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JOINT FAO/ECE WORKING PARTY ON FOREST ECONOMICS AND STATISTICS

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Review of collection and dissemination of statistics of the forest and forest products sector

(Item 4 of the Provisional Agenda)

Note by the secretariat

This document informs the Working Party of recent developments with regard to the collection and dissemination of statistics for forest products and the sector as whole, notably the improvements to the Joint Forest Sector Questionnaire, data validation, the role of national correspondents, capacity building, revision of the Harmonised System, methods of disseminating the information (*Timber Bulletin*, website), data collected but not published, the user survey and, finally what are the future data needs of the sector, the Working Party is invited to review these activities and provide guidance on the aspects identified.

1. Introduction

1. A central task of the Working Party has always been to review the situation as regards collection and dissemination of statistics in its field of expertise and advise the secretariat on future courses of action, taking account the needs of countries as well as availability of resources, within the secretariat team and its partners and in countries, notably the abilities of national correspondents to supply the data requested. Delegations are invited to review all aspects of the international system for statistics of forestry and forest products, and make any necessary recommendations.

2. The present document draws the attention of the Working Party to a number of issues and requests its guidance (*requests in bold italic*). Statistical matters relating to forest resource assessment, outlook studies, or market analysis are not mentioned here but in the relevant documents under other agenda items: TIM/EFC/WP.2/2001/2,3 and 5.

2. Collection, validation and processing of annual data

2.1 Joint FAO/ECE/Eurostat/ITTO Forest sector Questionnaire (JFSQ)

3. Data for the annual series on production and trade of forest products are collected through the JFSQ. Each agency collects data from the countries for which it is responsible, validates the data and shares them with the other agencies. The questionnaire and definitions have been distributed to national correspondents and are posted on the Timber Committee website (at <http://www.unece.org/trade/timber/mis/jfsq2001/>, which is not accessible to outside visitors), so are not reproduced here.

4. The main changes in the JFSQ over the last two years, not including the many detailed improvements in layout, may be summarised as follows:

- All the definitions have been revised to improve coherence and bring them into line with modern conditions, and the terminology of the forest resources assessment (for removals);
- MDF, OSB and recovered fibre pulp have been explicitly recognised;
- The classification of paper and paperboard has been revised to bring it into line with the concepts used by the Harmonised System and industry associations;
- A new questionnaire, on trade in secondary processed wood products, was added in 2000 and maintained in 2001;
- Formulas for aggregation have been included in the Excel version of the questionnaire;
- The direction of trade questionnaires (DOT1 and 2) were maintained, although for many countries, data from multi-sector data bases (COMTRADE, COMEXT) are used. The problem of reconciling trade data supplied by expert correspondents with those in these databases remains difficult to resolve;
- The definition of sawnwood was altered to exclude mouldings and other value-added products;
- Sleepers and impregnated roundwood (e.g. telegraph poles, posts) were excluded from, respectively, sawnwood and industrial roundwood as it is not possible to assign them unambiguously to coniferous or non-coniferous;
- Standard FAO conversion factors (weight/volume) have been supplied this year to help national correspondents, with a warning that it is much preferable to use factors based on national conditions and empirical research.

5. *The Working Party is invited to review the JFSQ and suggest modifications and additions.*

2.2 Data validation and data quality

6. All four agencies of the IWG devote considerable resources to data validation and improvement of data quality. Frequently recurring problems include missing replies from certain countries, missing series or observations, uncertainty whether missing observations are “not available “ or “zero”, internal inconsistencies in data supplied (e.g. totals not equal to sum of components, implausible relations between volume and value of trade), wrong units, misunderstanding of definitions etc. Some reported data also appear unreasonable in the light of expert knowledge or when compared to other data sources. Each of these cases must be identified and resolved by the responsible secretariat, with the national correspondent who remains responsible for the quality of the data for his/her country.

7. After setting up the joint questionnaire itself with the reporting system, the four agencies have decided to focus on data validation as well as clarifying channels of data transmission between the agencies, as differing approaches in these areas were introducing discrepancies between the four data bases, even though they were all based on the same original data. In 2001, the four agencies will each apply, to “its” countries¹:

- Common validation procedures, notably to ensure internal consistency of totals, and between questionnaire sheets, check trade unit values, identify sudden and inexplicable year-to-year changes, negative apparent consumption etc.;
- Changes to be made by lead agency, in consultation with national correspondent, and then transmitted to other agencies;
- Common approaches to estimating missing data, or data which failed the above-mentioned validation tests
- Detailed dialogue with national correspondents about long term series;
- Research funded by the EU (Eurostat) and carried out by EFI into the methods used by countries to collect production and trade data and transmit the information, and especially evaluating discrepancies between different trade data sources (COMEXT, COMTRADE and the joint questionnaire);
- Agreed timetable for whole process; improvement of the timetable for countries and between agencies.

