

# **Minutes of the 17<sup>th</sup> Meeting of the Intersecretariat Working Group on Forest Sector Statistics (IWG)**

**28-30 January 2004  
FAO Forestry Department, Rome**

**IWG Members Present:** Steve Johnson (ITTO); Alex McCusker (UNECE); Felice Padovani (FAO); Peter Tavoularidis (EU-DG Eurostat); Kenneth Elmgren (EU-DG Enterprise).

**Opening Session Participants from FAO:** Wulf Killmann (Director, Forest Products and Economics Division); C.T.S. Nair (Chief, Forest Economics Service); Eva Borzillo (Research Assistant); Carlos D'Ricco (Statistical Clerk); Crissis Vici (Statistical Clerk) and Emma Foti (Secretary).

**Invited Speakers:** Qiang Ma (Forestry Officer, FAO); Makiko Uemoto (Forestry Officer, FAO); Miguel Trossero (Forestry Officer, FAO); Cinzia Caradini (ASSOCARTA/CEPI).

*Italicised items* are decisions that need work before next IWG – see also Annex.

## **1. Opening, adoption of the agenda and approval of 16<sup>th</sup> meeting notes**

The meeting was opened by Mr. Wulf Killmann. Mr. Killmann reviewed the history of the IWG and outlined future challenges, including the need to continue to assist countries to improve data reliability, changes in trade flows (geographical and product breakdown), and the role of statistics in monitoring illegal forest activities. Mr. C.T.S. Nair also attended the opening session and welcomed the participants.

Mr. Padovani introduced the FAO statistical team members (Ms. Eva Borzillo, Mr. Carlos D'Ricco, Mr. Crissis Vici and Ms. Emma Foti) who also attended the opening session. He reviewed the agenda and background materials as well as three invited presentations that would be made to the IWG on various topics. The agenda was adopted with Mr. Padovani agreeing to chair the meeting and Mr. Johnson to act as rapporteur. The principal purpose of the meeting was to review the JQ2003 process and the plans for 2004, in particular the new HS2002 classification. The participants introduced themselves for the benefit of Mr. Tavoularidis (attending for the first time), who briefed the IWG on the restructuring process at Eurostat and the commencement of a new Finnish secondee in forest statistics in March 2004. The minutes of the 16<sup>th</sup> IWG meeting were reviewed (particularly the list of pending activities) and approved.

## **2. JQ2003 Review**

### Number and quality of replies

The ECE had a few more replies compared to JQ2002, which was again an improvement over JQ2001. Response rates were 43/55 (40 in 2002) for JQ1, 36/55 (same as 02) for JQ2, 23 replies to both SP1 and ECE1 (18 and 20 not counting EU/EFTA in 02). The quality (number of completed cells) slightly improved over JQ2002. The impression is that “medium” countries are improving while poor ones remain the same.

Eurostat received 18/18 for JQ1 (16 in '02), 16/18 for JQ2 (12 in '02) but still experienced problems with responses to SP1.

ITTO received 49/56 replies. Data quality was variable, with difficulties in reporting tropical production and trade still observed in several countries.

FAO had about 68% of its countries reply, and was able to provide updated data for 73% of all countries in 2003. This compares favourably with previous years, although quality remains a problem in some major countries.

## Successes and Problems

ITTO noted that data exchanges generally occurred on time but data validation was not as efficient or complete as it could be. Coordination and communication should continue to be improved. ITTO queried ECE as to whether TC or JQ database figures should be used. ECE noted that TC should be most up to date, but no attempt was made to validate these figures against the JQ data. ITTO will accept TC figures if <10% deviation from database figures, otherwise will query.

FAO noted that almost 100 countries submitted the JQ in 2003. FAO also noted that unit values calculated from reported aggregate trade quantities/values seemed to be improving over time, with fewer significant outliers. An apparent spike in the global trade value of forest products in 2000 needs to be investigated and addressed. FAO urged all partners to meet data sharing deadlines and *requested ITTO to send its final data set as soon as possible*.

The ECE thanked FAO for providing data queries at the meeting in an Excel format, and for prioritizing queries in 2003 to permit correspondents to focus on most important problems. ECE also emphasized the need for improved coordination on data exchange.

Eurostat noted that responses had increased in 2003, but data quality problems remained in some cases.

## Data dissemination

FAO sent 375 copies each of the Forest Products Yearbook and FAOSTAT/CD, and also provided full access to the FAOSTAT data base on WWW to statistical correspondents and workshop attendees in 2003, in addition to some 3000 copies of the Yearbook distributed generally. *IWG partners will review the correspondent lists used by FAO and provide updated data as necessary*. FAO will next update the FAOSTAT database in February and July 2004.

Eurostat has two regular publications that include forestry statistics (Yearbook and Quarterly Bulletin of Agricultural Statistics). Statistics are also disseminated electronically via the NewCronos website. A new pocketbook on forestry is being considered, as it is offering free access to the NewCronos system.

ECE is now producing electronic versions of relevant Timber Committee Bulletins, as well as hard copies, with the trend towards fewer hard copies. The complete JQ dataset is available on the web along with publications with TC data. Most ECE publications are circulated to 800+ forestry specialists plus 200 sales copies plus 1000 to UN libraries/missions.

