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Country Market Statement: Switzerland

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1 General economic trends affecting the forest and forest industries sector

Switzerland experienced an economic boom in 2006. Economic growth increased again in the first quarter of 2007. Economic indicators point to a strong sustainable dynamic. A growth rate of 2.6 % is expected for 2007. The **labour market** has recorded a rise in employment and increase in real wages. Thus, the economy will continue to be shored up by **private consumption**. Capacity utilization in industry remains high and is accompanied by **investment in plant and equipment**. Economic growth in Switzerland's main European trade partners bodes well for positive momentum through **foreign trade**. The international competitiveness of the Swiss economy is being strengthened by the **devaluation of the Swiss franc**. The economic outlook for 2008 is also positive. Gross domestic product is expected to grow by 2.3 % in real terms. Despite the strong economic momentum and weakness of the franc against the EURO, the inflation rate for 2007 and 2008 will remain low at 0.4 % and 0.8 % respectively.

1.1 Construction sector

Activity in the area of residential construction remains brisk, however the growth in this sector is gradually abating. Given that contracts for interior are carried out at a later stage, the order situation for the sectors concerned remains good. Due to cost-saving measures in the area of public spending, investment in infrastructure buildings is unlikely to be a factor driving the economy in the coming year. As opposed to this, further momentum is expected from construction activity in the trade and industry sectors.

1.2 Foreign trade

2006 was a very good year for Swiss exports. For the first half-year 2007, almost 11 % more goods were exported again in real terms as compared with the same period last year. The balance of trade surplus increased by almost 30 % from January to June 2007. The growth in exports and imports should abate slightly in the coming months. The underlying momentum should remain high, however. The positive economic situation in the EU has a sustaining effect: 60 % of Swiss goods are exported to the EU. Furthermore, the devaluation of the franc has increased the competitiveness of Swiss companies. Thus, a sudden upward evaluation of the franc currently represents one of the greatest risks to the economy. It would particularly affect sectors that are active on the international market. A more expensive franc would also weaken added-value in the timber and paper sector as, although the timber industry is mainly focused on the domestic market, it is relatively sensitive to exchange-rate fluctuations.

2 Policy measures taken in Switzerland over the past 18 months, which have a bearing on markets of forest products or forest management

2.1 Forest law enforcement

The demand for the inclusion of a general ban on deforestation and clearcutting, the mandatory reparation of forest damage in all forest areas and the organization of forest maintenance by the state in the Swiss Federal Constitution was raised in 2005 through a popular initiative entitled "Rettet den Schweizer Wald", i.e. "Save the Swiss Forest". The initiative was rejected by the Federal Council (Swiss government) in 2006 which instead presented an alternative proposal to the electorate, i.e. the revision of the Federal Law on Forests. The revised legislation is to include provisions on: (1) a new policy on forest area; (2) priority services; (3) minimum management principles; (4) the new division of tasks between the Confederation, cantons and forest owners; (5) the promotion of wood as a raw ma-

terial and energy source; (6) Removal units from forest management and the participation of forest owners in the carbon market. Both the draft for the revision of the Federal Law on Forests and the initiative are currently being discussed by the Federal Parliament.

2.2 Policies promoting the sound use of wood/initiatives aimed at increasing global competitiveness in wood products markets, and overall performance of the sector

2.2.1 Wood resource policy

In spring 2006, the Federal Office of the Environment (FOEN) launched the *Swiss Wood action plan*, through which FOEN aims to contribute to the strengthening of the competitiveness of the wood value chain in Switzerland. The basis of this action plan is constituted by the *wood resource policy* which is currently under development and defines FOEN's aims for the areas of sustainable wood supply and resource efficient use of wood. The central issues here constitute, first the volume of wood from the Swiss forest that can be used sustainably and, second, the resource efficient allocation of the raw material wood. The measures undertaken to address the first issue included the extrapolation of **the sustainable wood utilization potential** in a study (June 2007) based on biological potential and societal factors. It is intended to update this study from 2007 to 2009 using the data from the third National Forest Inventory (2004 – 2006) and broaden its scientific basis.

