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**ECONOMIC COMMISSION FOR EUROPE**

**TIMBER COMMITTEE**

Sixty-seventh session  
Geneva, 13-16 October 2009  
Item 5 of the provisional agenda

**MARKET DEVELOPMENTS IN 2009 AND PROSPECTS FOR 2010**

Note by the secretariat

Summary

This document provides the schedule for the annual Timber Committee Market Discussions and the preparations of the annual market statement. This year's theme is the "United Nations Economic Commission for Europe region's forest products markets in a global economic crisis." Production of the annual Timber Committee Market Statement requires delegations' timely submission of national market statements and forest products forecasts for 2009 and 2010. Country market forecasts and country market statements are to be submitted to the secretariat by 4 September 2009. Copies of the statements will be posted to the Committee's website upon arrival. Activities associated with the Market Discussions are described for the United Nations Economic Commission for Europe (UNECE) and the Food and Agriculture Organization of the United Nations (FAO) Team of Specialists on Forest Products Markets and Marketing.

Based on the *UNECE/FAO Forest Products Annual Market Review, 2008-2009*, national market reports, forecasts and expert speakers, the Committee is invited to:

(a) discuss how the global economic crisis affecting the forest products markets in the UNECE region; (b) discuss other forest products markets and policy developments and forecasts; (c) produce an official Market Statement during the session; (d) comment on the *Forest Products Annual Market Review, 2008-2009*.

## I. INTRODUCTION

1. The annual Market Discussions are an integral part of the United Nations Economic Commission for Europe (UNECE) Timber Committee session and its joint integrated programme of work for 2009 as approved by the UNECE Timber Committee (TC) and the FAO European Forestry Commission (EFC) (ECE/TIM/2008/9).
2. The Timber Committee Market Discussions will be held on 13-14 October 2009 during the Timber Committee Week at the Palais des Nations in Geneva. The one and one half-day discussions are organized to provide a unique forum for discussions on the latest developments in forest product markets. The topics include market and policy developments with a focus on 2009-2010. Each topic will be introduced by an expert, and be followed by discussion time for delegates.
3. The theme of this year's discussions is "the UNECE region's forest products markets in a global economic crisis." This theme links also to the following day's policy forum on the UNECE region's forest sector in a green economy (see secretariat note ECE/TIM/2009/6 and webpage via [www.unece.org/timber](http://www.unece.org/timber)).
4. Much of the Timber Committee 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.
5. The discussions will be based on findings from the *Forest Products Annual Market Review, 2008-2009*, plus country market statements and forecasts for 2009 and 2010. The *Market Review* is based on statistics for 2008 provided by the countries of the UNECE region and as entered into the UNECE/FAO TIMBER database. Analysis of these statistics and policy and market developments is done by the secretariat with significant support from forest products marketing specialists as well as policy experts. Production of the *Market Review* is scheduled so that a printed version in English is available for distribution to delegates just before the Market Discussions. Delegates are encouraged to obtain an advance electronic version of the *Market Review* on the Timber Committee/EFC homepage in August 2009 ([www.unece.org/timber](http://www.unece.org/timber)). Executive summaries in French and Russian are scheduled to be available on the Timber Committee website before the session, and on paper at the session.
6. In addition to this introduction, this document contains:
  - (a) Timetable and organization of the market discussions
  - (b) Preparation of the Timber Committee market statement
  - (c) Inputs to the Market Discussions
    - (i) Countries' market statements
    - (ii) Countries' forest products market forecasts for 2009 and 2010
    - (iii) *Forest Products Annual Market Review, 2008-2009*
  - (d) Activities of UNECE/FAO Team of Specialists on Forest Products Markets and Marketing.

## II. TIMETABLE AND ORGANIZATION OF THE MARKET DISCUSSIONS

7. The 2009 Timber Committee Market Discussions are scheduled to begin in the afternoon of Tuesday, 13 October, and continue all day on Wednesday, 14 October. The 1½-day discussions will enable presentation of developments and issues in forest products markets, and allow adequate time for interchange between experts and delegates. Well-known speakers will discuss policy and market developments.

8. The tentative schedule below will be adjusted according to length of discussions on individual market segments and the availability of time and speakers. The current programme of the Market Discussions is posted on the Timber Committee/EFC website via the homepage at [www.unece.org/timber](http://www.unece.org/timber). The detailed, final schedule will be presented at the session.

