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European Forest Sector Outlook Study (Standing Forestry Committee Luxembourg)



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The UNECE Timber Committee (TC)
and the FAO European Forestry
Commission (EFC) work together to
promote sustainable forest
management in Europe, the CIS and
North America

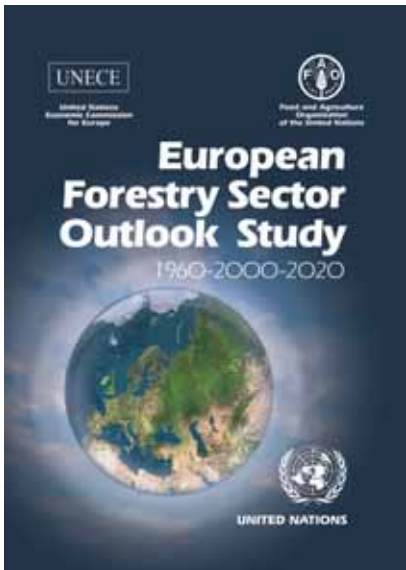

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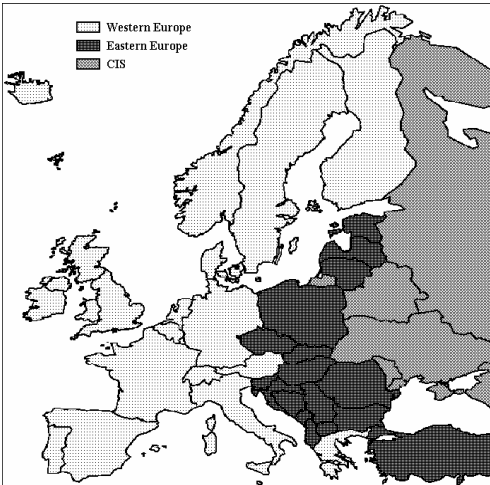
The Study

- Analyses past trends and future outlook for the supply and demand of the goods and services provided by the European forests
- Provides a more detailed analysis of the outlook for the centrally planned economies, non-wood forest products and services, forest management and policy
- Special emphasis on cross-sectoral policy linkages
- Available since March 2005
- National data sheets now available


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The EFSOS Region



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Structure of presentation

- Main past trends
- Outlook
- Issues
- Follow-up



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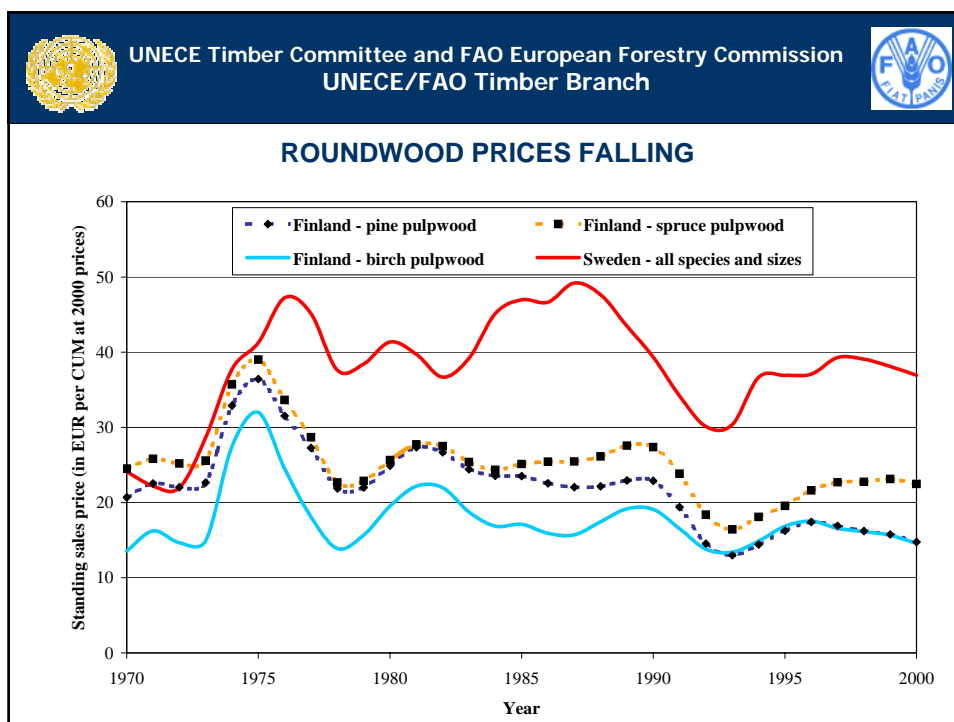
Main trends: the European Forest

