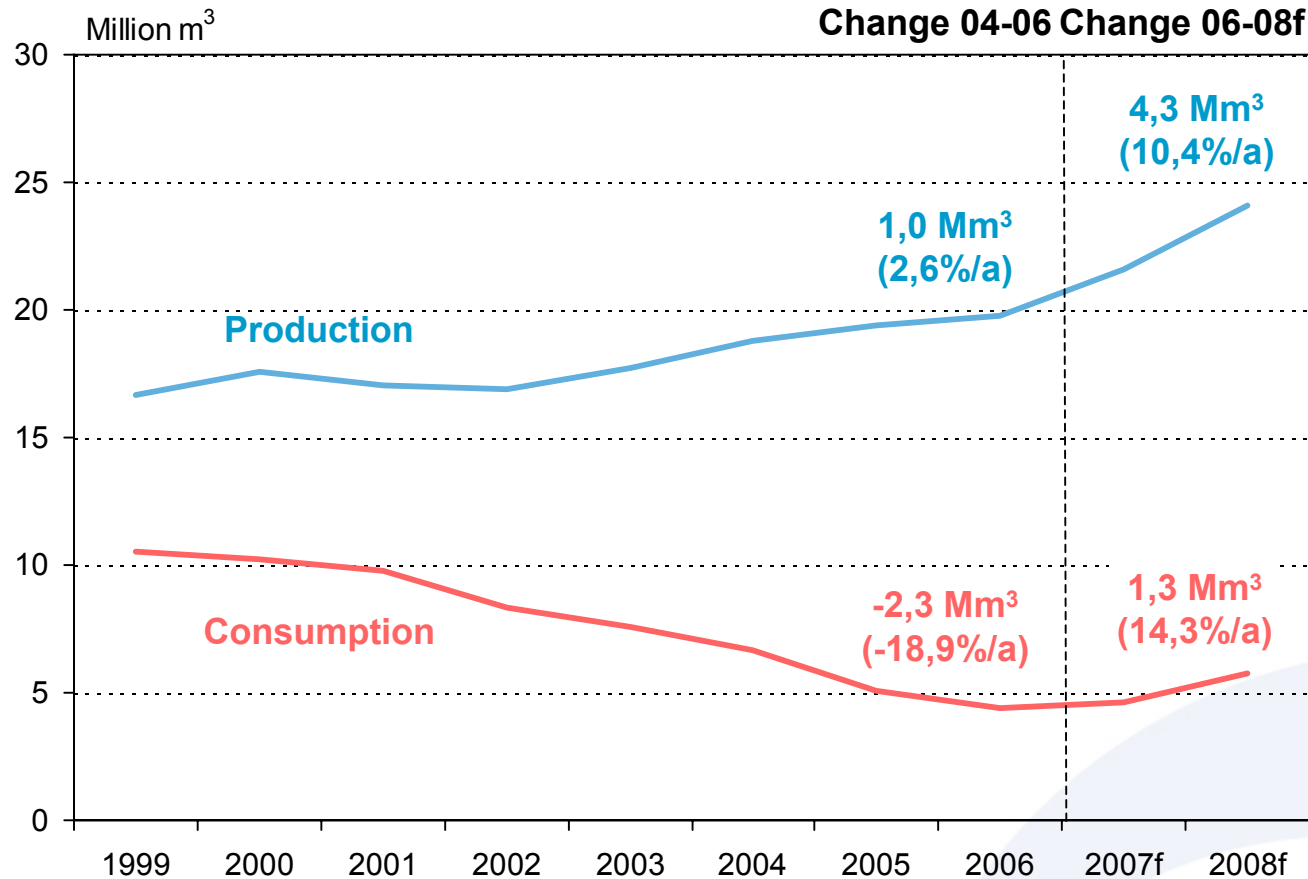
North America is returning to a clear net exporter. Change in imports expected to occur in the USA whereas exports mostly in Canada.