### **Preliminary schedule: Timber Committee Market Discussions**

#### **The UNECE region's forest products markets in the global economic crisis**

##### Tuesday, 13 October 2009

15:00 hours    Opening

- (a) Policy developments influencing forest products markets;
- (b) Certified forest products markets, including the US Lacey Act Amendment and the EU due diligence policies to prevent illegal logging and trade;
- (c) Experience of a country that is not in the EU, or North America, but which trades with both, and is establishing policies for the trade of sustainable and legal timber;
- (d) Corporate social responsibility in the forest sector.

18:00 hours    End of the first day.

##### Wednesday, 14 October 2009

10:00 hours    Timber Committee Market Discussions continue and include:

- (e) Economic situation in 2009-2010
- (f) Wood raw material markets and forecasts
- (g) Wood energy markets and policies
- (h) Forest carbon markets
- (i) Sawn hardwood market developments and forecasts
- (j) Tropical timber markets
- (k) Sawn softwood market developments and forecasts
- (l) Green building's influence on the forest sector
- (m) Panel market developments and forecasts
- (n) Pulp and paper developments and forecasts
- (o) China's wood products market developments

18:00 hours    Market Discussions end.

9. Following the introductory presentations on the broader policy issues and market developments, the Discussions will focus on specific market sectors' trends and forecasts. Wherever possible, the market segments will compare current developments and short-term forecasts in the three subregions, i.e. Europe, the EECCA region (Eastern Europe, Caucasus and Central Asia) and North America. These analyses are based on countries' forecasts for 2009 and 2010 from the Timber Committee Questionnaire and the findings from the *Forest Products Annual Market Review, 2008-2009*. After the presentations, the participants will be invited to discuss the trends and developments. Results of the discussions will be incorporated into the Timber Committee Market Statement. Afterwards, all background information, forecasts, presentations and the Market Statement (in a press release) will be available on the Timber Committee/EFC website.

### **III. PREPARATION OF THE TIMBER COMMITTEE MARKET STATEMENT**

10. The Market Statement is an official consensus of the Timber Committee about forest products market developments and policies behind those developments. Based on forecasts submitted by Member States of the UNECE region, the Timber Committee produces forecasts for consumption, production and trade for the forthcoming year. Since 2006, the softwood forecasts have been coordinated with the International Softwood Conference (which will meet two weeks later in Madrid). Following the annual Market Discussions, based on the *Forest Products Annual Market Review, 2008-2009*, and with expert analyses of each market sector plus discussions by delegates, the Timber Committee adopts an authoritative market statement at the end of its annual session. This statement is endorsed in the session report and issued as a press release. It is also available on the Timber Committee/EFC website.

11. The timetable for preparing and approving the official Timber Committee Market Statement and its press release:

#### Thursday, 15 October 2009

08:30 hours    Drafting Committee prepares statement, based on a secretariat draft distributed the previous day. The Drafting Committee will be conducted in English, without interpretation. The meeting room will be confirmed the day before.

09:30 hours    End of Drafting Committee

#### Friday, 16 October 2009

10:00 hours    Timber Committee session continues in plenary session with various items, including adoption of the report, a part of which is the Market Statement.

13:00 hours    Timber Committee session ends

12. The market statement is submitted for approval by the Timber Committee during the adoption of the session report. If possible, delegations wishing to have input to the statement should be represented in the Drafting Committee meeting on Thursday morning, rather than

proposing substantive revisions in plenary. Because there is no time for translation of changes to the draft, any modifications from the Drafting Committee will be available in English only. However, there will be simultaneous interpretation in the session.

13. As usual, 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 drafts will be available on Wednesday afternoon and Thursday in English, French and Russian. In previous years, the following countries were represented at the Drafting Committee: Austria, Canada, Estonia, Finland, France, Germany, Latvia, Lithuania, Netherlands, Poland, Romania, Russian Federation, Sweden, United Kingdom and United States of America. However, every country is welcome to participate.

Tuesday, 13 October 2009

14. The text of the Statement is issued as a press release in English, along with a summary of its highlights and tables of subregional forecasts for 2009 and 2010. It is circulated and also uploaded to the Timber Committee/EFC website. The Timber Committee Statement will also be available after the session in French and Russian with complete sector tables of national forecasts on the Timber Committee/EFC website. Market Discussion speakers' presentations will be uploaded to the website following the session. As the statement will have been formally approved by the Timber Committee, it is considered an integral part of the session report, although it will be issued separately.

