NOTE

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of the secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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.

ABSTRACT

The Forest Products Annual Market Review, 1999-2000 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. Five special chapters are included this year: “Effects of the December 1999 storms on European timber markets,” “Poland’s forest products markets,” “China’s forest products markets” “Secondary processed forest products markets” and “Engineered wood products – Production, trade, consumption and outlook.” The developments in seven standard sectors are described for markets of: wood raw materials, sawn softwood, sawn hardwood, wood-based panels, paper and paperboard, certified forest products and tropical timber. 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.
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PREFACE AND ACKNOWLEDGEMENTS

The ECE/FAO Forest Products Annual Market Review, 1999-2000 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 1999 through mid 2000. The Review serves as a background document for the ECE Timber Committee’s annual market discussions (9 and 10 October 2000). Furthermore it provides readers with comprehensive analysis on recent developments in the forest and forest product sector in the ECE region and its trading partners.

The Review begins with an overview of the forest products markets, followed by an appraisal of economic conditions influencing the ECE region, including construction sector influences. In-depth discussion of sector developments is included for roundwood, sawn softwood, sawn hardwood, wood-based panels, woodpulp, pulp, paper and paperboard, certified forest products as well as tropical timber markets. These are the sectors covered in the Committee’s discussions.

Five special chapters are included in this year’s Review: Poland’s forest products markets, China’s Forest Products Markets, Secondary Processed Wood Products Markets and Engineered Wood Products – Production, Trade, Consumption and Outlook. Effects of the December 1999 Storms on European Timber Markets describes the results in 2000 of catastrophic storms which felled nearly 200 million m² of roundwood in Europe’s forests.

Poland’s Forest Products Markets is the continuation of the Review series focusing on one ECE region country. We extend our gratitude to Drs. Wladyslaw Strykowski, Deputy Director, and Ewa Ratajczak, Head of the Wood Economics Department, Wood Technology Institute, Poland, for authoring this enlightening chapter.

China’s Forest Products Markets, continues a Review series highlighting an important forest products trading country from outside the ECE region. Chinese imports of wood have multiplied to become the world’s third wood importer. We thank Drs. Kunshan Shi, Fengming Lin and Mr. Zhisheng Xu, Chinese Academy of Forestry, for their noteworthy contribution.

Secondary Processed Wood Products was written by Mr. Pierre-Marie Desclos, a consultant in wood products. We express our gratitude to him for the attention he brings to the importance of further-processed products to the Review which has heretofore focused on primary products.

The last special chapter, Engineered Wood Products – Production, Trade, Consumption and Outlook describes the exciting new market outlet for products which are changing construction methods and being increasingly substituting for solid wood. We sincerely appreciate the outstanding work of Dr. Al Schuler, USDA Forest Service and Mr. Craig Adair, APA – The Engineered Wood Association, who will also contribute at the market discussions.

Drs. Steve Johnson and Michael Adams, International Tropical Timber Organisation, have again written an informative chapter for the Review on tropical timber markets. We thoroughly appreciate this co-operative effort with ITTO expertise.

Drs. Peter Ince and Henry Spelter, Forest Products Laboratory, USDA Forest Service contributed substantially to two chapters, pulp and paper and wood-based panels, respectively, adding new dimensions to these analytical chapters. We sincerely thank them for their assistance and look forward to future collaboration.

The primary information for this Review comes from the responses to a new questionnaire sent out jointly by the ECE Timber Section, the FAO Forestry Department, EUROSTAT and ITTO (see “data sources”). In addition to the primary data, the Review is based on a wealth of secondary data obtained though trade journals, trade associations, annual reports, and experts cited in the text. Readers’ suggestions for additional sources of information are welcome.

Increasingly valuable market information is available on the World Wide Web and we thank the generous contributors who provide information for international use. A Market Information Service has been established and is being developed on the Timber Committee website at: http://www.uncece.org/trade/timber/mis.htm and this Review may be found there along with the TIMBER database on which this publication is based.

