

## NOTE

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## ABSTRACT

The UNECE/FAO *Forest Products Annual Market Analysis, 2002-2004* provides general, statistical and forecast information on forest products markets and related policies in the UN Economic Commission for Europe region (Europe, North America and the Commonwealth of Independent States). The *Annual Market Analysis* begins with an overview chapter, followed by a description of government policies affecting forest products markets. After a description of the economic situation and construction-related demand in the region, five chapters based on annual country-supplied statistics, describe: wood raw materials, sawn softwood, sawn hardwood, wood-based panels and paper and paperboard. Additional chapters discuss markets for certified forest products, value-added wood products and tropical timber. In each chapter production, trade and consumption are analysed and relevant material on specific markets is included. Tables included with the text present summary information and additional statistical tables upon which the analysis is based, may be found on the UNECE Timber Committee's Market Information Service website.

ECE/TIM/BULL/2003/3
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UNITED NATIONS PUBLICATIONS
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ISSN 0259-4323
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## ACKNOWLEDGEMENTS

It is with great pleasure that we thank the many people who directly and indirectly contributed to the production of this *Forest Products Annual Market Analysis, 2002-2004*. While we identify some people below, we simultaneously acknowledge others working with them, or companies or institutions which made their time and travel funds available. The majority of the contributions for the *Annual Market Analysis* were donated. Some authors' direct expenses were compensated.

In addition to those named below, numerous other experts helped on specific parts of the *Annual Market Analysis* and their names are mentioned in the following list of contributors. The *Annual Market Analysis* is based on statistics received from official country correspondents who are listed for the first time in this publication. Our sincere appreciation goes to these people without whose efforts we would not have been able to produce this *Annual Market Analysis*. For some data in the chapter on certified forest products, the UNECE Timber Committee and FAO European Forestry Commission established an informal network of officially nominated country correspondents on certified forest products markets and certification of sustainable forest management. We thank those correspondents who contributed information for this chapter for which there are no other official statistics.

In order of chapter number, we first acknowledge the external authors, then all those who helped from the secretariat.

The construction section of the economic background chapter was written by Dr. Al Schuler, Research Economist, Northeast Forest Experiment Station, USDA Forest Service, Princeton, West Virginia and Mr. Craig Adair, Director, Market Research, APA-The Engineered Wood Association, Tacoma, Washington. Dr. Schuler is a member of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing. They also again wrote the section on engineered wood products markets in the value-added forest products chapter. The first part of the value-added products chapter was again written by our colleague from the International Trade Center, Mr. Jukka Tissari, Market Development Officer, International Trade Centre, Geneva Switzerland who wrote the parts on value-added products, drawing in parts from work by colleagues at the International Tropical Timber Organization (ITTO). We continue to complement the analysis of primary-processed products with some indications of demand from secondary-processed products through the valuable work of these authors.

The wood raw materials chapter analysis was performed by Mr. Håkan Ekström, President, Wood Resources International. He is also Editor-in-Chief of *Wood Resource Quarterly* and the *North American Wood Fiber Review*, two publications tracking worldwide wood fibre markets, including prices. He in turn worked with collaborators, including Dr. Riitta Hänninen, Market Researcher, Finnish Forest Research Institute and some of the other authors mentioned below. We thank all of them.

Our appreciation once again for the sawn softwood analysis goes to Dr. Robert Kozak, Associate Professor, Department of Wood Science, University of British Columbia, Canada and his co-coordinator, Mr. Henry Spelter, Research Forester, Timber Demand and Technology Assessment Research Work Unit, Forest Products Laboratory of the USDA Forest Service. They in turn had subregional analyses from Dr. Nilolay Burdin, General Director, NIPPIELlesprom, Russian Federation, and former Chairman of the UNECE Timber Committee and Mr. Arvydas Lebedys, Marketing Specialist and independent consultant, Lithuania, who is currently working for the FAO Forestry Department. An additional contributor to their chapter was Dr. David Cohen, Associate Professor, University of British Columbia, Canada. We thank all of them for their analysis.

Mr. Michael Buckley, Consultant, World Hardwoods, wrote the sawn hardwood analysis for the third time. We sincerely appreciate his work, together with the necessary support from Mr. David Venables, the current European Director of AHEC, who again facilitated this continued collaboration. Mr. Buckley is Deputy Leader of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing.