Wood resource policy is to be developed further in coordination with other relevant sectoral policies (energy, regional development and climate), the cantons and the sectors. The preliminary aim in 2008 is to prepare the implementation of initial measures. This includes, in particular, the reorganization of wood promotion which was hitherto strongly influenced by the "holz 21" wood promotion programme.

2.2.2 "holz 21" wood promotion programme

The following objectives have been pursued since the launch of FOEN's "holz 21" wood promotion programme in 2001: a) to increase the sales of Swiss timber and b) **to increase the competitiveness of the wood value chain.**

Greater efforts have recently been made in the forest sector to provide information about and promote cost-effective timber harvesting and logistics processes for forestry decision-makers in the context of knowledge transfer projects. In the area of timber use, information is being made available on the new possibilities for multi-story timber construction, which are now available thanks to the completion of comprehensive groundwork – largely co-financed by "holz 21"– (project on fire safety). In addition, "holz 21" supports two information campaigns promoting the use of timber in construction and the use of wood energy. New emphasis is being placed on the mobilization of raw wood in the forest ("Aktion Holzmobilisierung im Privatwald" (Wood mobilization in private forests). The "Holz 21" wood programme runs until the end of 2008.

2.2.3 Research and development policies

- The Federal Office for the Environment (under the aegis of the "Swiss Wood" action plan"), "Lignum," the timber sector umbrella organization, and the "Netzwerkh Holz" wood network jointly launched the "Innovations-Roadmap 2020" initiative in 2005. The Innovations-Roadmap 2020 initiative is part of the pan-European technology platform process "Forest-Based Sector Technology Platform" which aims to formulate strategic objectives and fields of action for the wood value chain in Switzerland. The following objectives have been adopted:
 - Increased market and customer orientation
 - Strengthening of innovation capacity and knowledge and technology transfer
 - Improved competitiveness and export capacity

- Mutual coordination of material flows and fields of activity
 - Optimization of timber production, processing and sales
- Support for projects in the area of applied R&D, the aim of which is the optimization of wood as a resource and raw material and of timber processing, can also be provided by the “Fonds zur Förderung der Wald- und Holzforschung” (Foundation for the Promotion of Forest and Timber Research). The Foundation, which was established for an unlimited period in 1946, is supported and financed by the federal authorities and the cantons. In terms of the promotion of wood as an energy source, one of the Foundation’s current projects is examining the extent to which the establishment of energy wood plantations on agricultural land can contribute to the supply of energy. Particular attention shall be paid here to profitability of such plantations as compared with traditional agricultural products and the availability of suitable land for the plantations.

2.3 Wood energy promotion policies

Various measures, which have been adopted and are in the course of being implemented, directly or indirectly enhance the attractiveness of wood as a CO₂-neutral energy source (see also section 2.4):

- The **compensatory feed-in remuneration of renewable energy**, which comes into force from 1.1.2008, will provide a total sum of CHF 330 million for electricity generation from renewable energy sources. It is intended to pay a price bonus of CHF 0.03/KWh for green wood (forest energy wood, field shrub). This aim of this promotional measure is to ensure that more forest wood, field shrubs and waste wood are used in energy generation.
- The Confederation is also planning to implement action plans for the promotion of renewable energy in **the heat sector**. These are due to come into force in 2008.

Given that the resource potential cannot cover all applications, a carefully balanced system is required. Overall efficiency plays a central role in the design of the wood promotion policy. For this reason, the Confederation is focussing on the heat sector and combined heat and power.

Corrective adjustments can be made after one year in the area of feed-in remuneration.

2.4 Climate change policy

2.4.1 Mineral oil tax

In accordance with the parliamentary resolution of March 2007, fuels from renewable energies are exempt from mineral oil tax. To qualify for the exemption, the fuels must achieve a 40 % reduction in CO₂ emissions as compared with petrol and demonstrate a positive overall ecological balance. Fuels that fulfil these criteria will be included in a “positive list.” Biogenous waste, e.g. wood, is included in the positive list. Forest wood does not feature explicitly on the list because the maximum total efficiency of wood-based fuel is 30 % (heat production: up to 85 %, combined heat and power: up to 80%). The revised Law on the Mineral Oil Tax comes into force in early 2008.