ITTO distributes around 1500 copies of its Annual Review in 3 languages, as well as posting downloadable versions on the web (including Excel files for all data tables). A searchable web database is being considered.

## Improving Existing Data

FAO reported the status of information available on revised categories of paper products, which has improved significantly since 1998 (when the former Printing and Writing paper and Wrapping and Packaging paper designations ceased being used). The IWG decided that when breakdowns for a given year were still missing, *the proportions for the nearest year for which breakdowns were available would be applied to totals to allow blanks to be estimated for all categories back to 1998 by July 2004*.

*Where quantity or value is missing, estimates should be made using average unit values from the country or region for nearest available year. This only needs to be done where the quantity figure exceeds 500 units (therefore denoted as at least 1000 mt or m3).*

*All partners will check negative consumption worksheets provided by FAO and provide corrections by July.*

ITTO presented several outstanding problems for several EU countries. *Countries are, as far as possible, to be reminded about these problems when the 2004 JQ is sent.* ITTO also illustrated problems in tropical estimates for EU countries and discrepancies between various data sources. *Eurostat will investigate providing access to Comext data for ITTO. ITTO will also forward problems with Korea's response to the JQ 2003 to FAO for clarification with the country correspondent.*

### **3. Forest Outlook Study in West and Central Asia (FOWECA)**

Ms. Qiang Ma and Ms. Makiko Uemoto presented the outline for the study, which will project production and consumption of forest products for 23 countries to 2020. Data is especially weak for former USSR countries. The differences between the West and Central Asian countries were noted. ECE is to collaborate with FAO in trying to establish contacts and improve data for Central Asian (former USSR) countries, including through a joint training workshop.

### **4. Plans for JQ2004**

#### Administration/Validation for 10 EU accession countries

ECE will handle these countries as usual in 2004, but *will inform the countries that Eurostat will take over from 2005. Eurostat will check responses received from the sample EU tables sent to these countries as samples with the 2003 JQ and will inform ECE within a week if it wishes these tables to be sent with the 2004 JQ. ITTO tables will be added if EU tables are, with appropriate explanation in the cover letter.* Subsequent to the meeting it was decided that EU and ITTO tables will be sent to these countries commencing in 2005.

#### Questionnaire

- Minor format changes to address labels on most sheets
- Update years
- Several changes to JQ2 Supp 1 cross reference sheet due to HS 2002 revisions (see below)
- Subsequent to the meeting, ITTO2 was revised to split the species name column into two columns to allow reporting of both Latin and local names
- *MR. PADOVANI to finalize changes to JQ and distribute to partners by March 5; partners will provide all final comments by March 15 so that final JQ 2004 can be sent to partners shortly after for dissemination as per schedule below.*

The IWG agreed to postpone any major changes to the JQ until 2005 or later, with members of each organization to be consulted regarding any such changes.

Mr. Johnson noted that Nigeria and Mexico had joined ITTO and it would therefore assume responsibility for those countries from 2004.

#### Deadlines

A slightly revised table of deadlines was discussed and agreed upon.

Agency	ECE / Eurostat	ITTO / FAO
Dispatch deadline	March 31	April 30
External deadline	May 15	August 31
Internal deadline (last day for new data additions)	June 15 / June 15-Oct 15	Sep 30 / Nov 20
Basic validation	To June 15 (as received)	To Sep 30 (as received)

Analytical validation (last day for data corrections)	June 30 / Oct 15	July 15 / Oct 30 / Nov 30
Working system upload	June 30-Oct 15 (+TC)	Oct 31

### Definitions

Slight changes to the definitions of chips and particles, wood residues, veneer sheets and sawnwood were made to clarify these and/or to bring these closer in line with definitions used in the HS. Self-references in the “It includes” sections of definitions will be eliminated. *ECE will send several editorial corrections to Mr. Johnson by Feb. 6. Mr. Johnson will finalize English version of definitions for 2004 JQ by the middle of Feb. and forward to Mr. Tavoularidis and Mr. Padovani with all changes marked. Mr. Tavoularidis will arrange translation of changes and finalize French and Spanish versions to be sent to Mr. Padovani for JQ 2004 finalization by the end of February.*

*A schematic diagram of the wood chain plus the ECE JQ user-manual will be distributed to all partners by ECE by mid-February, for review and possible inclusion with JQ 2004. The possibility of a training video (including illustrations of product and aggregate definitions) will be investigated.*

*Messrs Felice Padovani, Alex McCusker and Kenneth Elmgren will liaise to revise the conversion factor table and circulate to partners by the end of February, to attempt to structure it more closely to the JQ and provide required factors.*

### **5. Revising cross references and definitions as per HS 2002**

The 2004 versions of JQ2 Supp1 and SP1 Supp1 show the new cross-references between JQ products, HS 96, HS 02 and SITC Rev 3. No changes were made to cross references for Chapters 44, 47, 49 or 94 of the HS, except to add “ex” to 4412.22 under HS 96. The IWG attempted to keep the product codes as simple as possible and avoid “ex” categories, especially in the Paper categories (Chapter 48) where the most significant changes had occurred in the HS. This means that there may not be a 1:1 correspondence with what paper associations like CEPI (for example) may be classifying under a given category, but was considered the only way to ensure international compatibility in reporting and understanding of paper statistics. It may also lead to a break in series with HS96 data and difficulties in apparent consumption statistics as production and trade data may have somewhat different interpretations. Series breaks and other potential problems should be highlighted to users of the statistics.