For the first time Ms. Eva Janssens, Economic Advisor, European Panel Federation, coordinated the analysis and production of the wood-based panel chapter. She used the Federation's recent *Annual Report 2003* as a basis, but coordinated subregional analyses with contributors, including Dr. Burdin, who is also thanked above for his sawnwood contribution. We are truly grateful for Ms. Janssens' efforts on validating the statistics and the analysis of them. She is a member of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing. Mr. Jorge Najera, Economics Officer, UNECE/FAO Timber Branch also contributed to the analysis. We thank all these authors.

For the paper, paperboard and woodpulp chapter, four authors, representing the different subregions of the UNECE, contributed again this year. First we thank Dr. Peter J. Ince, Research Forester, USDA Forest Service, United States Forest Products Laboratory, who coordinated the production of the chapter. Dr. Ince was also a principal author for the North American subregional analysis. Valuable contributions came from Professor Eduard L. Akim, PhD, Saint Petersburg State Technological University of Plant Polymers and the All-Russian Research Institute of Pulp and Paper Industry (on the Russian Federation), Bernard Lombard, Recycling and Economics Manager, Confederation of European Paper Industries (CEPI) (on the EU/EFTA subregion) with statistical assistance again by Mr. Eric Kilby, Statistics Manager, CEPI, and for the first time, Mr. Tomas Parik, Managing Director Wood and Paper a.s. and CEPI collaborator (for the Other Europe subregion). Both Dr. Ince and Mr. Spelter, sawnwood chapter author, work together in a research unit led by Mr. Ken Skog, Timber Demand and Technology Assessment Research Work Unit, Forest Products Laboratory, USDA Forest Service whom we would also like to thank for enabling this continued cooperation. Both Dr. Ince and Professor Akim are members of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing.

Once more we have the opportunity to thank Dr. Ewald Rametsteiner, Institute of Forest Sector Policy and Economics, Vienna, an Expert on Certified Forest Products Markets, for continued collaboration on the certified forest products marketplace analysis. Mr. Florian Kraxner, also of the Institute of Forest Sector Policy and Economics, was again a key assistant, as he gathered information from the above-mentioned informal network of country correspondents on the markets for certified forest products as well as a survey of the certification systems and key market players. Our thanks go to both of them. Dr. Rametsteiner is also a member of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing.

Continued cooperation enabled production of another tropical timber assessment by our colleagues in ITTO, Drs. Steve Johnson, Statistician/Forest Economist, and Michael Adams, Market Information Service Coordinator along with Ms. Masaki Miyake, Statistical Assistant. Their analysis is based on their *Annual Review and Assessment of the World Timber Situation 2001* and updated it with current market developments. Drs. Adams and Johnson are also members of the UNECE&FAO Team of Specialists on Forest Products Markets and Marketing.

A special thanks to Messrs. Juha Mustonen and Tapani Pahkasalo who assisted us throughout the hot summer production. They are both graduate students at University of Helsinki, Department of Forest Economics. Like previous interns, they produced all the graphics, some tables and figures and in doing so they revised the *Graphics Production System* which had been started by their predecessors from the University of Helsinki. They also performed a variety of market research for us and the other authors. Mr. Mustonen also advanced the *Forest Products Annual Market Analysis Planning System*, which has become essential because of the complex production process with the number of people involved. Mr. Pahkasalo designed and produced the website for the draft and final versions, and updated the Market Information Service website as part of his personal projects. Mr. Mustonen updated the *Forest Products Annual Market Analysis Production Manual*, which is an assembly of all the different guidelines and instructions used to produce this publication. These assistants are crucial to the timely production of the publication and we know the effort is mutually advantageous. Their internships were facilitated by Dr. Heikki Juslin, Professor, and Mr. Pasi Paldanius, Assistant, Forest Products Marketing, Department of Forest Economics, University of Helsinki. Ms. Raija-Riitta Enroth, Senior Researcher, Finnish Forest Research Institute, once again arranged their funding through the Foundation for the Promotion of the Export of Forest Industry Products. Prospective interns are encouraged to apply to work with the UNECE/FAO Timber Section.