2.4.2 Kyoto Protocol and Forest Management

In 2004, on the basis of a parliamentary motion, the Swiss Parliament decided to nominate forest management as an activity under Article 3.4 of the Kyoto Protocol. Case studies on several areas were initiated in various regions of the country. These should provide the basis for national rules for assessing and accounting for sink removals and emissions by carbon sources in the forest management sector.

In November 2006, the Swiss government communicated in its report to the UNFCCC that Switzerland will be accounting for forest management under Article 3.4 of the Kyoto Protocol. The rules specifying the ways in which forest owners can claim for Removal Units in their forests are included in the revision of the Federal Law on Forests (see section 2.1 (6)).

There is a certain discrepancy between the main objectives of the Swiss National Forest Programme and the nomination of forest management under Article 3.4 of the Kyoto Protocol. According to the Swiss National Forest Programme, the main objective of Swiss forest policy is to promote the sustainable use of timber, with the aim of substituting fossil fuels rather than enhancing sink capacity. The Swiss National Forest Programme takes this into account by considering the contribution of forest carbon sinks to meeting the Kyoto target as a subsidiary goal. Nevertheless, implementation of the forest programme will lead to reduced carbon sequestration in forests.

2.4.3 CO₂ tax on combustible fuels

Under the Kyoto Protocol Switzerland has undertaken to reduce its greenhouse gas emissions by 8 % between 2008 and 2012 as compared with 1990 levels. The Federal Law on CO₂ was established to meet this obligation. Parliament and the Federal Council (i.e. Swiss government) defined emissions targets in the context of this law. If intermediary objectives are not fulfilled, various successive measures come into force. The reduction target for CO₂ emissions from combustible fuels was not achieved in 2006. For this reason, a CO₂ tax on fossil combustible fuels (heating oil, natural gas) of CHF 12 per tonne of CO₂ emission will be levied from January 2008. The price of heating oil will increase by CHF 0.03 per litre and natural gas by CHF 0.025 per m³. It is intended to increase the tax in subsequent years. The tax will not be levied on energy wood.

2.4.4 Revision of the Ordinance on Air Pollution Control (Luftreinhalte-Verordnung)

The Federal Council passed the revision of the Ordinance on Air Pollution Control in July 2007. It comes into force on 1.1.2008. The aim of the revision is to enable a gradual reduction in particulate matter emissions. This is necessary because wood-fired heating systems generate an average of 8 % of all particulate matter emissions, 7 % arise from the burning of wood, forest and garden waste. In accordance with the revised Ordinance on Air Pollution Control, wood fired heating systems that are smaller than 350 KW will only be authorized for sale if they comply with EU standards and meet innovative air-pollution-control requirements. Small automatic wood-fired heating systems of 70-500 KW must comply with a dust limit value of 50mg/Nm³ from 2012. This limit value can be achieved by pellet heating systems or different wood-fired systems with filter systems. From September 2007, large industrial furnaces (from 500 KW) and power plants from 10 MW must comply with very strict dust limit values.

3 Market drivers

- Generally good economic situation in both Switzerland and the EU, the most important economic area from Switzerland's perspective (see section 1)
- Capacity increases in the material use of wood, both in Switzerland and in neighbouring countries (see, in particular, sawmills, section 4.4)
- The sustained elevation of energy and oil prices gives a boost to renewable energy sources.
- Capacity increases in the energy use of wood, both in Switzerland and in neighbouring countries (see section 4.2)
- Measures for the promotion of wood as an energy source for climate policy reasons (see 2.4)

4 Developments in forest products markets

Against the background of the positive economic climate, the forestry and timber sector has performed strongly, both last year and in 2007.