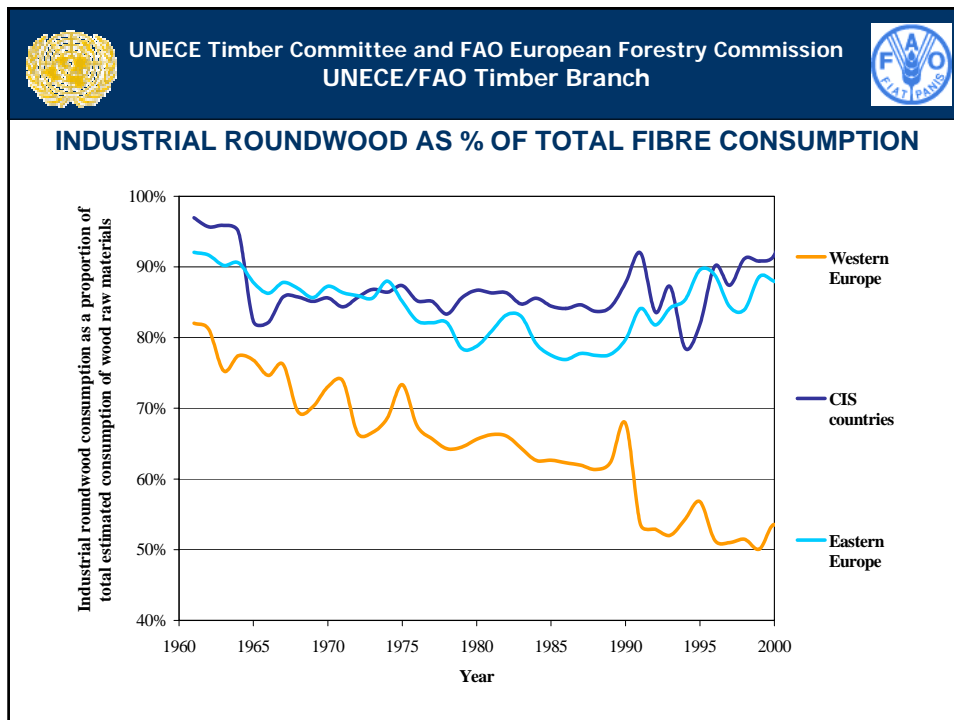
- Area expanding
- Harvest well below increment
- Growing stock constantly rising
- Plantation and forest improvement programmes
- Problems for resource mobilisation in some countries (small owners)


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Main trends: Forest products and services

- Collapse in Eastern Europe and CIS, followed by (partial) recovery
- Reconstituted panels have grown faster than sawnwood
- => more demand for small wood, recovered materials: in Western Europe, in 2000, industrial roundwood < 50% of raw material used
- Non-wood products equivalent to perhaps 10-25% of value of total forestry production, services the same
- Intensification of international trade
- Long term decline in prices





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Some other trends...

- Increased emphasis on environmental policies and sustainable development at all levels
- Changes in ways government works in the sector: pressures for efficiency and clarity etc.



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Main policies influencing the forest sector

- Greater emphasis on biodiversity and nature conservation
- Agricultural, rural and regional development policies
- Consequences of the transition process
- Globalisation, innovation and market structures
- Energy, environment, climate change

Source: Thoroe et al. (2004)



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Some rough orders of magnitude: (EUR billion, western Europe/EU)

- Value of wood production: 9.9
- Value of non-wood forest products (excl. nuts): 1.5
- Value of forest recreation: 2.6
- Incentives from the state for forestry (national + EU, including fiscal measures and grants, 11 countries): 6.0 (wood production in those countries = 7)

Source: EFSOS sections 2.10, 2.11



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OUTLOOK



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DRIVING FORCES

- Continued economic growth, but slower than in the past (2.2% p.a.)
- Convergence of living standards in west and east
- Ageing population
- 3 scenarios: baseline, "conservation", "integration"



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Main policy relevant forecasts (1)

- Recycling and residue use will continue to expand
- Renewable energy policies will increase demand for wood
- Europe's forest resource will continue to expand
- Fellings will remain below annual increment in Europe

