

**Economic and Social Council**Distr.: General
14 July 2011

Original: English

**Food and Agriculture
Organization****Economic Commission for Europe****Food and Agriculture
Organization****Timber Committee****European Forestry Commission****Sixty-ninth session**

Antalya, 10-14 October 2011

Item 8 of the provisional agenda

Market Discussions**Thirty-sixth session**

Antalya, 10-14 October 2011

**Market Developments in 2011 and Prospects for 2012:
Joint session of the UNECE Timber Committee and the FAO
European Forestry Commission****Note by the secretariat***Summary*

This document sets out the schedule for the annual Timber Committee Market Discussions and the preparation of the annual Timber Committee Market Statement. This year's theme is, "Forest products – contributing to the green economy." The annual Market Statement benefits greatly from the country market statements and market forecasts for 2011 and 2012, which should be submitted to the secretariat by 12 September 2011. Copies of the statements will be posted to the Committee's website. Activities of the Team of Specialists on Forest Products Marketing associated with the Market Discussions are also described here.

Based on the *UNECE/FAO Forest Products Annual Market Review, 2010–2011*, national market reports, forecasts and expert speakers, the Committee is invited to:

- (a) discuss the forecasts and market developments in the UNECE region;
- (b) discuss policy developments influencing forest products markets;
- (c) produce a Market Statement during the session; and
- (d) comment on the *Forest Products Annual Market Review, 2010–2011*.

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 Market Discussions will be held on 12–13 October 2011 in Antalya, Turkey, with the theme, “Forest products – contributing to the green economy.” The two half-day sessions provide a forum for consideration of the latest market and policy developments and discussion of their impacts. The topics include developments with a focus on 2010–2011.
3. 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.
4. The discussions will be based on findings from the *Forest Products Annual Market Review, 2010–2011*, plus country market statements and forecasts for 2011 and 2012. The *Market Review* is based on statistics for 2010 provided by the countries of the UNECE region and as entered into the UNECE/FAO TIMBER database. The secretariat analyses these statistics and policy and market developments with significant support from forest products marketing specialists as well as policy experts. Production of the *Market Review* is timed to allow distribution of a printed version in English to delegates, just before the Market Discussions. Delegates are encouraged to obtain an advance electronic version of the *Market Review* on the ECE/FAO homepage in August 2011 (www.unece.org/timber). Executive summaries in French and Russian should be available on the same website, before the session.
5. 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) Country market statements
 - (ii) Country forest products market forecasts for 2011 and 2012
 - (iii) *Forest Products Annual Market Review, 2009–2010*
 - (d) UNECE/FAO Team of Specialists on Forest Products Marketing activities.

II. Timetable and organization of the market discussions

6. The 2011 Market Discussions are scheduled to start on Wednesday afternoon, 12 October, and continue on Thursday morning, 13 October. The two ½-day discussions will allow topical developments and issues in forest products markets to be presented as well as adequate time for discussion and interchange between experts and delegates.
7. The tentative schedule below may be adjusted depending on length of discussions 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 European Forestry Commission Market Discussions

Forest products – contributing to the green economy.

Wednesday, 12 October 2011

15:00 Opening

- (a) UNECE forest products markets – a brief overview.
- (b) Keynote - Richard Vlosky, Ph.D., Leader ToS, Forest Products Marketing:
An overview of forest products in world markets.
- (c) Timber's role in construction, civil engineering and housing.
- (d) Developments in the pulp and paper industry towards greening the sector.
- (e) Wood as a renewable energy source – market and policy issues.

Questions and discussion

18:00 End of the first day

Thursday, 13 October 2011

10:00 Timber Committee Market Discussions continue and include:

- Draft market statement
- Country market statements and forecasts
- Discussion

13:00 End of the Market Discussions

8. The first afternoon's presentations focus on the broader policy issues and market developments. The discussions that follow will be wide-ranging and can include the topics covered in the presentations as well as specific market sectors' trends and forecasts, including comparisons between 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 2011 and 2012 from the TC (forecasting) Questionnaire and the findings from the *Forest Products Annual Market Review, 2010–2011*. After the presentations, participants will be invited to discuss the trends and developments. The Market Statement will include the results of the discussions. Afterwards, all background information, forecasts, presentations and the Market Statement (in a press release) will be available on the ECE/FAO Forestry and Timber Section website.

