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Economic Commission for Europe**Timber Committee****Sixty-eighth session**

Geneva, 11–14 October 2010

Item 4 of the provisional agenda

Market Developments in 2010 and Prospects for 2011:**Joint session of the UNECE Timber Committee and****the Society of Wood Science and Technology****Market Developments in 2010 and Prospects for 2011: Joint session of the UNECE Timber Committee and the Society of Wood Science and Technology****Note by the secretariat***Summary*

This document provides the schedule for the annual Timber Committee Market Discussions and the preparations of the annual Timber Committee Market Statement. This year's theme is the "Forest products markets rebound in the UNECE region: Innovative wood products lead the way." Production of the annual Timber Committee Market Statement requires delegations' timely submission of national market statements and forest products forecasts for 2010 and 2011. Country market forecasts and country market statements are to be submitted to the secretariat by 10 September 2010. 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, 2009–2010*, national market reports, forecasts and expert speakers, the Committee is invited to:

- (a) discuss the forecasts and developments for forest products markets in the UNECE region;
- (b) discuss policy developments influencing forest products markets;
- (c) produce an official Market Statement during the session; and
- (d) comment on the *Forest Products Annual Market Review, 2009–2010*.

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 2008–2013 as approved by the UNECE Timber Committee (TC) and the FAO European Forestry Commission (EFC) (ECE/TIM/2008/9).
2. The TC Market Discussions will be held on 11–12 October 2010 at the Palais des Nations in Geneva. For the first time the Market Discussions will be held jointly with the Society of Wood Science and Technology.¹ 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 2010–2011. 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 “Forest products markets rebound in the UNECE region: Innovative wood products lead the way.” The first session will be on markets for use of solid and engineered wood products (EWPs) in green construction. Subsequent sessions will cover the market and policy developments in specific market sectors.
4. Much of the TC 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, 2009–2010*, plus country market statements and forecasts for 2010 and 2011. The *Market Review* is based on statistics for 2009 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 TC/EFC homepage in August 2010 (www.unece.org/timber). Executive summaries in French and Russian are scheduled to be available on the same website before the session, and in print at the session.
6. In addition to this introduction, this document contains:
 - (a) Timetable and organization of the market discussions
 - (b) Preparation of the TC market statement
 - (c) Inputs to the Market Discussions
 - (i) Countries’ market statements
 - (ii) Countries’ forest products market forecasts for 2010 and 2011
 - (iii) *Forest Products Annual Market Review, 2009–2010*
 - (d) Activities of UNECE/FAO Team of Specialists on Forest Products Markets and Marketing.

¹ www.swst.org

II. Timetable and organization of the market discussions

7. The 2010 TC Market Discussions are scheduled to begin in the afternoon of Monday, 11 October, and continue all day on Tuesday, 12 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. Experts will present 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 TC/EFC website via the homepage at www.unece.org/timber. A detailed, final schedule will be presented at the session.

Joint Timber Committee and Society of Wood Science and Technology Market Discussions

Forest products markets rebound in the UNECE region: Innovative wood products lead the way

Monday, 11 October 2010

15:00 Opening

Forest products markets and policy developments

Economic and construction situation, 2010–2011

Engineered and value-added wood products markets

Consumer perceptions of wooden multi-story houses

Bamboo construction industry in Ghana

18:00 End of the first day

Tuesday, 12 October 2010

10:00 Timber Committee Market Discussions continue and include:

Wood raw material markets and forecasts

Wood energy markets and policies

Forest sector carbon markets

Certified forest products markets

Sawn softwood markets and forecasts

Sawn hardwood markets and forecasts

Panel markets and forecasts

Paper and pulp markets and forecasts.

Pulp and paper developments and forecasts

18:00 End of the Market Discussions

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 Commonwealth of Independent States and

North America. These analyses are based on countries' forecasts for 2010 and 2011 from the TC (forecasting) Questionnaire and the findings from the *Forest Products Annual Market Review, 2009–2010*. After the presentations, the participants will be invited to discuss the trends and developments. Results of the discussions will be incorporated into the TC Market Statement. Afterwards, all background information, forecasts, presentations and the Market Statement (in a press release) will be available on the TC/EFC website.

III. Preparation of the Timber Committee market statement

10. The Market Statement is an official consensus of the TC about forest products market developments and policies behind those developments. Based on forecasts submitted by Member States of the UNECE region, the TC 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 the following week in Zurich). Following the discussions, the TC 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 TC/EFC website.

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

Thursday, 14 October 2010

08:30 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 End of Drafting Committee

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

13:00 TC session ends

12. The market statement is submitted for approval by the TC 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 Monday and Tuesday 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.

14. The text of the Statement is issued as a press release in English (and possibly French and Russian depending on availability of translators), along with a summary of its highlights and tables of sub-regional forecasts for 2010 and 2011. It is circulated and also uploaded to the TC/EFC website. The TC Statement will also be available after the session in French and Russian with complete sector tables of national forecasts on the TC/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 TC, 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 TC 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. TC national delegations are requested to collaborate and submit one statement per country. Country market statements should be sent to the secretariat by 10 September 2010, by e-mail to info.timber@unece.org, and will be posted on the TC/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 June and posted on the TC/EFC website. Delegations' attention is drawn to item 4 in the explanatory notes for the Provisional Agenda (ECE/TIM/2010/1) 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 enable reading by other delegations, the speakers and the secretariat. 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 TC 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 2010 will be the same as 2009. 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 TC 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 TC Questionnaire is 10 September 2010, and are requested to ensure adherence to this deadline. As with the country market statements, TC delegations are encouraged to collaborate on softwood forecasts with national representatives to the International Softwood Conference. It is impossible 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, 2008–2010

23. The *Forest Products Annual Market Review 2008–2010* will be available in electronic format in August 2010, 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 UNECE/FAO Team of Specialists on Forest Products Markets and Marketing

24. The Team is organizing the 13 October 2010 Policy Forum on “Building codes and regulations and their impact on material use in green building” (ECE/TIM/2010/5). They participate actively in the Market Discussions, either as speakers or as delegates. The Team will conduct its second formal meeting in 2010 at 08:00 on Wednesday 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. The Team is also holding a joint meeting together with the IUFRO Marketing and Business Management Group in Hokkaido, Japan on 17–20 August 2010, in conjunction with the following week's IUFRO World Congress in Seoul, Republic of Korea.

25. Team members are most welcome to all events of the TC Week, and are encouraged to participate in the Drafting Committee for the Market Statement on the morning of 14 October. Further information on the TC Week and its events are available via the TC/EFC homepage at www.unece.org/timber.