Domestic demand for wood products this year has so far exceeded that of last year. The order situation in the timber industry is good. Production is expanding – throughout the sector. The supply of roundwood was sufficient up to late summer. The trends for 2007 and 2008 suggest positive demand on the part of domestic consumers. This is particularly important because, at 85 %, Switzerland represents the most important market for the domestic timber and furniture industry. The continuing boom in construction and renovation will ensure that sawmills and joineries remain busy.

Demand for roundwood will increase in autumn 2007. In the medium term, **overall consumption of wood in Switzerland is set to increase** in the coming years. Domestic demand for raw timber will increase by around 30 % by 2008. This increase in demand will be covered, on the one hand by increased logging of Swiss forests. On the other hand, exports of raw timber will presumably decrease by around one fifth. The rapidly increasing demand in this area has prompted public debate on the use of the existing raw timber potential.

4.1 Roundwood: sawlogs, pulpwood and fuelwood

According to the Swiss forest statistics, 5.7 million m³ of timber were harvested in Swiss forests in **2006**. This is approximately 8 % more than in 2005. The **increase in harvested volumes** affects all categories of timber. Six percent more sawlogs were harvested in 2006 as compared with 2005 (3.63 million m³, of which 3.29 million m³ was soft roundwood). The volume of pulpwood harvested increased by 8.6 % to 0.63 million m³ and the volume of fuelwood harvested increased by 13 % to 1.42 million m³. Actual utilization is probably underestimated by around 10% in the Swiss forest statistics.

For the first time in many years, clear price increases could be observed for almost all species in 2006. Price differences between the main and auxiliary species, for example between spruce and fir, diminished. However, price levels still remained below 1980s prices. It is still not possible to cover the costs of harvesting in the difficult-to-access Alps and Pre-Alps where stocks are high.

The Swiss forest was largely spared the effects of winter storm *Kyrill*, which generated large volumes of windthrow in central Europe in January **2007**. The oversupply of windthrow in Germany and Austria and the resulting weak foreign demand also influenced the roundwood market in Switzerland into the summer. While prices managed to hold directly after the storm, sales in the spring months were lower. The mild winter of 06/07 benefited both timber harvesting and removal. Thus, timber processors had sufficient stocks into the late summer.

Soft roundwood exports increased by 15 % in 2006 to reach a record 1.5 million m³. Imports of soft roundwood are negligible and decreased even further.

The export of spruce and fir roundwood has been decreasing clearly since April 2007. Exports in July were 35 % lower than in the previous year; the decrease in exports to Austria was most pronounced. As opposed to this, imports increased. This can largely be explained by the large volumes of windthrow generated by winter storm Kyrill. The market entry of a major new sawmill has also had a role to play here. The sawmill, which is now the largest in Switzerland, commenced operation in spring 2007. The increased and increasing processing capacities within the sawmill industry have shaken up the soft roundwood market (see section 4.4). In terms of volume, a good 35 % increase in demand for soft roundwood may be expected in 2007 as compared with 2006. Demand will increase by around 50 % by 2009. It will be possible to cover this increase in part through a 10 % rise in timber harvesting. At the same time, a significant decrease in exports of between 40 % and 50 % may be expected. The

proportion of the total volume harvested accounted for by exports will therefore decline by half from today's level of 38 %.

Interest in **pulpwood and fuelwood** will also increase again in the autumn (softwood and beech wood). Overall, the volumes harvested should increase again for almost all categories of timber in 2007 and 2008. A 10 % increase in utilization may be expected for pulpwood and fuelwood (not including woodchips) up to 2009. This increased volume contrasts with an even higher increased demand on the part of operations reliant on pulpwood and fuelwood. Exports are likely to decrease whereas imports could increase slightly.

The potential of the Swiss forest has not yet been fully exhausted. The development of wood-based energy production has prompted questions – heightened by the increasing demand for other wood products – regarding the actual potential of the different categories of raw timber (see section 2.2.1). In addition, the increase in harvesting volumes poses major challenges for the small-structured forest sector which is not yet tailored to the supply of large sawmills.