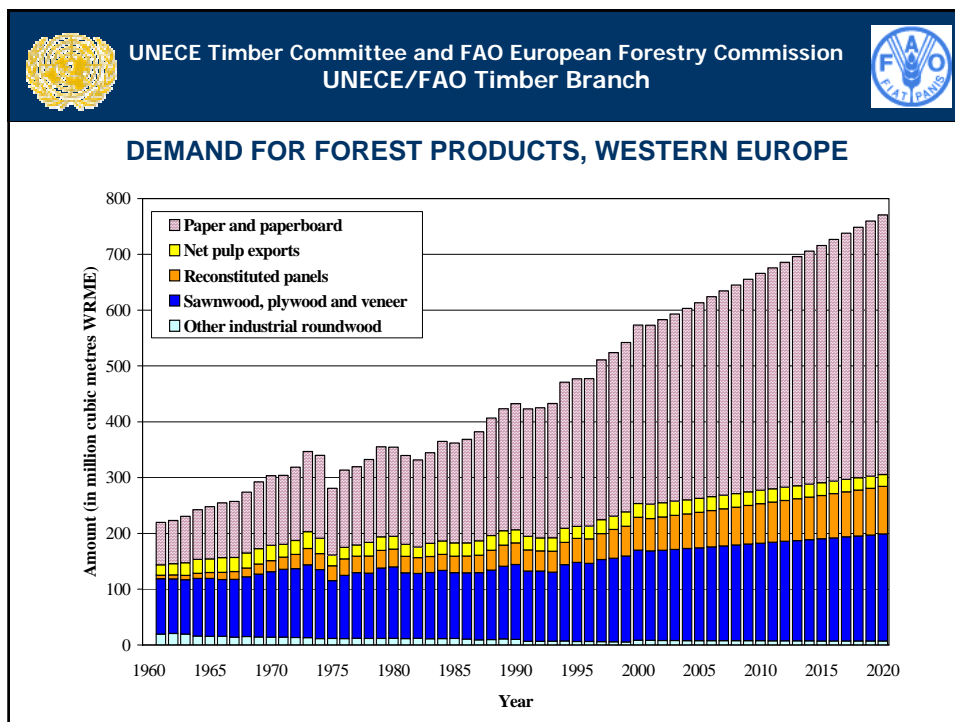
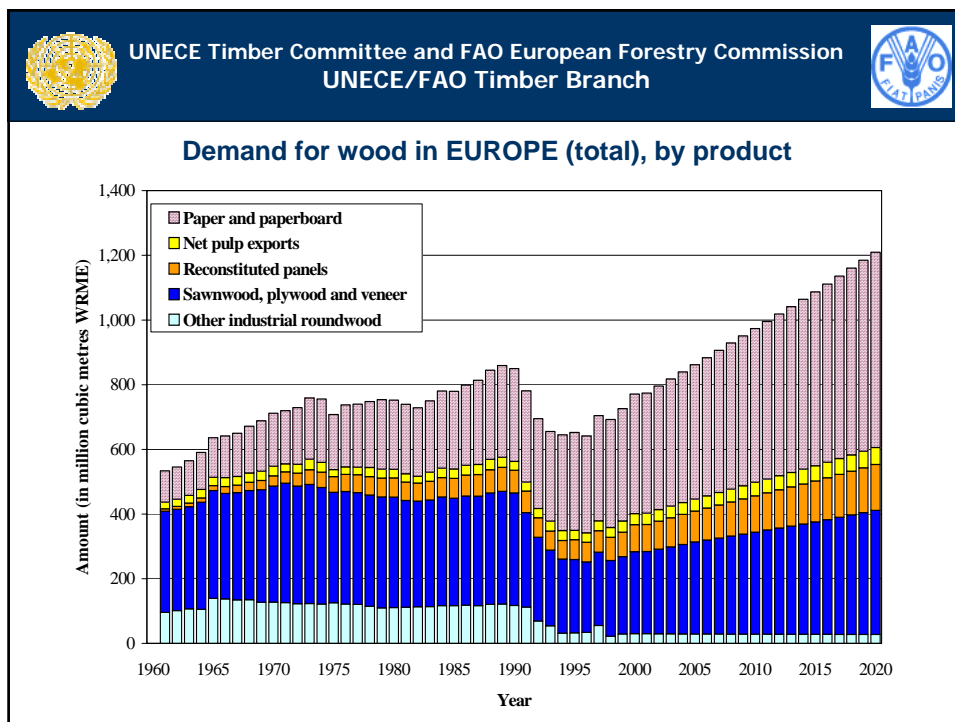