Russia

Russia – Production and Consumption Forecasts

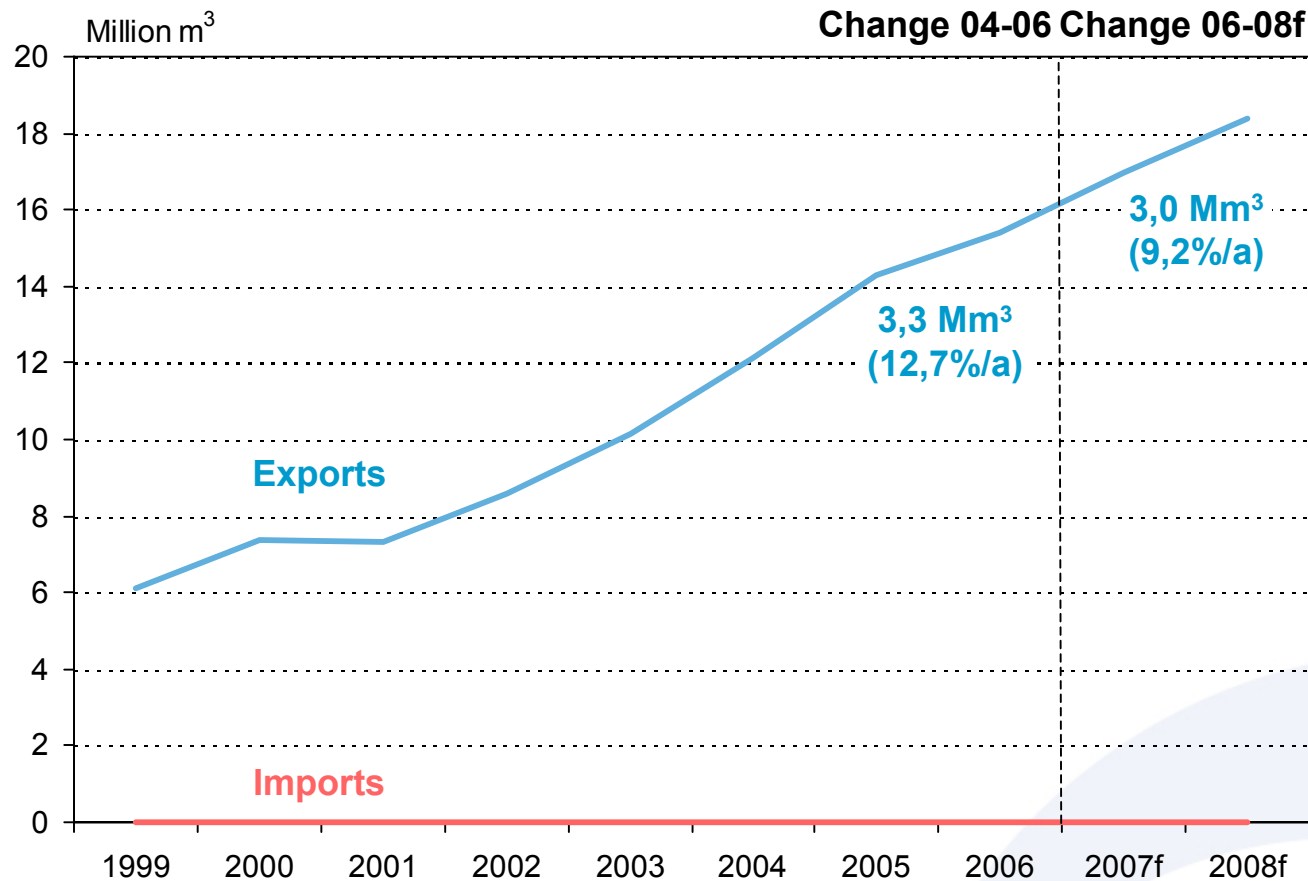
Russian production is forecast to increase significantly in the near future.



Source: UNECE Timber database 2007 and Timber Committee forecast

Russia – Import and Export Forecasts

Exports are expected to continue to increase strongly representing almost 70% of the production growth by 2008.