4.2 Wood energy

According to the Federal Office for Energy, 3.2 million m³ of fuelwood (not including waste incineration plants) was consumed and 31.9 PJ final energy was produced from wood in Switzerland in 2006; thus, wood energy represented 3.6% of the total final energy consumption¹

There was a significant increase in the proportion of wood-fired heating systems in Switzerland over the course of 2006 and, as a result, also in the demand for wood pellets. The demand for wood chips also increased again. The price stability of recent years up to winter 05/06 had a stimulating effect. In summer 2006, however, it was only possible to acquire woodchip categories at daily prices. Towards the end of 2006, prices increased by 50 %, i.e. from CHF 300 to CHF 450 per tonne (with simultaneously falling heating oil price). This high price increase had a negative impact on consumer trust and on further investments in pellet-based heating systems. In late 2006, the increase in the price of pellets and woodchips came to an abrupt halt. The pellet producers failed to sell part of their production in winter 2006/07. Prices fell by over 30 % (see also section 4.4 on the development of sawmill by-products). The situation has eased in the meantime and a new price rise is on the horizon. Increasing demand from the energy sector is contributing to the maintenance of prices.

Europe's biggest biomass power plant is due to commence operation in East Switzerland from 2008. The plant will operate exclusively using unprocessed wood.

The increase in energy wood use in the forest, which was recorded in 2005 and 2006 (Chap 4.1), will persist for 2007 and continue in 2008. A 10 % increase may be expected up to 2008.

4.3 Certified forest and forest products

In 2006, approximately 0.7 million ha of Swiss forest (i.e. 57 % of the total forest area) were certified. Most of the certified areas have both the FSC and Q/PEFC certificates. Thirty-five percent hold the FSC certificate only and only 5 % hold the Q/PEFC certificate only. Of the timber harvested in 2006 in Switzerland, 69 % was certified.

At present, almost 500 companies operating at all levels in the timber processing sector hold a certificate: 78 forestry operations, 61 sawmills, 61 timber traders and 227 other wood processors. In con-

¹ The increasing demand for electricity, the conditions of compliance with the Kyoto Protocol, the growing scarcity of fossil fuels and the gap in the electricity supply predicted to arise from 2020 prompted the Swiss Federal Office of Energy (SFOE) to launch a programme called *Swiss Energy*. One aim of *Swiss Energy* is to double wood energy by the year 2020.

trast to the situation in the forest sector, the majority of these companies only hold the FSC certificate. Forty percent hold both the FSC and Q/PEFC certificate. At present there are no companies in Switzerland that are solely Q/PEFC-certified.

The National Certification Standards of 1999 are currently being revised in a project funded by the Federal Office for the Environment. The standards are intended to provide a joint specification. The aim is to promote synergies for the dual-certification system which is most common in Switzerland.

Continuing efforts are being made with the involvement of the relevant sectors to ensure that voluntary methods for the labelling of wood and wood products are used. These voluntary measures include the use of recognized wood labels (FSC, PEFC, Swiss-Quality), which are already used by numerous suppliers in the construction and furniture sectors. They also include private agreements between sectoral associations and environmental associations, for example a code of behaviour for the procurement of tropical timber for the production of doors: the members of the association in question undertake to declare the origin of the timber used.

4.4 Sawnwood

The total volume for the production of **sawnwood products in 2006** was 1.6 million m³. This represents an increase of almost 5 % as compared with the previous year. Hardwood merely accounts for a 5 % share of total production in this area. The export share increased to 15 %. Exports of soft sawnwood also increased by 15 % in 2006. Imports decreased by almost 8 %. Overall, however, Switzerland imported more soft sawnwood in 2006 than it exported and the **balance of foreign trade** remained negative. If the ratio of the total value of exports to the volume of exports is compared with the corresponding ratio of the value of imports to the volume of imports, it emerges that Switzerland sold its sawnwood products relatively cheaply abroad and purchased them at a relatively high price from other countries.