This *Annual Market Analysis* was produced as a joint effort by 45 people. Ed Pepke (UNECE/FAO Timber Section) led and coordinated the work. The individual chapters had the following authors: 1. Ed Pepke and Kit Prins (UNECE/FAO Timber Section); 2. Ed Pepke and Kit Prins; 3. Al Schuler and Craig Adair (United States) (plus economic analysis from the UNECE *Economic Survey of Europe*); 4. Håkan Ekström (United States); 5. Robert Kozak (Canada) and Henry Spelter (United States); 6. Michael Buckley (United Kingdom); 7. Eva Janssens (European Panel Federation) and Jorge Najera (UNECE/FAO Timber Branch); 8. Peter Ince (United States), Eduard Akim (Russian Federation) and Bernard Lombard and Thomas Parik (CEPI); 10. Ewald Rametsteiner and Florian Kraxner (Austria); 11. Jukka Tissari (ITC), Craig Adair and Al Schuler (United States); 12. Steve Johnson, Michael Adams and Masaki Miyake (ITTO).

Alex McCusker (UNECE/FAO Timber Branch) collected, validated and produced the statistics, as well as updated some statistics-related passages. The national statistical correspondents are mentioned above and we would like to thank our colleagues in the European Forest Institute (EFI) and the UN Statistics Division for their continued support in preparing Comtrade statistics. Ronald Jansen, Chief, Commodity Trade Statistics Section, United Nations Statistics

Division, provided the latest forest products trade statistics to EFI. Bruce Michie, Researcher, EFI, validated the trade data and produced the database upon which we produced graphs and tables for different commodities.

Graphics production and market research were by Juha Mustonen and Tapani Pahkasalo (Finland). Matt Fonseca (UNECE/FAO Timber Section) was responsible for the layout of the text, tables and graphs. Ms. Cynthia de Castro, (UNECE/FAO Timber Branch) performed all administrative duties—we welcome her to the Market Analysis Team. Sefora Kifle (UNECE/FAO Timber Branch) again prepared price data and supported authors with documents and journals. Tobi Dress, Consultant, was the principal copy editor. Christina O'Shaughnessy (Trade Development and Timber Division) also did some copy editing as well as proofread most of the publication.

Initial technical reviews were done by Ed Pepke and Kit Prins (UNECE/FAO Timber Section). We appreciate the supplementary technical reviews from the Forest Products and Economics Division of the FAO Forestry Department by Wulf Killmann, CTS Nair, Adrian Whiteman, Gustave Best and Miguel Trossero. Our thanks also to Dieter Hesse, UNECE Economics Analysis Division, who reviewed the economic overview chapter.

This draft manuscript was completed on 28 August 2003. It is my pleasure to personally thank all members of the Team, and the many other contributors, for their devoted efforts in producing this year's *Forest Products Annual Market Analysis*.

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The secretariat would like to express our sincere appreciation for the information and assistance received from the following people in preparation of the *Forest Products Annual Market Analysis*. The base data for the *Annual Market Analysis* were supplied by country statistical correspondents, who are acknowledged in a separate listing. We regret any omissions.

Martti Aarne, Finnish Forest Industries Federation, Finland  
Craig Adair, APA –The Wood Engineered Association, United States  
Michael Adams, ITTO, Japan  
Eduard L. Akim, Saint Petersburg State Technological University of Plant Polymers, and All-Russian Scientific Research and Science Institute of Pulp and Paper Industries, Russian Federation  
Branko Glavonjic, University of Belgrade, Federal Republic of Yugoslavia  
Michael Buckley, World Hardwoods, United Kingdom  
David Cohen, University of British Columbia, Canada  
Roger Cooper, University of Bangor, Wales, United Kingdom  
Giovanna Di Ruberti, Bocconi University, Italy  
Dr. Ivan Eastin, Center for International Trade in Forest Products, University of Washington, United States  
Raija-Riitta Enroth, Finnish Forest Research Institute, Finland  
Jean Fayes, retired from Organisation Européenne des Scieries, France  
Keith Forsyth, VELUX A/S, United Kingdom  
Christopher Gaston, Forintek Canada Corporation, Canada  
Ben Gunneberg, Pan European Forest Certification Council, Luxembourg  
Eric Hansen, Oregon State University, United States  
Bengt Hillring, University of Agricultural Sciences, Sweden  
Hermann Huckert, Federal Ministry for Consumer Protection, Food and Agriculture, Germany  
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Miguel Trossero, FAO, Italy  
David Venables, American Hardwood Export Council, United Kingdom  
John Wadsworth, Intermark, United Kingdom  
Mikael Westin, Swedish Wood Association, Sweden  
Nelson Y. S. Wong, International Forest List, Malaysia

