

UNECE TIMBER COMMITTEE ANNUAL MARKET DISCUSSIONS

Theme of 2003 discussions:
“Market effects of wood energy
policies”

7-8 October 2003
Geneva, Switzerland

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Sixty-first session, 7-10 October 2003



Market sectors and topics

- Market effects of wood energy policies
- Economic situation in the UNECE region
- Wood raw materials, including wood fuel
- Illegal logging effects on forest products markets
- Certified forest products
- Value-added forest products
- Sawn softwood
- Sawn hardwood, including tropical timber
- Panels
- Paper, paperboard and woodpulp

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Goals of the market discussions

- Provide a forum for different viewpoints
- Analyse and discuss the markets in 2002 and 2003
- Forecast for 2003 and 2004
- Produce common market statement
 - Press release
 - Update the *Forest Products Annual Market Analysis, 2002-2004*
 - Produce *Forest Products Markets: Prospects for 2004*

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Format of the discussions

- Introduction by secretariat or member of UNECE&FAO Team of Specialists on Forest Products Markets and Marketing
- Expert presentation(s)
- Experts form panel at head table
- Discussion and statements from delegations

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Sources of information

- Countries' replies to Timber Committee Questionnaire with 2003 and 2004 market forecasts
- Country market statements
- Findings from draft *Forest Products Annual Market Analysis, 2002-2004*
- Expert presentations
- Delegations' interventions in discussions

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Country market statements

- General economic trends affecting the forest and forest industries sector (brief description)
- Policy measures taken in your country over the past 18 months, which might have a bearing on trade and markets of forest products
- Developments in forest products markets sectors (major emphasis)
- Tables of forecasts and economic info

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Draft *Forest Products Annual Market Analysis, 2002-2004*

- New format (concise, policy-oriented)
- Traditional tables on website only
- Draft 2002-2003 on website in August
- Update 2003-2004 starts next week
- Final 2002-2004 on website in November
- Printed early 2004 in English
- Translations: Russian +5 months, French +11 months

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Draft *Forest Products Annual Market Analysis, 2002-2004*

- Findings presented in printed *Executive Summary*
- Findings summarized in each sector introduction
- Comments on draft findings welcomed

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Theme: Market effects of wood energy policies

- Theme chosen at 2002 TC Market Discussions
- Reflected in 2002 TC Market Statement
- Thread throughout of *Forest Products Annual Market Analysis*, and especially wood raw materials chapter
- Will be title of new *Geneva Timber and Forest Discussion Paper* based on today's outcomes

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Findings on the market effects of wood energy policies from *Forest Products Annual Market Analysis*

- Energy markets and international biofuel trade are developing rapidly as countries promote renewable energy sources.
- Consumption of wood energy in the EU/EFTA rose to a record level in 2002.
- Panel and pulp manufacturers express concern about competition for their raw material.

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Questions from the *FPAMA* chapter “Policy implications of forest products market developments in 2002 and 2003”

- How strongly are wood energy markets developing?
- What are the driving forces, notably those deriving from policy objectives?
- Is policy intervention necessary either to stimulate the markets for roundwood or to protect competing users of small roundwood?

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Questions from the *FPAMA* chapter “Policy implications of forest products market developments in 2002 and 2003”

- Should the State take measures to provide an enabling policy environment for the creation of wood energy markets, e.g. through standard contracts, collective bargaining on prices and conditions, and providing information on prices?



Questions on wood energy policies for discussion

- What impact will these wood energy developments have on forest management (notably its economic viability, but also certain practices such as thinning), market developments for low-value wood and the regular timber trade?
- What impact will the different scenarios and levels of knowledge and technology have on the use of wood for energy?
- Could increased increment of forests be used also for wood energy?



Questions on wood energy policies

- How will wood-based energy compete with the traditional use of wood?
- How important a role could be played by subsidies for renewable energy or carbon dioxide taxes on fossil fuels?



Questions on wood energy policies

- How will the introduction of the Kyoto Protocol affect different markets?
- Is there a need for equivalent wood energy promotion legislation and policies throughout the UNECE region to create a viable market for wood residues and wood pellets?



Questions on wood energy policies

- What should be the Timber Committee's role in the wood for energy?
- Shall it follow through statistics and analyses? Periodic discussion forums?
- Annual discussions at the market discussion at the Timber Committee?
- Should it be linked with other stakeholders, organisations and institutes?



2001 TC Market Statement

- There are now significant European markets and trade flows for wood biofuel which in part are driven by policy. This is stimulating competition for wood raw material. In this area, energy and environment policies interact with forest industry policy. The Committee proposes a cross-sectoral approach to this issue.



Market effects of wood energy policies

- Dr. Bengt Hillring, Associate Professor, Dept. of Bioenergy, Swedish University of Agricultural Sciences
- Mr. Hans Jansen, Project Leader, UNECE Trade Development and Timber Division
- Mr. Bernard de Galembert, Forest Director, Confederation of European Paper Industries
- Ms. Natalie Hufnagl, Secretary General, Confederation of European Forest Owners
- Ms. Eva Janssens, Economic Advisor, European Panel Federation
- Discussion

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Next speaker

Dr. Bengt Hillring, Associate Professor,
Department of Bioenergy,
Swedish University of Agricultural Sciences



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