Due to the large volumes of windthrow generated by storm Kyrill, from January 2007, production levels at German and Austrian sawmills were high (see section 4.1), and sawnwood prices came under pressure due to lower sawtimber prices. The rapid increase in the price of sawmill by-products in 2006 came to an end due to the high levels of sawnwood production in Europe and poor sales in pellets. However, the downswing never went lower than the 2005 level and stabilized over the course of the summer (see section 4.2).

The **supply situation** of Swiss sawmills varies at present. While some sawmills report a good supply, others speak of a re-emerging shortage in soft roundwood supplies.

Due to the good economic situation and the continuing stability of the construction sector, the demand for sawnwood remains high and the order situation in the sawmills remains good. However, according to information from the sector, from a price perspective, **market prospects** are less positive than they were a year ago. The discrepancy in sawnwood prices for higher and lower quality products is increasing.

The Swiss sawmill sector is currently undergoing a **process of consolidation** and experiencing **increasing competition** between small and medium-sized sawmills. While the number of operations is decreasing, production capacity is constantly on the increase. For the existing sawmills, an increase in production of 15% may be expected for 2007. This can be explained for the most part by improved efficiency. In addition a major sawmill commenced operation in April 2007. Its cutting volume for 2007 is 400,000 m³. A cutting volume of 600,000 m³ should be achieved by the full capacity stage in 2008. This market entrance is reflected in the export figures for soft sawnwood. Exports increased significantly from May onwards. Monthly export volumes are around 40 % higher than volumes for last year.

Plans for two further large sawmills are currently under discussion. One of them is expected to be operational from 2008/09. Up to this point, production will increase by over one third. Exports will increase by over 50 % as compared with 2006 and imports decrease at the same time by 40 %. Domestic consumption of sawnwood products will probably undergo a comparatively small increase of around 10 %.

With regard to **hardwood**, there is practically no processing capacity in Switzerland. The aim of an ongoing project (*Aventi-Bois*) is the creation of a hardwood cluster in West Switzerland. The project is supported by the Confederation. A large hardwood sawmill shall constitute the core of this cluster. It is intended to locate numerous wood-processing operations nearby. Binding commitment on the part of an investor is still lacking for this project.

Switzerland also has increasingly less capacity in relation to **veneer products**, despite the fact that domestic demand for these products is increasing. Production is being transferred to Eastern European states such as Slovenia, Czech Republic and Romania. The second last Swiss works of this kind is due close in the course of 2007.

4.5 Pulpwood-processing sector

114,000 m³ more wood was consumed in the production of derived timber products and pulp in 2006. This represents an increase of almost 6 % which can mainly be explained by the increased demand in the wood-based panel industry. The supply situation for companies that process pulpwood and wood residues was difficult in the second half of 2006 during the boom in the demand for wood pellets and fuelwood.

An increase in demand of the same order may be expected in the following years.

While the development of sales in the wood-based panel market is a welcome development, the profit margins of all pulpwood processors are under pressure from elevated production costs due to significant increases in energy and raw material prices. Increasing raw material prices may be expected on the international market from autumn 2007, due to the strong demand for pulp and derived timber products on the international market.

4.5.1 Wood-based panels

Switzerland produced 470,000 m³ of particleboard and 485,000 m³ of fibreboard in 2006. While fibreboard production increased by 3 %, the increase in particleboard production was negligible. It was a good year for the wood-based panel market, the trade in derived wood products picked up. A 30% increase was achieved in sales to the sector's main foreign market, Germany. Sales in Switzerland, France, Italy and Benelux also increased. The Swiss wood-based panel industry is highly export-oriented: in 2006 over 90% of production was sold abroad.

Demand for wood-based panels exceeded production in 2006. Demand for derived wood products is not expected to decline in 2007, particularly in the area of **soft fibre products**. **The increasing need for energy-optimized insulation solutions for building shells** is having a positive effect on sales here.