8. In this way, the four data bases should be harmonised, avoiding, or at least minimising, the confusing discrepancies between them. Initial efforts will concentrate on recent years (1998-2000), but ultimately the whole series from 1960 should be validated.

9. In addition, a special project has been funded by the EU EFICS programme and is being carried out by EFI to improve data quality in the EU and EFTA countries. The Working Party will be briefed by the team carrying out this work on its objectives and methods, and invited to comment.

10. The Working Party is invited to review the arrangements to improve data quality and suggest modifications as necessary, as well as to urge national correspondents to cooperate with the secretariats in this work

2.3 Role of national correspondents

11. The creation and maintenance of the international data base is a cooperative endeavour between the four agencies and the national correspondents who are ultimately responsible for the data referring to their country. The role of the correspondents is to transmit to the appropriate agency the data for his/her country, according

¹ In summary, EU/EFTA for Eurostat, other ECE countries for ECE/FAO, ITTO producers and Japan for ITTO and the rest of the world for FAO Rome

to the international definitions, by the agreed deadline, and to respond to any questions which might be raised in the data validation process. This will normally involve adjustment of data from national to international definitions, co-ordination of input from a range of national agencies and communication with the secretariat. These tasks imply a clear authority and responsibility and adequate resources.

12. Many correspondents in ECE countries are able to fulfil their role in a satisfactory manner. There are however, several cases where no correspondent has been nominated or where the correspondent is not able to carry out the assigned functions, either because of lack of resources, lack of authority to co-ordinate input from other agencies, because insufficient priority is attached to the work by the correspondent's superiors, or because the country lacks the infrastructure to collect this information in a satisfactory way.

13. To achieve satisfactory data quality, it is essential to have good two way communication between the JFSQ agencies and the correspondents, so that the correspondents understand the requirements and definitions of the international system and that the agencies are fully aware of the opinions and problems of the correspondents, so that they can take them properly into account and not make unrealistic requests. One element of this two-way communication is to improve communication between correspondents and those responsible in the agencies for handling the data. For that reason, a meeting of JFSQ correspondents in the ECE region is being organised immediately after the Working Party session.

14. The Working Party is invited to urge all countries which have not yet done so to nominate a national correspondent with sufficient resources to supply the information requested and authority to co-ordinate input from other relevant agencies.

2.4 Capacity building

15. The quality and scope of the international data set is constrained by quality and scope of the national data sets, themselves determined by the institutions and resources devoted to collecting the information. In some countries of the region there is a recognised need for capacity building in the field of forest and forest products sector information systems. Strong institutions in this field are needed first for purposes of national policy formulation and decision making and only secondarily to provide information needed at the international level.

16. One way of supporting such capacity building would be to organise regional or sub-regional workshops, structured around the international data collection framework. These would provide opportunities for exchange of information and experience between countries and the international agencies. Similar events have been organised recently by both FAO and ITTO

17. The secretariat considers such capacity building events would also be of benefit in the ECE regions, and is prepared to contribute to their organisation to the extent permitted by its resources. However it is not unfortunately in a position to undertake the lead role in such an enterprise unless extra resources are made available for this purpose.

18. The Working Party is invited to consider whether regional or sub-regional level capacity building work in the field of forest and forest products sector information systems, such as regional or sub-regional workshops should be developed and, if so, how it might be financed.

2.5 Revision of the Harmonised System

19. The data which may be collected through the JFSQ on trade in forest products are in effect determined by the product structure of the Harmonised System (HS), as national trade statistics depend ultimately on data collected by Customs Services and classified according to the HS. If a distinction does not exist in the HS (or at a national or regional level in the appropriate system, e.g. the EU Combined Nomenclature, which “fits” exactly with the HS), it is practically impossible to collect information according to that category.

20. An example of this is the decision by the HS to remove the distinction between pulpwood and logs, a decision which has deprived the forest sector of information which would have made possible better understanding of important trends. Initially, ECE/FAO and other forest oriented agencies attempted to maintain this distinction in their data collection, but this attempt was ultimately abandoned as so many correspondents were simply unable to provide the information requested, in the absence of Customs data.

21. At present the HS is being revised. Finland and Sweden, acting together have formally proposed the reintroduction of the pulpwood/logs distinction. This proposal will be discussed at a meeting of the Customs Cooperation Council, which is responsible for the HS, shortly before the Working Party session.