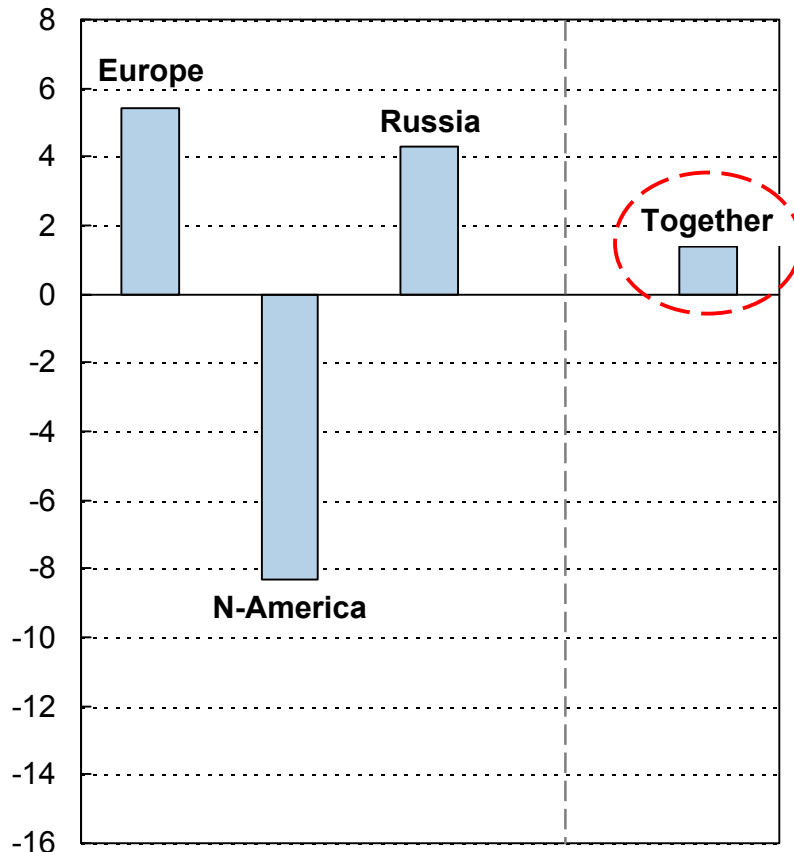
Source: UNECE Timber database 2007 and Timber Committee forecast

Conclusions

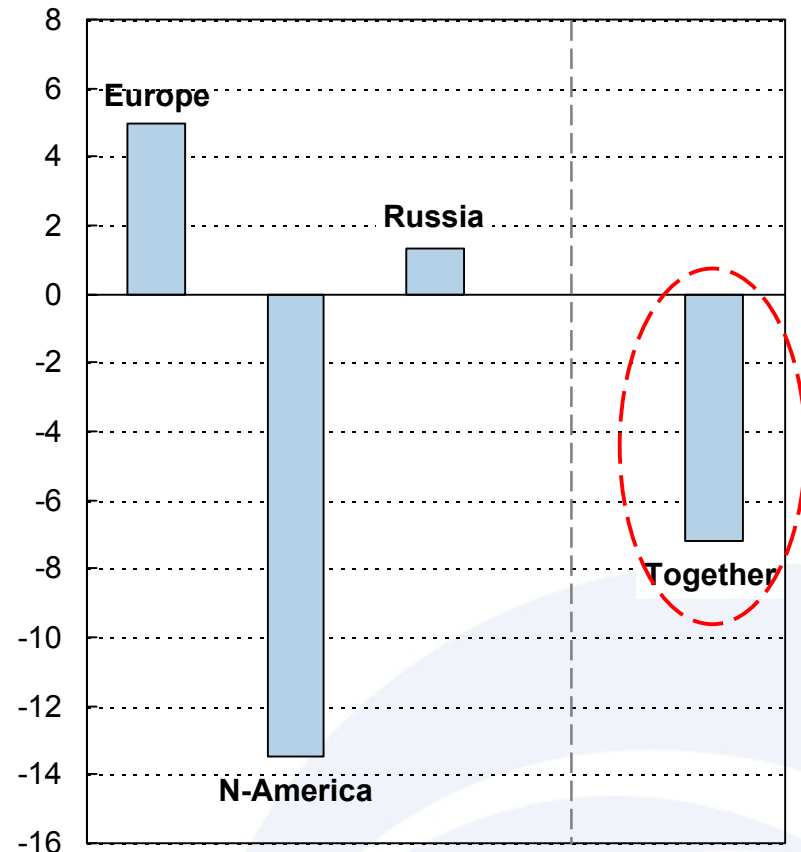
Production and Consumption Forecasts

Overall, production to stay reasonably unchanged, with geographical differences, whereas consumption is expected to decrease significantly.