In relation to the manufacture of wood insulation material, expansion phases are planned for Switzerland's leading soft-fibre works. Production should be almost doubled by spring 2008. The increasing demand for wood pulp may be met by increasing imports.

4.5.2 Pulp and paper

In general, the paper and pulp industry is using less wood as a raw material. 849,000 m³ of wood was processed by the industry in 2006. This represents a reduction of 6 %. A good 4 % of the volume of

wood harvested in Swiss forests is currently used by the pulp and paper industry. The production of groundwood increased by almost 13% to 129,000 tonnes and cellulose production declined by 5% to 110,000.

The Swiss market for paper and paperboard is saturated. The sector is strongly focused on the international market. Competitive pressure in this energy and capital intensive sector is particularly strong. 77% of production is exported. At the same time, imports account for two thirds of consumption in Switzerland.

The volume of paper produced in 2006 declined by almost 4%. A slightly higher production volume is planned for 2007.

5 Tables

5.1 Economic Indicators for Switzerland

	2003	2004	2005	2006	2007F	2008F
Economic growth in %	-0.2	2.3	1.9	2.7	2.6	2.3
Inflation in %	0.6	0.8	1.2	1.1	0.4	0.8
Unemployment rate in %	3.7	3.9	3.8	3.3	2.8	2.5
Interest yields 10-year government bonds in %	2.6	2.3	1.9	2.5	3.1	3.3
Currency rate						
EUR	1.56	1.54	1.56	1.61	1.66	
USD	1.24	1.14	1.32	1.22	1.2	

Source: Bloomberg, Thomson Financial

5.2 Forest products production and trade in 2006, 2007 and 2008

See TC1 and TC2 attached

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Swiss Federal Office for the Environment FOEN
 Forest Division; Section Forest Management and Timber Industry
 Tatiana Pasi
 CH-3003 Bern
 phone +41 31 324 70 69 / fax +41 31 324 78 66
 email: tatiana.pasi@bafu.admin.ch
<http://www.umwelt-schweiz.ch/wald>



TC1

UNECE TIMBER COMMITTEE FORECASTS

Roundwood

Product Code	Product	Unit	Estimate		Forecast
			2006	2007	2008
1.2.1.C	SAWLOGS AND VENEER LOGS, CONIFEROUS				
	Removals	1000 m ³	3'289	3'550	3'650
	Imports	1000 m ³	12	100	150
	Exports	1000 m ³	1'250	850	700
	Apparent consumption	1000 m ³	2'051	2'800	3'100
1.2.1.NC	SAWLOGS AND VENEER LOGS, NON-CONIFEROUS				
	Removals	1000 m ³	340	350	360
	Imports	1000 m ³	66	70	60
	Exports	1000 m ³	281	300	300
	Apparent consumption	1000 m ³	125	120	120
1.2.1.NC.T	of which, tropical logs				
	Imports	1000 m ³	4	4	4
	Exports	1000 m ³	4	3	3
	Net Trade	1000 m ³	0	1	1
1.2.2.C	PULPWOOD (ROUND AND SPLIT), CONIFEROUS				
	Removals	1000 m ³	432	450	460
	Imports	1000 m ³	267	200	170
	Exports	1000 m ³	123	80	50
	Apparent consumption	1000 m ³	576	570	580
1.2.2.NC	PULPWOOD (ROUND AND SPLIT), NON-CONIFEROUS				
	Removals	1000 m ³	203	210	220
	Imports	1000 m ³	1	0	0
	Exports	1000 m ³	73	20	10
	Apparent consumption	1000 m ³	131	200	200
3 + 4	WOOD RESIDUES, CHIPS AND PARTICLES				
	Domestic supply	1000 m ³	1'411	1'700	2'000
	Imports	1000 m ³	654	500	400
	Exports	1000 m ³	968	1'000	1'000
	Apparent consumption	1000 m ³	1'097	1'200	1'400
1.2.3.C	OTHER INDUSTRIAL ROUNDWOOD, CONIFEROUS				
	Removals	1000 m ³	16	20	20
1.2.3.NC	OTHER INDUSTRIAL ROUNDWOOD, NON-CONIFEROUS				
	Removals	1000 m ³	5	5	5
1.1.C	WOOD FUEL, CONIFEROUS				
	Removals	1000 m ³	322	340	350
1.1.NC	WOOD FUEL, NON-CONIFEROUS				
	Removals	1000 m ³	684	700	750