22. *The Working Party will be informed of the latest developments with regard to the Harmonised system revision and invited to respond.*

3. Dissemination of data

23. This section draws the Working Party’s attention to how the data collected are disseminated and requests the Working Party’s guidance on a number of issues.

3.1 Timber Bulletin

24. The *Timber Bulletin* is the main paper-based means of disseminating ECE/FAO data. It has six issues each year. The titles and dates of issue of the various numbers of the TB I the past two years, and the planned dates for 2001, are given below

No.	Title	Issued:		Planned:
		Vol. LII (1999)	Vol. LIII (2000)	Vol. LIV (2001)
1	Forest Products Prices	July 1999	March 2001	May 2001
2	Forest Products Statistics	January 2000	February 2001	August 2001
3	Forest Products Annual Market Review	November 1999	September 2000	August 2001
4	Forest Fire Statistics	January 2001	(not issued yet)	November 2001
5	Forest Products Trade Flow Data	Not issued	In press	To be determined
6	Forest Products Markets in – and Prospects for --	December 1999	December 2000	November 2001

25. There have been significant delays in some regular issues, notably numbers 1(prices), 4(fires), and 5(trade flows). The secretariat deeply regrets these delays which were due to shortages of resources as well as to changes in personnel and the installation of a new database system, which required significant time to develop and implement. During this “transition” period, priority was given to maintaining the periodicity of the *Forest Products Annual Market Review* and the Timber Committee market forecasts. As the post of statistician is now filled on a permanent basis and the new database is functioning satisfactorily, the scheduled rhythm is being restored in 2001, at least with regard to the issues on fires and prices (the trade flow publication is supplied camera-ready from FAO)

26. *The Working Party is invited to review the structure and content of the Timber Bulletin and suggest any necessary modifications.*

3.2 Dissemination through Internet

27. The data collected through the JFSQ are now also disseminated through the Internet. In particular:

- The *Forest Products Annual Market Review*, *Forest Products Statistics*, *Forest Products Markets in – and Prospects for – and Forest Fire Statistics* are now all made available for downloading on the Timber Committee website, under market information system (MIS) at <http://www.unece.org/trade/timber/mis/mis.htm>; the data are at <http://www.unece.org/trade/timber/mis/fp-stats.htm>.
- The data are up-loaded twice a year into the FAOSTAT database from which the FAO Forestry department website extracts data (<http://apps.fao.org/cgi-bin/nph-db.pl?subset=forestry>). Thus visitors to the FAO website who look at the pages for ECE countries are using the data processed and validated by ECE/FAO and Eurostat.

28. The Timber Committee website also contains “country profiles” with data in a standard format for forest products production trade and consumption and the forest resource. However, these have not been updated for some time and are no longer either attractive or accurate. The secretariat is discussing with its partners in Rome how they should be replaced in a way which:

- Provides useful and attractive information;
- Reflects the specificities of ECE/FAO
- Does not duplicate the extremely full service provided on the FAO website
- Can be maintained with the resources likely to be available

29. *The Working Party is invited to comment on how ECE/FAO information is disseminated through the Internet and suggest modifications and improvements.*

3.3 Data collected but not published

30. It is a normal principle that all data collected from countries should be regularly published. This is at present unfortunately not the case for two sections of the JFSQ:

- ECE1 data on trade in temperate roundwood and sawnwood by species (although data for EU and EFTA countries are published by Eurostat);
- SP1 trade in secondary processed wood products, a new part of the JFSQ². So far the resulting data have not yet been published. The chapter in the *Annual review* and the Discussion Paper on this topic published in 2000 were both based on COMTRADE data. Not data collected through SP1.

31. The secretariat has so far given priority to validating analysing and publishing core data, notably those collected through JQ1 and 2, so the ECE1 and SP1 data have so far been neither validated nor entered into the database.

32. The following options for dissemination of these data seem possible:

- Incorporation of these data into issues of the *Timber Bulletin* (for instance no. 2 *Forest Products Statistics*)
- Add one or two numbers per year to the *Timber Bulletin* and publish on a regular rhythm
- Issue them on an irregular basis as Study Papers or Discussion Papers
- Enter data into an Excel spreadsheet or Access data base and post them on the website for downloading

33. In any case, an important question concerns the validation of the data which would certainly be a time consuming process as these series have not yet been subject to the same intense scrutiny as those regularly analysed by the secretariat. This process would cause further delays before publication if carried out with regular secretariat resources. The options in this respect would be as follows:

- Disseminate these data without validation, with the result that some data would be inconsistent with those published elsewhere by ECE/FAO and/or incorrect in other ways;
- Validate with regular secretariat resources, probably resulting in a long delay;
- Validate with extra-budgetary resources: a loaned expert would validate the data and prepare them for publication in cooperation with the secretariat. This would be the secretariat's preferred option if a country or institution were willing to loan an expert for this purpose.

