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Timber Committee

Seventieth session

Geneva, 16–19 October 2012

Item 4 (a) of the provisional agenda

Market developments in 2012 and prospects for 2013

Market discussions

Note by the secretariat

Summary

This document sets out the schedule for the annual Timber Committee Market Discussions and the preparation of the annual Timber Committee Market Statement. This year's theme is, "Sustainable Forest Products." The annual Market Statement benefits greatly from the country market statements and market forecasts for 2012 and 2013, which should be submitted to the secretariat by 10 September 2012. Copies of the statements will be posted to the Committee's website. Activities of the Team of Specialists on Sustainable Forest Products associated with the Market Discussions are also described here.

Based on the *UNECE/FAO Forest Products Annual Market Review, 2011–2012*, national market reports, forecasts and expert speakers, the Committee is invited to:

- (a) discuss the forecasts and market developments in the UNECE region;
- (b) discuss policy developments influencing forest products markets;
- (c) produce a Market Statement during the session; and
- (d) comment on the *Forest Products Annual Market Review, 2011–2012*.

I. Introduction

1. The annual Market Discussions are an integral part of the Economic Commission for Europe of the United Nations (ECE) Timber Committee session and its joint ECE/FAO integrated programme of work for 2008–2013, as approved by the ECE Timber Committee (TC) and the FAO European Forestry Commission (EFC) (ECE/TIM/2008/9).
2. The Market Discussions will be held on 16–17 October 2012 in Geneva, with the theme, “Sustainable Forest Products.” The two half-day sessions provide a forum for consideration of the latest market and policy developments and discussion of their impacts. The topics include developments with a focus on 2011–2012.
3. Much of the Committee’s work has analyzed the links between forest products markets and government and industry policies, and their effects on sustainable development of the forest sector. This year’s discussions are again designed to bring that work together and advance the knowledge and understanding of developments and underlying issues.
4. The discussions will be based on findings from the *Forest Products Annual Market Review, 2011–2012*, plus country market statements and forecasts for 2012 and 2013. The *Market Review* is based on statistics for 2011 provided by the countries of the ECE region and as entered into the ECE/FAO TIMBER database. The secretariat analyses these statistics and policy and market developments with significant support from forest products marketing specialists as well as policy experts. Production of the *Market Review* is timed to allow distribution of a printed version in English to delegates, just before the Market Discussions. Delegates are encouraged to obtain an advance electronic version of the *Market Review* on the ECE/FAO homepage in August 2012 (<http://www.unece.org/forests/fpamr2012>). Executive summaries in French and Russian should be available on the same website, before the session.
5. In addition to this introduction, this document contains:
 - (a) Timetable and organization of the Market Discussions
 - (b) Preparation of the Committee’s market statement
 - (c) Inputs to the Market Discussions
 - (i) Country market statements
 - (ii) Country forest products market forecasts for 2012 and 2013
 - (iii) *Forest Products Annual Market Review, 2011–2012*
 - (d) ECE/FAO Team of Specialists on Sustainable Forest Products activities (please note the change of name from Forest Products Marketing).

II. Timetable and organization of the market discussions

6. The 2012 Market Discussions are scheduled to start on Tuesday afternoon, 16 October, and continue on Wednesday morning, 17 October. The two ½-day discussions will allow topical developments and issues in forest products markets to be presented as well as adequate time for discussion and interchange between experts and delegates.
7. The tentative schedule below may be adjusted depending on length of discussions and the availability of time and speakers. A detailed, final schedule will be presented at the session.

Timber Committee Market Discussions

Tuesday, 16 October 2012

15:00 Opening

- Market developments in 2012 and prospects for 2013:
- Market discussions (mainly presentation of the results of the FPAMR 2012 focusing on the theme of sustainable forest products)

18:00 End of the first day

Wednesday, 17 October 2012

8:30-9:30 Drafting Committee (no interpretation, all are welcome)

10:00 Timber Committee Market Discussions continue and include:

- Draft market statement
- Country market statements and forecasts
- Discussion

13:00 End of the Market Discussions

8. The first afternoon's presentations focus on the broader policy issues and market developments. The discussions that follow will be wide-ranging and can include the topics covered in the presentations as well as specific market sectors' trends and forecasts, including comparisons between current developments and short-term forecasts in the three subregions, i.e. Europe, the Commonwealth of Independent States and North America. These analyses are based on countries' forecasts for 2012 and 2013 from the TC (forecasting) Questionnaire and the findings from the *Forest Products Annual Market Review, 2011–2012*. After the presentations, participants will be invited to discuss the trends and developments. The Market Statement will include the results of the discussions. Afterwards, all background information, forecasts, presentations and the Market Statement (in a press release) will be available on the ECE/FAO Forestry and Timber Section website.