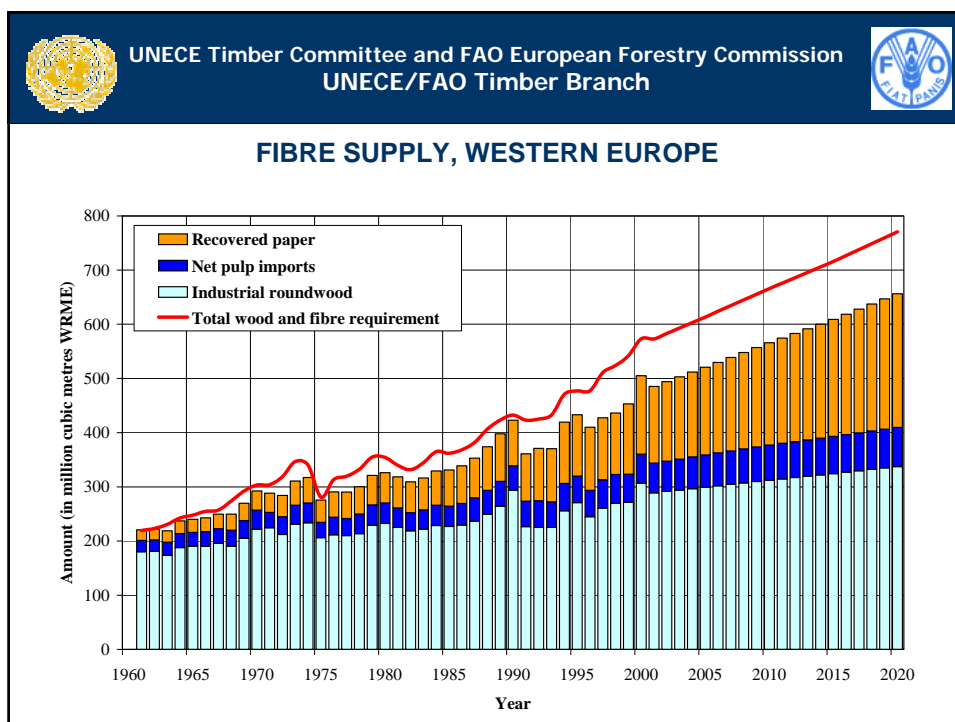
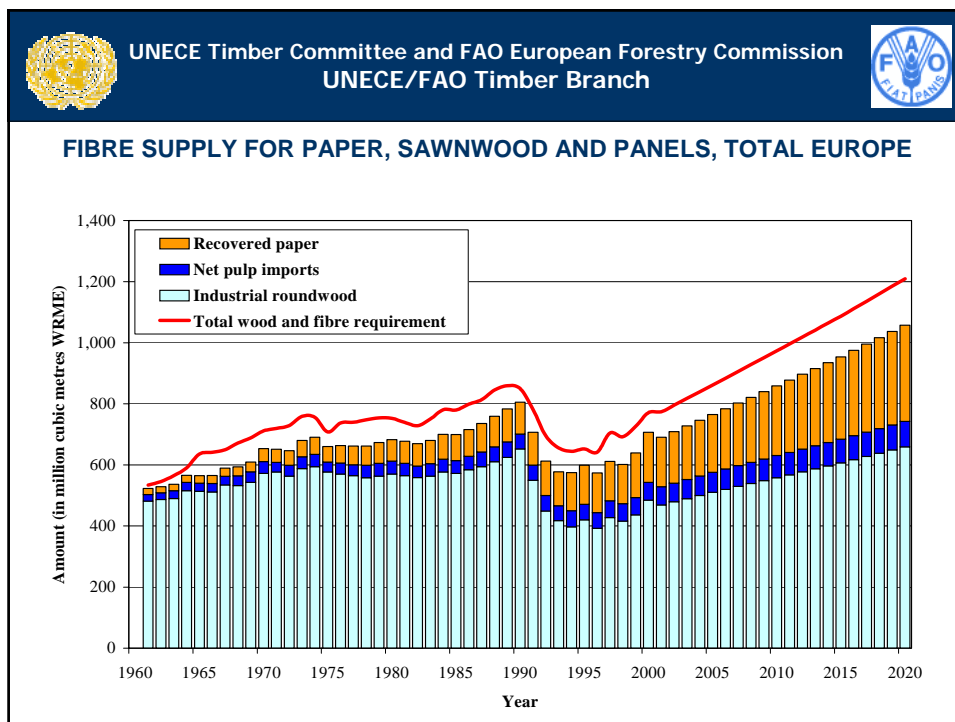
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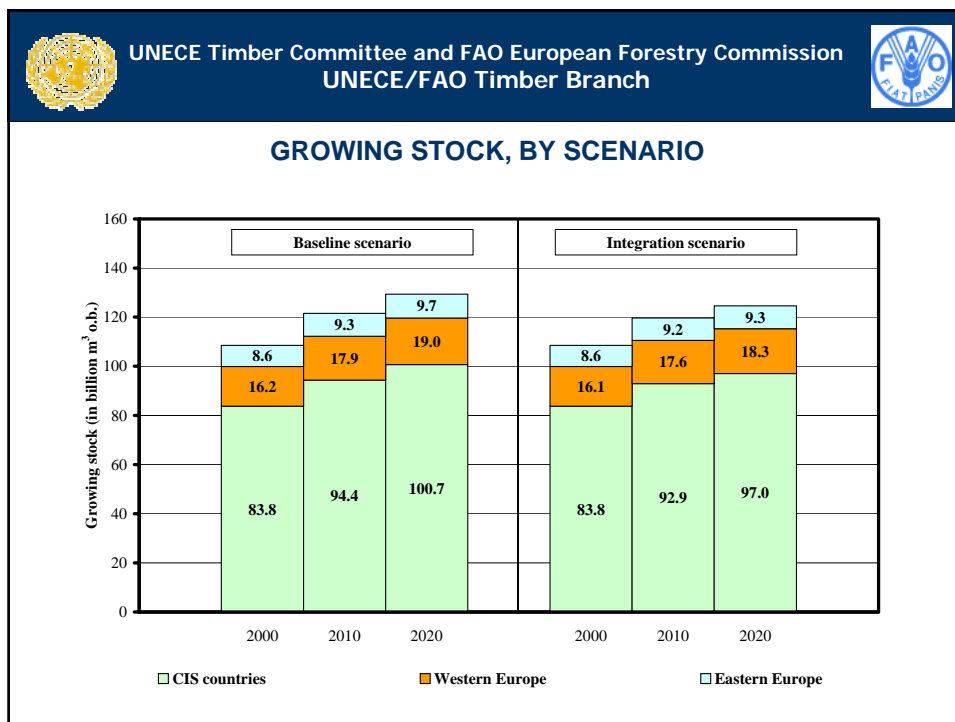
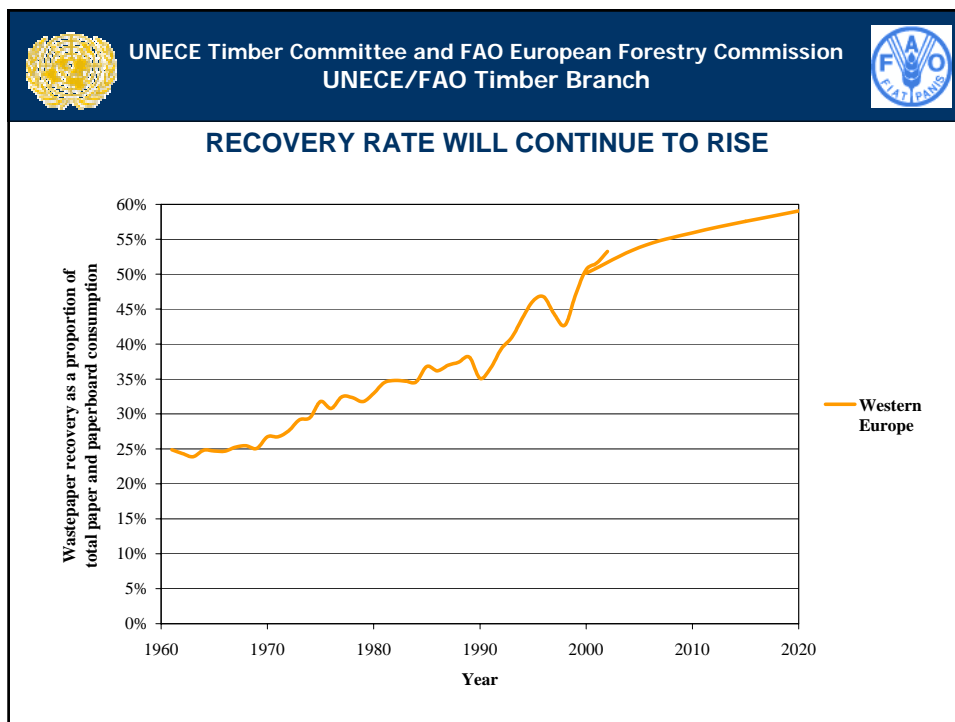


