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27-30 September 2005

FOREST PRODUCTS MARKET DEVELOPMENTS IN 2005 AND PROSPECTS FOR 2006

(Item 4 of the provisional agenda)

Note by the secretariat

This document provides the schedule for the annual Timber Committee Market Discussions and the preparations of the annual market statement. The theme of the discussions will be “Forest certification policies’ influence on forest products markets in the UNECE region”. Lively discussions and comprehensive market statement necessitate delegations’ timely submission of national market statements and forest products forecasts for 2005 and 2006 as described in this document.

On the basis of the UNECE/FAO *Forest Products Annual Market Review*, national reports and forecasts and expert speakers, the Committee is invited to:

- Discuss how government and industry policies on forest certification are affecting forest products markets;
- Discuss forest products markets and policy developments and forecasts;
- Draft a market statement during the session, and
- Comment on the *Forest Products Annual Market Review, 2004-2005*.

INTRODUCTION

1. The annual UNECE Timber Committee's (TC) Market Discussions will be held on 27-28 September 2005 at the Palais des Nations, Geneva. The 1½-days discussions will enable coverage of all market sectors led by market experts and allow adequate discussion time by delegates. The theme of this year's discussions is "Forest certification policies' influence on forest products markets in the UNECE region" (Europe, North America and the Commonwealth of Independent States). This theme provides a link to the 29 September policy forum on "Forest Certification—Do governments have a role?"

2. In recent years, much of the TC's work has exposed and analysed the links between forest products markets and government policies, and their effects on sustainable development of forest products markets and sustainable forest management. This year's discussions are again designed to bring that work together and advance the knowledge and understanding of the developments and underlying issues.

3. The discussions will be based on findings from the UNECE/FAO *Forest Products Annual Market Review, 2004-2005*, plus country market statements and forecasts for 2005 and 2006. The *Market Review* is based on statistics for 2004 provided by the countries of the UNECE region 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 market specialists as well as policy experts. Production of the *Market Review* is scheduled to produce printed versions in time for distribution to delegates just before the Market Discussions. Delegates are encouraged to check for an advance electronic version on the TC/European Forestry Commission's (EFC) homepage in August 2005 (www.unece.org/trade/timber). Executive summaries of the *Market Review* in English, French and Russian are planned for electronic availability before the session via the same website, and at the session in printed versions.

4. This document contains four parts:

- A. Timetable and organisation of the market discussions
- B. Preparation of the TC market statement
- C. Inputs to the market discussions
 - a. Countries' market statements
 - b. Countries' forest products market forecasts for 2005 and 2006
 - c. *Forest Products Annual Market Review, 2004-2005*
- D. Activities of UNECE/FAO Team of Specialists on Forest Products Markets and Marketing

A. TIMETABLE AND ORGANISATION OF THE MARKET DISCUSSIONS

5. The annual TC Market Discussions are scheduled on the first and second day of the session, Tuesday 27 September and Wednesday 28 September 2005. The discussions will be 1½ days to enable adequate time for interchange between experts and delegates. This year's special theme is the "Forest certification policies' influence on forest products markets in the UNECE region." The keynote speaker will highlight findings from the lead policy chapter in the *Market Review*. Subsequent speakers will cover other market sectors as below.

6. The tentative schedule below will be adjusted according to length of discussions on individual market segments and the availability of time and speakers. A detailed final schedule of speakers and timing will be presented at the session.

Tuesday, 27 September

10 00 hours TC Session opens

15 00 hours Timber Committee Market Discussions open and will extend to the second day. The following topics will be included, although perhaps in a different order:

- Keynote presentation: Forest certification policies' influence on forest products markets in the UNECE region and other policies influencing forest products markets
- Kyoto Protocol's effects on forest products markets
- Economic developments affecting forest products markets
- Specific market sectors, with links to market policy
 - Value-added wood products, including engineered wood products
 - Wood raw materials, including wood energy
 - Sawnwood (softwood and hardwood)
 - Panels
 - Paper, paperboard and woodpulp
 - Tropical timber
 - Forest certification and certified forest products markets.

18 00 hours End of first day

Wednesday, 28 September

1000 hours Market Discussions continue with topics above

1800 hours Market Discussions end

7. Following the broader policy issues introduction, and economic developments, the market discussions will follow the traditional sector-by-sector approach. Market segments will begin by an introductory analysis comparing current developments and short-term forecasts in the 3 subregions, i.e. CIS, Europe and North America. These analyses are based on countries' forecasts for 2005 and 2006 from the Timber Committee Questionnaire and the findings from the *Forest Products Annual Market Review*. The introductions, made by the secretariat and members of the UNECE/FAO Team of Specialists on Forest Products Markets and Marketing, will be followed by presentations from specialists for each sector. All speakers' PowerPoint presentation handouts will be distributed at the start of the discussions in their original language. Periodically 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, which is the basis for a later UNECE/FAO publication "Forest Products Markets: Prospects for 2006".