34. *The Working Party is invited to consider and prioritise the options listed above for validation and dissemination of the data received from countries on trade in temperate species and in secondary processed wood products.*

3.4 User survey

35. A survey of the users of ECE/FAO publications was carried out in 1998 and reviewed by the Working Party in 1999. Many of its recommendations have been implemented. Although it has not been possible to carry out the proposed phase 3 – survey of potential users, which would be very useful in guiding efforts to bring ECE/FAO work to the attention of those who are not at present benefiting from it.

36. The status of the user survey and its implementation will be summarised in an addendum to this document.

² Data for 1994-1999 were requested in 199 and for 1999-2000 in 2001

37. *The Working Party is invited to take note of the user survey and of how it has been implemented and to consider whether means to fund phase 3 of the survey can be found. It should also consider whether the user survey should be repeated and, if so, at what periodicity.*

4. Data needs for the future

38. It is part of the Working Party's task to consider the international needs for information on the forest and forest products sector and advise ECE/FAO how it can contribute to satisfying those needs.

39. In 1999 the Working Party was informed of those "next generation data needs" identified by the Intersecretariat Working Group. (see TIM/EFC/WP.2/1999/6 annex) The table below summarises the position with regard to the aspects identified by the IWG

Topic	IWG proposal	Comment
Prices	More up-to-date interactive data, while ensuring construction of consistent long term series	ECE/FAO working to follow more series (e.g. in TB and FPAMR). Long term series needed for EFSOS. Desirable to maintain data sets (with graphs?) on website. Constraint is resources.
Industrial structure (including capacity)	Periodic detailed studies of articular sectors	Necessary for true understanding of trends (also desirable for supply modelling), but long term detailed commitment, with industry cooperation, essential. Pulp/paper covered by FAO. Nothing done on sawmilling, panels for some time. Are sufficient resources available to produce satisfactory results?
Secondary processed wood products	Agree definitions, units for production and trade, then collect annual data.	JFSQ now includes trade in SPWP, nothing on production (much more difficult to measure).
Sources of fibre and wood fuel	Studies to determine sources for use in fibre balances.	Relevant to policy discussion on plantations/natural forest. Very difficult in Europe to estimate source of fibre. Subject for global outlook study programme
Conversion factors	Organisations should work with countries to review factors (weight/volume and raw material/product)	Weight/volume factors now circulated with JFSQ. Need to analyse results of enquiry on input/output factors of mid 1990s. Data quality poor but topic essential for raw material balances, material flow diagrammes (EFSOS)
Undocumented production and trade	Organisation should review situation (check for inconsistencies)	Addressed in SOFO 2001. Nothing attempted in ECE region
Revision of paper and paperboard categories	Revise to reflect industry practice and HS	Done in JFSQ
Forest management data	Collect data in context of FRA, co-operating between organisations	Type and intensity of management highly relevant to policy discussion. In practice very difficult to collect objective information. Refer to TBFRA/FRA follow-up?

40. The Timber Committee also decided that the secretariat should monitor markets for certified forest products, notably through a discussion at the Committee's annual session. There is now also a section of the

Committee website devoted to these markets. The Working Party may wish to comment on this new service provided by ECE/FAO.

41. On the basis of the above overview, the secretariat would propose the following actions for ECE/FAO, in order of priority:

- Develop present price information into a coherent data base, maintained constantly and posted on the website, to be used for the *Forest Products Annual Market Review*, the price number of the Bulletin and EFSOS;
- Publish and analyse data to hand on input/output conversion factors, for use in EFSOS;
- Ask TBFRA team to advise on feasibility of improving information on sources of raw material and management intensity and methods;
- Develop secondary processed wood products data set, by data validation, and analysis, extending to production if possible, with partners, notably ITTO and ITC;
- Encourage trade associations (European, North American, Asian etc.) to work together, possibly under FAO “umbrella” to produce data on structure and capacity of sawmilling and wood-based panels industries at global level. (It is unrealistic to expect to achieve useful results in a purely ECE/FAO framework, for resource reasons and because the panels industry at least is now truly global in its structure).

42. However, all of the above would imply either extra resources or diverting resources from existing activities. The Working Party is invited to consider whether these obstacles can be overcome. The secretariat considers that many of the above suggestions seem well suited to close cooperation with industry associations.

43. *The Working Party is invited to comment on the above proposals and to agree on priorities for future activities by ECE/FAO in the area of interest of the Working Party.*