III. Preparation of the Timber Committee market statement

9. The Market Statement is a consensus view of the Committee about forest products market developments and policies behind those developments. Based on forecasts submitted by Member States of the ECE region, the Committee will produce forecasts for consumption, production and trade for 2012 and 2013. Following discussion, the secretariat will draft a market statement, to be issued before the end of the Committee session. This statement appears in the session report and is issued as a press release. It is also available on the ECE/FAO Forestry and Timber Section website.

10. The market statement is submitted for approval by the TC during the adoption of the session report. Delegations wishing to give direct input to the statement are most welcome to come to the informal Drafting Committee meeting on Wednesday morning. As last year, we also welcome substantive revisions and discussions in the plenary session Wednesday morning. The Drafting Committee proposal will be available in English only as there is no time for translation of changes to the draft. However, there will be simultaneous interpretation in the session.

11. The Drafting Committee will have a secretariat draft of the market statement at its disposal. Secretariat drafting is done on Tuesday and Wednesday evenings, thus the final version will be available on Thursday morning in English and Friday in French and Russian.

12. The text of the Statement is issued as a press release in English, along with a summary of its highlights and tables of sub-regional forecasts for 2012 and 2013. It is circulated and also uploaded to the ECE/FAO Forestry and Timber Section website. The TC Statement will also be available after the session in French and Russian with complete sector tables of national forecasts on the same website. Market Discussion speakers' presentations will be uploaded to the website following the session. As the statement will have been formally approved by the Committee, it is considered an integral part of the session report, although it will be issued separately.

IV. Inputs to the market discussions

13. The quality of the Committee's outputs depends heavily on the quality, timeliness and comprehensiveness of member States' contributions. Outputs from the Market Discussions include the forecasts and the market statement as well as the discussions themselves. Even if countries cannot send a delegate to the Market Discussions it is immensely helpful to receive a country market statement and quantified forecast, following the procedures described below.

A. Invitation to prepare country market statements

14. Country market statements are crucial to the success of the Market Discussions, as they ensure that all countries' market developments are available to the other delegations and the secretariat. TC national delegations are requested to work together to submit one statement per country. Please send country market statements by e-mail to the secretariat by 10 September 2012, at info.ECE-FAOforests@UNECE.org, for posting on the TC/EFC website: this lets delegates, speakers and the secretariat read them in advance of the Market Discussions. The secretariat will send guidance about statement content to heads of delegations in July and post the guidance on the ECE/FAO Forestry and Timber Section website (www.unece.org/forests/market-statements-2012).

B. Invitation to provide country market forecasts

15. The intention is to provide the best possible forecasts for the short-term future, based on available information and expert judgment. A guide to forecasting, developed at the request of the FAO/UNECE Working Party on Forest Economics and Statistics, will be sent with the TC Questionnaire to help in preparing forecasts.

16. Many delegations choose to discuss their reports and forecasts with stakeholders at the national level. Forecasts are estimates at a specific date. As such, they cannot have the same quality standards as official statistics for the past.

17. Forecasts are clearly marked as estimates at a specific date. The secretariat recognizes that delegations prepare forecasts using their best judgment to provide realistic estimates, especially for the forthcoming year. It is understandable that it is sometimes easier to forecast "no change", especially in today's fast changing economic environment. It is unlikely, however, that any country's markets in 2013 will be exactly the same as 2012 so *delegations are encouraged to avoid showing "no change"* as this reduces the value of the exercise and limits the success of the Market Discussions. Even for countries that cannot send a delegate, it would be deeply appreciated to receive your country statements and forecasts so that they can be shared with all delegations.

18. Please remember that the deadline for replies to the TC Questionnaire is 10 September 2012, and please do your utmost to meet this deadline. It would not be possible to prepare the TC statistics and reports in time for the meeting unless all forecasts are

received by the deadline. Once again, forecasts supplied by national correspondents are estimates and not official statistics, and this is consistently indicated, with the date the forecasts were made, in order to minimize misunderstanding. All countries' participation is important and appreciated for the success of the discussions and the analysis.

C. Forest Products Annual Market Review, 2011–2012

19. The *Forest Products Annual Market Review 2011–2012* will be available in electronic format in August 2012, and a printed version will be distributed just before the session. An executive summary in English, French and Russian will also be posted on the website.

V. Activities of the UNECE/FAO Team of Specialists on Sustainable Forest Products

20. The Team will conduct its meeting in 2012 at 08:00 on Tuesday morning, 16 October, i.e. before the formal opening of the Committee session. The meeting venue will be announced by e-mail to the Team's mailing list and will be available with the agenda under "meetings" on the website: www.unece.org/forests/fpm/forestproductsmarketing.

21. Team members are most welcome to attend the workshop on "The Green Life of Wood" and all Committee's events. They are also encouraged to participate in the Drafting Committee for the Market Statement on the morning of 17 October. Further information on the Committee's meeting and its events are available on the ECE/FAO Forestry and Timber Section homepage at <http://www.unece.org/forests>.