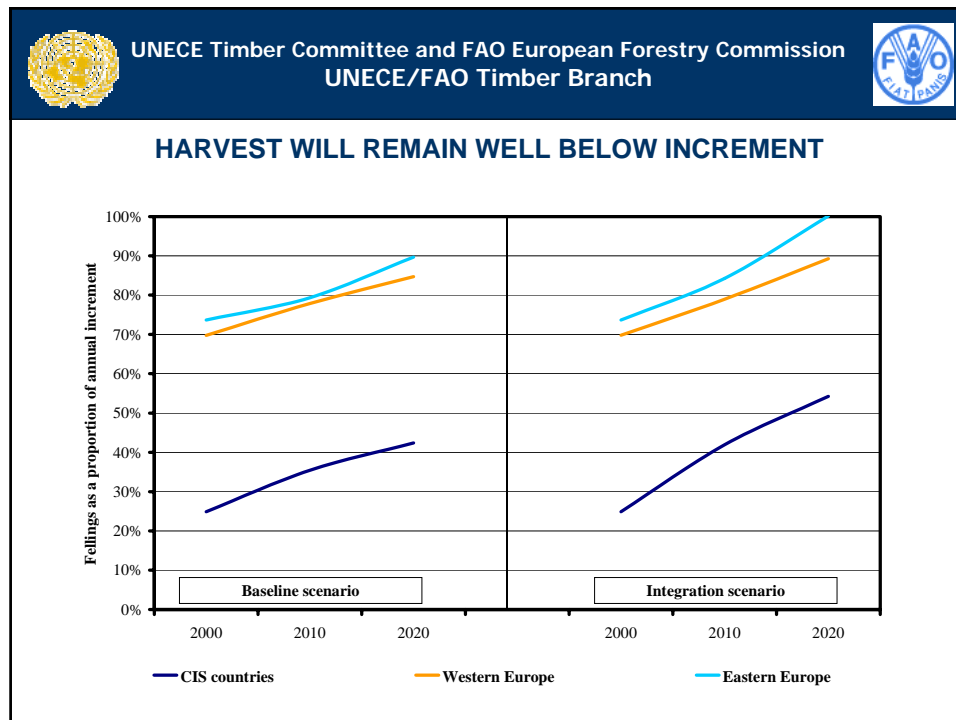
Main policy relevant forecasts (2)