The analysis included here was performed in a concentrated period due to delays in receiving and preparing statistics for the analysis. Members of the Review Team, both in the Timber Section and outside, are to be commended for their perseverance. We apologize to those readers who rely on a paper copy, or on a version in French or Russian, in preparation for the Timber Committee market discussions. The document was completed late which delayed translation, printing, duplication and distribution. We hope that those delegates who have the electronic version in August 2000 find this method of distribution useful. We will also provide an executive summary, hopefully in 3 languages, on the website.

The Review will be complemented in October 2000 by the Timber Bulletin issue 6 Forest Products Markets in 2000 and Prospects for 2001, 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, 1995-1999. The other issues of the Timber Bulletin are listed at the end of the Review.
 Readers familiar with past Reviews will also notice that the appearance has been improved thanks to the design assistance of Ms. Marilyn Langfeld, Graphics Designer. The graphics look has also been improved thanks to Messrs. Antti Koskinen and Perttu Pohjonen, forest products marketing graduate students at University of Helsinki, who were interns with the Timber Section during production of the Review. Mr. Koskinen also developed the annex from the former standard apparent consumption by adding definitions, lists of former special chapters, list of countries in the ECE region, product flow charts, a reader survey and a list of ECE/FAO publications. Mr. Pohjonen further developed a planning system for production of the Review. Our experience of engaging interns during the production of the publication, which has grown enormously in scope, has been extremely positive and prospective interns are encouraged to apply to work with the Timber Section.

Complementary data tables for wood raw materials and tropical timber may be found on the website version of the Review. Data tables for secondary processed wood products will be published in a forthcoming Geneva Timber and Forest Discussion Paper as well as appearing on the website with their Discussion Paper.

We welcome your feedback via the attached reader survey on this Review and its changes.

The Review was produced as a joint effort by 27 people. 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 ECE Economic Analysis Division); 3. Ed Pepke; 4. Wladyslaw Strykowski and Ewa Ratajczak (Poland); 5. Kunshan Shi, Fengming Lim and Zhisheng Xu (China); 6. Pierre-Marie Desclos (Italy); 7. Volker Sasse\(^1\); 8. Ed Pepke; 9. Ed Pepke; 10. Jorge Najera and Henry Spelter (United States); 11. Al Schuler and Craig Adair (United States); 12. Peter Ince (United States) and Kit Prins; 13. Eric Hansen, Keith Forsyth and Heikki Juslin (United States, United Kingdom and Finland); and 14. Steve Johnson and Michael Adams (Japan). Messrs. Antti Koskinen and Perttu Pohjonen (Finland) performed market research and produced all the graphics and the annex. Mr. Alex McCusker\(^2\) produced the statistics with assistance on the database by Mr. André Sceia, consultant. Ms. Sefora Kifle assisted with price data preparation and other market research. Ms. Romi Chopra was responsible for preparation, formatting, integration and presentation of the text, tables and graphs and was aided at the end by Ms. Isabelle Hay\(^3\). This manuscript was completed on 10 August 1999. I would like to personally thank all members of the Team, whether in Geneva or far away, for their devoted efforts in producing this Forest Products Annual Market Review.

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\(^1\) The Timber Section welcomes Dr. Volker Sasse, Forestry Officer, to the “Review Team”. His primary responsibilities in the Section are in European Forest Sector Outlook Studies.

\(^2\) Mr. Alex McCusker has joined the Timber Section as statistician and is a key member of the Team.

\(^3\) We also welcome Ms. Isabelle Hay, Secretary, to the Section and the Team.
DATA SOURCES

The data on which the Review analysis is based are collected from official national correspondents through the FAO/ECE/Eurostat/ITTO Joint Forest Sector Questionnaire. Within the 55-country ECE region, data for EU and EFTA countries are collected and validated by Eurostat and for other ECE countries by ECE/FAO Geneva.