B. PREPARATION OF THE TC MARKET STATEMENT

8. The timetable for preparing and approving the TC's Market Statement and press release:

Friday, 29 September

08 30 hours Drafting Committee prepares statement, on the basis of a secretariat draft. The Drafting Committee will be conducted in English, without interpretation.

10 00 hours End of Drafting Committee

10 00 hours Continuation of TC session

1500 hours The draft statement is submitted for approval by the TC in plenary session. Delegations wishing to have input to the statement should be represented in the morning Drafting Committee, rather than attempting to make substantive revisions in plenary. Because there is no time for translation, the statement will only be available in English. However there will be simultaneous interpretation in the session.

Tuesday, 4 October

Text of statement issued as press release in English along with a one-page summary and tables of subregional forecasts for 2005 and 2006. It is also uploaded to the TC and EFC's website.

9. The TC Market Statement will also be available after the session in English, French and Russian with complete sector tables of national forecasts, both electronically on the TC and EFC website, and in print as *Forest Products Markets: Prospects for 2006*. Market Discussion speakers' presentations will be uploaded to the website following the session. As the statement will have been formally approved by the Committee, it is considered an integral part of the Committee report, although, for practical reasons, it will be issued separately.

10. In previous years the following countries have been represented at the Drafting Committee: Austria, Canada, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Netherlands, Poland, Romania, Russian Federation, Sweden, United Kingdom and United States of America. However, every country is welcome to participate. As usual, the Drafting Committee will have a secretariat draft of the market statement at its disposal. Secretariat drafting is done on Tuesday and Wednesday evenings, thus drafts will be available on Wednesday afternoon and Thursday in English, French and Russian.

C. INPUTS TO THE MARKET DISCUSSIONS

a. Invitation to prepare country market statements

11. 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 announced to the other delegations and the secretariat. Unfortunately there is not sufficient time during the session to enable individual country presentations. Country market statements should be received by **5 September 2005**, by e-mail to stats.timber@unece.org, and will be posted on the TC and EFC's website. Guidance for statement content will be sent to delegations and posted on the website. Delegations' attention is drawn to item 4 in the explanatory notes for the Provisional Agenda (ECE/TIM/2005/1).

12. In particular, delegations are reminded to send 120 copies of their written country market statements to the secretariat by **5 September 2005**. If it is not possible to transmit all 120 copies by the deadline, delegations are requested to bring them to Geneva, and give them to the secretariat before the start of the session on 26 September (bureau 435-2, Ms. Cynthia de Castro). However the electronic version is essential for the secretariat information and website by the deadline above (please note that photocopying cannot be done during the session). Please send to:

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Trade Development and Timber Division
United Nations Economic Commission for Europe
435-2 Palais des Nations
CH-1211 Geneva 10, Switzerland
Tel. + 41 22 917 2874
Fax + 41 22 917 0041
E-mail: stats.timber@unece.org

b. Invitation to provide country market forecasts

13. As mentioned above the TC and the EFC place 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 their Integrated Programme of Work). The secretariat feels that the ability to fulfil this important mandate is directly contingent on prompt and complete replies to the questionnaires, as refined and endorsed by member countries.

14. Delegations are reminded that the deadline for replies to the Timber Committee Questionnaire is **5 September 2005** and are requested to ensure adherence to this deadline. It is impossible to prepare the TC's statistics and reports in time for the meeting unless all forecasts are received by the deadline. It is acknowledged that the forecasts supplied by national correspondents are **estimates** and not official statistics. When using these forecasts the secretariat consistently indicates their nature as estimates and notes 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, 2004-2005

15. The *Forest Products Annual Market Review* will be available in electronic format in August 2005, with a printed version planned distributed just before the session. As noted above, its executive summary will also be on the website, and is planned to be available in the meeting room in English, French and Russian.

D. ACTIVITIES OF THE UNECE/FAO TEAM OF SPECIALISTS ON FOREST PRODUCTS MARKETS AND MARKETING

16. The Team will hold its fifth annual meeting just before the TC and overlapping intentionally with the Market Discussions to enable participation, on 26-28 September 2005, beginning at 0900 on Monday, 26 September in the Palais des Nations.