TC2
UNECE TIMBER COMMITTEE FORECASTS
Forest products

Product Code	Product	Unit	Estimate		Forecast
			2006	2007	2008
5.C	SAWNWOOD, CONIFEROUS				
	Production	1000 m ³	1'500	1'800	2'000
	Imports	1000 m ³	339	300	200
	Exports	1000 m ³	221	400	500
	Apparent consumption	1000 m ³	1'618	1'700	1'700
5.NC	SAWNWOOD, NON-CONIFEROUS				
	Production	1000 m ³	80	75	75
	Imports	1000 m ³	70	70	70
	Exports	1000 m ³	31	30	30
	Apparent consumption	1000 m ³	119	115	115
5.NC.T	of which, tropical sawnwood				
	Production	1000 m ³	3	1	1
	Imports	1000 m ³	21	19	19
	Exports	1000 m ³	0	0	0
	Apparent consumption	1000 m ³	23	20	20
6.1	VENEER SHEETS				
	Production	1000 m ³	5 C	5	5
	Imports	1000 m ³	5 C	5	5
	Exports	1000 m ³	6 C	6	6
	Apparent consumption	1000 m ³	4	4	4
6.1.NC.T	of which, tropical veneer sheets				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	0	0	0
	Exports	1000 m ³	0	0	0
	Apparent consumption	1000 m ³	0	0	0
6.2	PLYWOOD				
	Production	1000 m ³	5 C	5	5
	Imports	1000 m ³	143 C	143	143
	Exports	1000 m ³	3 C	3	3
	Apparent consumption	1000 m ³	145	145	145
6.2.NC.T	of which, tropical plywood				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	8	0	0
	Exports	1000 m ³	0	0	0
	Apparent consumption	1000 m ³	8	0	0
6.3	PARTICLE BOARD (including OSB)				
	Production	1000 m ³	470	470	470
	Imports	1000 m ³	321	330	350
	Exports	1000 m ³	385	390	400
	Apparent consumption	1000 m ³	406	410	420
6.3.1	of which, OSB				
	Production	1000 m ³	0	0	0
	Imports	1000 m ³	57	57	57
	Exports	1000 m ³	1	1	1
	Apparent consumption	1000 m ³	56	56	56
6.4	FIBREBOARD				
	Production	1000 m ³	485 C	500	550
	Imports	1000 m ³	129 C	130	100
	Exports	1000 m ³	509 C	510	520
	Apparent consumption	1000 m ³	105	120	130
6.4.1	Hardboard				
	Production	1000 m ³	10 E		
	Imports	1000 m ³	68		
	Exports	1000 m ³	5 E		
	Apparent consumption	1000 m ³	72		
6.4.2	MDF (Medium density)				
	Production	1000 m ³	369 E		
	Imports	1000 m ³	57		
	Exports	1000 m ³	377 E		
	Apparent consumption	1000 m ³	49		
6.4.3	Insulating board				
	Production	1000 m ³	107 E		
	Imports	1000 m ³	4		
	Exports	1000 m ³	127 E		
	Apparent consumption	1000 m ³	-16		
7	WOOD PULP				
	Production	1000 m.t.	239 C	245	245
	Imports	1000 m.t.	530 C	535	535
	Exports	1000 m.t.	103 C	110	110
	Apparent consumption	1000 m.t.	666	670	670
10	PAPER & PAPERBOARD				
	Production	1000 m.t.	1'685 C	1'700	1'700
	Imports	1000 m.t.	1'157 C	1'140	1'140
	Exports	1000 m.t.	1'304 C	1'300	1'300
	Apparent consumption	1000 m.t.	1'537	1'540	1'540