 Distributed in April and May 2000, the questionnaire requested data for 1998 and 1999. Revised in light of 1999 experiences, it: 1. redefined sawnwood (excluded further-processed sawnwood such as mouldings), 2. clarified treatment of MDF and OSB, 3. corrected cross references to the Harmonized System, 4. disaggregated paper and paperboard, and 5. introduced recovered fibre pulp. The new system has inevitably introduced some discontinuities into the data series, not all of which could be resolved before publication. Therefore in some instances data are not comparable with pre-1998 series. The secretariats are working with national correspondents, to whom we are grateful for their valuable assistance, to resolve discrepancies. National correspondents met in May 2000 to learn about and critique the revised questionnaire and follow-up meetings are envisaged.

The statistics for this Review are from a new, dynamic TIMBER database system which is currently under development. The system stores, retrieves, calculates and validates data and will also be used for production of the statistical Timber Bulletins. As the database is continually being updated, any one publication’s analysis is only a snapshot of the database at that particular time.

The secretariat is grateful that correspondents provided actual statistics for 1999 and in the absence of formal statistics, their best estimates. Therefore all statistics for 1999 are subject to confirmation next year. The secretariat has made estimates, where necessary, to obtain product and regional totals. Trend-based formulas were used, rather than the former practice of simply repeating previous data. Therefore some totals in this Review differ from those in earlier Reviews, although in most cases the differences are not significant. Although estimates are distinguished from official statistics in the database, it was not possible to identify estimates in this Review. We intend to correct this and readers are asked to draw any inconsistencies to the attention of the Geneva secretariat. The statistics received for 1998 and 1999 are the most reliable and interesting part of the data set and this Review analysis focuses on the change between these two years.

Thus the database is in a state of permanent development. With our partner organizations and national correspondents, we believe strongly that the quality of the international statistical base is steadily improving for analysis of the forest products sector. Our goal is to have a single, complete, current database, validated by national correspondents, with the same figures available from FAO in Rome, Eurostat in Luxembourg, ITTO in Yokohama and ECE/FAO in Geneva. We are convinced that the data set used in the Review is the best available anywhere as of July 2000.

In addition to the official statistics received by questionnaire, trade association and government statistics are used to complete the analysis for 2000. A number of trade journals were used for supplementary information, as well as institutions and experts, including national correspondents. Most of these sources are cited in the text. The Internet has become a key source of information for producing this Review.

—

CONTRIBUTORS TO THE PUBLICATION

The secretariat would like to express its sincere appreciation for the information received from the following people in preparation of the *Forest Products Annual Market Review*. The base data for the *Review* were supplied by country statistical correspondents, who are acknowledged by name in the companion issue of the *Timber Bulletin* “Forest Products Statistics, 1995-1999.” We regret any omissions.

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EXPLANATORY NOTES

“Apparent consumption” is calculated by adding a country’s production to imports and subtracting exports. Apparent consumption volumes are not adjusted for levels of stocks because all countries cannot report stocks.

“Net trade” is the balance of exports and imports and is positive for net exports, i.e. when exports exceed imports, and is negative for net imports, i.e. when imports exceed exports. Trade data for fifteen European Union countries include intra-EU trade, which is often estimated by the countries.

The term “central and eastern Europe countries”, 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.

For the first year, European totals include the Baltic countries of Estonia, Latvia and Lithuania, which has increased European totals from previous Reviews.

The term “softwood” is used synonymously for “coniferous.” “Hardwood” is used synonymously for terms “non-coniferous” or “broadleaved” wood. More definitions appear in the annex.

SYMBOLS AND ABBREVIATIONS USED

- nil or negligible
. not available
\$ United States dollar unless otherwise specified
CS Canadian dollar
CIS Commonwealth of Independent States
ECE Economic Commission for Europe
EFTA European Free Trade Association
EQ equivalent of wood in the rough
EU European Union
EWP engineered wood products
FOB free on board
GDP gross domestic product
IMF International Monetary Fund
kph kilometres per hour
m² square metre
m³ cubic metre (solid volume of roundwood or processed product)
m.t. metric ton
N.A. Not applicable
NIEs Newly industrializing economies
OPEC Organization of Petroleum Exporting Countries
SPWP secondary processed wood products
sq square
USDA United States Department of Agriculture
WWF World Wide Fund for Nature