III. Preparation of the Timber Committee market statement

9. The Market Statement is a consensus view 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 will produce forecasts for consumption,

production and trade for 2012. Following discussion, the secretariat will draft a market statement, to be issued before the end of the TC session. This statement appears in the session report and is issued as a press release. It is also available on the ECE/FAO Forestry and Timber Section website.

10. The market statement is submitted for approval by the TC during the adoption of the session report. Delegations wishing to give input to the statement are most welcome to come to the Drafting Committee meeting on Friday morning, rather than proposing substantive revisions in plenary. Any modifications from the Drafting Committee will be available in English only as there is no time for translation of changes to the draft. However, there will be simultaneous interpretation in the session.

11. 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 Drafting Committee has included delegates from : Austria, Canada, Estonia, Finland, France, Germany, Latvia, Lithuania, Netherlands, Poland, Romania, Russian Federation, Sweden, United Kingdom and United States of America. Every country is welcome to participate.

12. 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 ECE/FAO Forestry and Timber Section website. The TC Statement will also be available after the session in French and Russian with complete sector tables of national forecasts on the same 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

13. The quality of TC outputs depends heavily on the quality, timeliness and comprehensiveness of member States' contributions. Outputs from the Market Discussions include the forecasts and the market statement as well as the discussions themselves. Even if countries cannot send a delegate to the Market Discussions it is immensely helpful to receive a country market statement and quantified forecast, following the procedures described below.

A. Invitation to prepare country market statements

14. Country market statements are crucial to the success of the Market Discussions, as they ensure that all countries' market developments are available to the other delegations and the secretariat. TC national delegations are requested to work together to submit one statement per country. Please send country market statements by e-mail to the secretariat by 12 September 2011, at info.timber@unece.org, for posting on the TC/EFC website: this lets delegates, speakers and the secretariat read them in advance of the Market Discussions. The secretariat will send guidance about statement content to heads of delegations in early July and post the guidance on the ECE/FAO Forestry and Timber Section website.

B. Invitation to provide country market forecasts

15. 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, will be sent with the TC Questionnaire to help in preparing forecasts.

16. Many delegations choose to discuss their reports and forecasts with stakeholders at the national level. Forecasts are estimates at a specific date. As such, they cannot have the same quality standards as official statistics for the past.

17. Forecasts are clearly marked as estimates at a specific date. The secretariat recognizes that delegations prepare forecasts using their best judgment to provide realistic estimates, especially for the forthcoming year. It is understandable that it is sometimes easier to forecast “no change”, especially in today’s fast changing economic environment. It is unlikely, however, that any country’s markets in 2012 will be exactly the same as 2011 so *delegations are encouraged to avoid showing “no change”* as this reduces the value of the exercise and limits the success of the Market Discussions. Even for countries that cannot send a delegate, it would be deeply appreciated to receive your country statements and forecasts so that they can be shared with all delegations.

18. Please remember that the deadline for replies to the TC Questionnaire is 12 September 2011, and please do your utmost to meet this deadline. It would not be possible 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, 2010–2011

19. The *Forest Products Annual Market Review 2010–2011* will be available in electronic format in August 2011, and a printed version will be distributed just before the session. An executive summary in English, French and Russian will also be on the website.

V. Activities of the UNECE/FAO Team of Specialists on Forest Products Marketing

20. The Team will conduct its second formal meeting in 2011 at 08:00 on Wednesday morning, 12 October, i.e. before the formal opening of the Committee session. The meeting will be held in Antalya and the venue 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.

21. The Team met 15-17 June 2011 in Corvallis, Oregon, USA prior to the Forest Products Society’s 65th International Convention in Portland, Oregon, USA.

22. Team members are most welcome to all events of the joint meeting of the TC and the EFC, and are encouraged to participate in the Drafting Committee for the Market Statement on the morning of 14 October. Further information on the joint TC/EFC meeting and its events are available on the ECE/FAO Forestry and Timber Section homepage at www.unece.org/timber.