#### **IV. INPUTS TO THE MARKET DISCUSSIONS**

15. The quality of Timber Committee outputs are directly determined by the quality, timeliness and comprehensiveness of member States' contributions. For these Market Discussions, the outputs include the discussions, the forecasts and the market statement. It is, therefore, expected that all UNECE member countries submit both market statement and quantified forecasts, according to the procedures described below, whether or not they attend the session. The secretariat can provide further background information on request.

##### **A. Invitation to prepare country market statements**

16. Delegations' written and electronic market statements are imperative to the success of the Market Discussions as they provide the only means of ensuring that all countries' market developments are made available to the other delegations and the secretariat. Timber Committee national delegations are requested to collaborate and submit one statement per country. Country market statements should be sent to the secretariat by **4 September 2009**, by e-mail to [info.timber@unece.org](mailto:info.timber@unece.org), and will be posted on the Timber Committee/EFC website as they arrive for delegates, speakers and the secretariat to read in advance of the Market Discussions. Guidance for statement content will be sent to heads of delegations in August and posted on the Timber Committee/EFC website. Delegations' attention is drawn to item 5 in the explanatory notes for the Provisional Agenda (ECE/TIM/2009/1) which covers the Market Discussions.

17. Country market statements need only be submitted in electronic format. Delegations decided in 2007 that printed copies of country market statements were no longer needed or desired. Therefore, it is imperative that all countries submit their statements on time to facilitate other delegations, the speakers and the secretariat's preparations. Punctual submission of market statements facilitates greatly the secretariat work in uploading them, as well as eliminating the burden of sending reminders to non-respondents. Late submissions may not be read, which is a loss for both the producers of the statements, as well as the participants in the Market Discussions.

### **B. Invitation to provide country market forecasts**

18. Delegations are reminded that 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 is sent with the Timber Committee Questionnaire to facilitate forecasting.

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

20. All forecasts are clearly marked as estimates as of a specific date. The secretariat urges all delegations preparing forecasts to use their best judgment to provide realistic estimates, especially for the forthcoming year. A lack of forecasting, e.g. estimating "no change" for the forthcoming year, seriously reduces the value of the exercise and limits the success of the Market Discussions. In the current, fast changing economic situation it is unlikely that any country's markets in 2009 will be the same as 2010. As mentioned before, a lack of forecasting has a negative impact on the market discussions, seriously reducing the value for those delegations that have invested in providing the requested forecasts and that expect to share them with other delegations.

21. As mentioned above, the Timber Committee places high priority on the collection, analysis and dissemination of statistics and short-term forecasts on production, trade, and consumption of forest products (element 1 of The Integrated Programme of Work). The secretariat feels that the ability to fulfill this important mandate is directly contingent on prompt and complete replies to the questionnaires, as refined and endorsed by member countries.

22. Delegations are reminded that the deadline for replies to the Timber Committee Questionnaire is **4 September 2009**, and are requested to ensure adherence to this deadline. As with the country market statements, Timber Committee delegations are encouraged to collaborate on softwood forecasts with national representatives to the International Softwood Conference. It is impossible to prepare the Timber Committee 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, 2008-2009**

23. The *Forest Products Annual Market Review 2008-2009* will be available in electronic format in August 2009, and a printed version will be distributed just before the session. As noted above, its executive summary will also be on the website, and should be available in the meeting room in English, French and Russian.

## **V. ACTIVITIES OF THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE AND THE FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS TEAM OF SPECIALISTS ON FOREST PRODUCTS MARKETS AND MARKETING**

24. The Team is organizing the 12 October 2009 Green Building Workshop (ECE/TIM/2009/2) and participates actively in the Market Discussions. The Team will conduct its business meeting at 08:30 on Tuesday morning, 13 October, i.e. before the formal opening of the Committee session. The meeting will be held in the Palais des Nations, and the room 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/timber/mis/tos/specialists.htm](http://www.unece.org/timber/mis/tos/specialists.htm).

25. Team members are most welcome to all events of the Timber Committee Week, and are encouraged to participate in the Drafting Committee for the Market Statement on the morning of 15 October. Further information on the Timber Committee Week and its events are available via the Timber Committee/EFC homepage at [www.unece.org/timber](http://www.unece.org/timber).

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