## DATA SOURCES

The data on which the *Forest Products Annual Market Analysis* is based are collected from official national correspondents<sup>1</sup> through the FAO/ECE/Eurostat/ITTO Joint Forest Sector Questionnaire, distributed in March 2003. Within the 55-country UNECE region, data for the 19 EU and EFTA countries are collected and validated by Eurostat and for other UNECE countries by UNECE/FAO Geneva.

The statistics for this *Analysis* are from the TIMBER database system. As the database is continually being updated, any one publication's analysis is only a snapshot of the database at that particular time. The database and questionnaires are in a state of permanent development. Data quality differs between countries, products and years. So far, only a few countries of the CIS subregion provide data although the largest producer (Russian Federation) does so. Improvement of data quality is a continuing task of the secretariat, paying special attention to the CIS and central and eastern European countries. With our partner organizations and national correspondents, we strongly believe that the quality of the international statistical base for analysis of the forest products sector is steadily improving. 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 UNECE/FAO in Geneva. We are convinced that the data set used in the *Annual Market Analysis* is the best available anywhere as of July 2003. The data appearing in this publication form only a small part of the total data available. *Forest Products Statistics* (Timber Bulletin #2) will include all the data available for the years 1998-2002. The TIMBER database is available on the Market Information Service of the Timber Committee website at [www.unece.org/trade/timber/mis.htm](http://www.unece.org/trade/timber/mis.htm).

The secretariat is grateful that correspondents provided actual statistics for 2002 and, in the absence of formal statistics, their best estimates. Therefore all statistics for 2002 are provisional and subject to confirmation next year. The responsibility for national data lies with the national correspondents. The official data supplied by the correspondents account for the great majority of records. In some cases, where no data were supplied, or when data were confidential, the secretariat has estimated figures to keep region and product aggregations comparable and to maintain comparability over time. Estimations are flagged within this publication but only for products at the lowest level of aggregation. Data for Belgium and Luxembourg are combined through 1998 while after this year the data are reported separately.

In addition to the official statistics received by questionnaire, trade association and government statistics are used to complete the analysis for 2002 and early 2003. A number of trade journals and internet sites were used for supplementary information, as well as institutions and experts, including national correspondents. Most of these sources are cited where they occur in the text, at the end of chapters, the list of contributors and in the annex reference list.

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<sup>1</sup> Correspondents are listed with their complete contacts details in the companion *Timber Bulletin*, "Forest Products Statistics, 1998-2002".

## 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. Export data usually include re-exports. Regional trade aggregates in tables include trade occurring between countries of the region.

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.

As in last year's *Analysis*, Europe has been split into "EU/EFTA" (19 countries) and "Other Europe" (34 countries). For a breakdown of the regions please see the map in the annex.

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

## SYMBOLS AND ABBREVIATIONS USED

-	nil or negligible
...	not available
\$	United States dollar unless otherwise specified
CEECs	Central and eastern European countries (listed above in explanatory notes)
CIS	Commonwealth of Independent States
e	secretariat estimate
EFTA	European Free Trade Association
EQ	equivalent of wood in the rough
EU	European Union
EWPs	engineered wood products
FOB	free on board
GDP	gross domestic product
IMF	International Monetary Fund
m <sup>2</sup>	square metre
m <sup>3</sup>	cubic metre (solid volume of roundwood or processed product)
m.t.	metric ton
n	national estimate
NGO	Non Governmental organization
PVC	polyvinyl chloride
r	repeated data from previous year
RWE	Roundwood equivalent
SPWP	secondary processed wood products
USDA	United States Department of Agriculture
UNECE	Economic Commission for Europe
WWF	World Wide Fund for Nature