Change in Production 2006-2008f

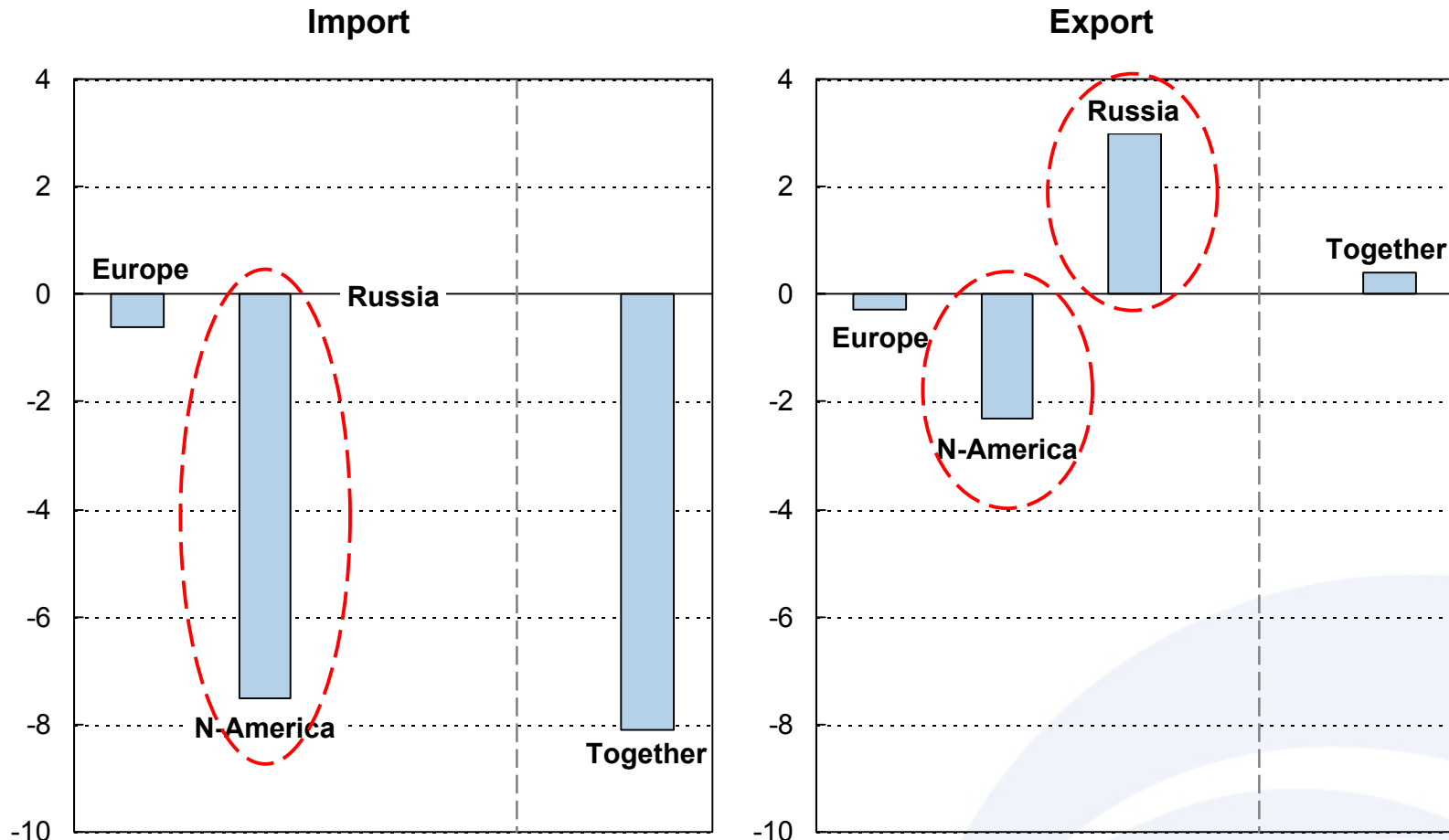


Change in Consumption 2006-2008f



Import and Export Forecasts

North American trade volumes to decrease. Russia to strengthen its position as a major exporter.



Contact Information

Timber Committee Forecasts for Sawn Softwood for 2007 and 2008

Pöyry Forest Industry Consulting Oy

Jarno Seppälä

Jaakonkatu 3, P.O.Box 4

FI-01621 Vantaa, Finland

Tel. +358 10 33 22078

Mob. +358 40 551 5343

Fax +358 33 21881

Email: jarno.seppala@poyry.com