- Forest products trade will intensify further
- Economic viability of forest management will remain threatened
- Forest sector institutions will continue to evolve rapidly









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Policy recommendations: general

- Necessity of a cross-sectoral approach
- Sector should be proactive on climate change issues (analysis, communication)
- Improve monitoring of SFM
- Governments work together on forest law enforcement and governance



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Policy recommendations: markets

- Stimulate sound use of wood
- Balanced implementation of wood energy policies
- Develop the region's comparative advantages



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Policy recommendations: SFM

- Improve economic viability of forest management in Europe
- Pay attention to employment and work force issues (age, lack of skills, low status)
- Control forest fires and intensify international cooperation on fires



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Policy recommendations: international cooperation

- Address threats to SFM in Balkans and CIS
- Devote policy attention to consequences of shift in balance to the east
- Share experiences on institutional change to countries in transition
- Intensify input to global level: promote European experience in SFM



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EFSOS relevance to the proposed EU Action Plan for SFM

- ✓ Competitiveness of forestry
- ✓ Valuation of social and environmental goods and services
- ✓ Climate change
- ✓ Biodiversity conservation
- ✓ Wood energy
- ✓ Information and communication
- ✓ Research, training, forest statistics, monitoring
- ✓ International dimension of these issues



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EFSOS follow up suggestions

- Stimulate EFSOS based policy discussion at national and regional levels
- Stress importance of cross-sectoral dimension, explain/discuss issues
- Improve understanding of energy outlook issues, tradeoffs
- National analysis of national projections






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EFSOS follow up dates

- Workshop on policy consequences of EFSOS, Budapest, 20-21 June 2005: for sector policy makers, based on national reports and EFSOS
- Forests – Common Benefits, Common Responsibilities, Multiple Policies, Latvia, 17-19 October, 2005: communication between sectors, a “message” for the other sectors?

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Thank you

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