### **6. Meetings Relevant to the IWG**

- 2003: Eurostat – Working Group on Forest Statistics (Nov. 7)  
 UNECE – FAO/ECE Working party on Forest Economics and Statistics (Feb.)  
 FAO – UNFF3 (May)  
 ITTO – CPF Task Force on Streamlining Forest Reporting (Feb., Nov.)
- 2004: Eurostat – Working Group on Forest Statistics (Nov. 30)  
 UNECE – FAO/ECE Working party on Forest Economics and Statistics (Mar. 15-17)  
 FAO – 2 workshops for FOWECA countries  
 ITTO – CPF Task Force on Streamlining Forest Reporting (Mar. 29-30)

### **7. Other Business**

#### Wood fuel

Mr. Miguel Trossero (FAO) made a presentation on “Approach for a Unified Wood fuel and Wood Energy Terminology”. He noted problems with vague definitions, poor data on supply/demand and large differences between published data sources on wood fuel. He

presented details of an FAO project designed to address these problems. The IWG discussed the presentation and noted the importance of this topic. Mr. *Tavoularidis will investigate reporting on industrial wood energy use in EU countries prior to the next IWG meeting.*

#### Distribution of Approved IWG Minutes

Partners will distribute approved meeting minutes as they deem appropriate, including via the web. *This policy will be reviewed at future meetings* based on feedback from those accessing the minutes.

#### Discussion with Assocarta/CEPI Representative

The IWG presented its proposed changes to the HS codes to be included under the various paper categories included in the JQ, based on the revised HS2002, to Ms. Cinzia Caradini (representative of Assocarta/CEPI). Following several questions from IWG members, Ms. Caradini agreed to provide breakdowns of Italian paper trade to Mr. Padovani for the IWG to analyze at its next meeting. She also agreed to provide Mr. Padovani with contact details for a UK CEPI member who was an expert on how CEPI handles data aggregation into the JQ categories when dealing with other countries/regions that do not use the EU CN system of customs classification. *This information will be reviewed at the next IWG meeting.*

Ms. Caradini reported that a revision to the 8-digit EU CN system for paper products was underway in 2004 and that CEPI was a major participant in the deliberations. She confirmed that a main trend in the paper industry is the increasing quantity of graphic paper produced in smaller sizes rather than large rolls, which gave rise to many of the changes in Chapter 48 of the HS 2002.

#### Breakdown of Fibreboard

The IWG considered a request from a data user to break fibreboard statistics down into wet and dry process categories. Since no such breakdown exists in the HS 2002, the IWG decided not to further consider such a breakdown.

#### Veneer/Plywood Breakdown (C/NC) in DOT

Mr. Johnson noted the problems that arose when trying to estimate tropical plywood trade from countries that produce both coniferous and non-coniferous plywood. He further noted that only a few tropical countries fell into this category, and that it was unlikely that they or the developed countries that export tropical plywood would provide useful data even if the DOT categories were broken down. The IWG decided not to consider this further, but left the option open for future consideration based on changes in trade patterns.

#### Combining EU3, ECE1 and ITTO2

*The IWG deferred consideration of combining the various tables requesting species breakdowns until its next meeting.*

#### DG Enterprise proposals

Mr. Elmgren presented the list of proposals and noted that several (wood fuel, SPWP production values, Chapter 48 revisions, wood recycling, prefilled Comext data, conversion factors and deadlines) had already been dealt with or were being dealt with by the IWG.

On the issue of wood fuel, Mr. Elmgren noted the new market for incineration pellets of wood in some EU countries. He also expressed interest in household fuelwood use and the use of other forest biomass and by-products as fuel. *Mr. Tavoularidis is to investigate the possibility of obtaining EU data on these issues by the next meeting.*

A proposal was also made to split the Coated Paper category into mechanical and wood free categories (as for Uncoated). *Mr. Elmgren is to provide the latest data available for these breakdowns of Coated Paper by the next meeting* for the IWG to consider.

DG Enterprise is interested in the quantities of recycled paper actually being collected and consumed in countries (currently only trade data collected in JQ). *Mr. Padovani will present the latest FAO Waste Paper Survey to the IWG at its next meeting*.

On employment statistics for the wood industry, *Mr. Tavoularidis will check availability for EU countries by the next meeting, while Mr. McCusker will contact UNIDO and the ILO to seek data and possibly invite their representative(s) to brief the IWG at a future meeting*.

*Mr. Tavoularidis will determine if statistics on production/trade of Eucalyptus species are available for EU countries, particularly Spain and Portugal.*

*Eurostat is to publish data from the JQ on OSB and pre-fabricated buildings.*

#### Status of Pending Activities

The table below shows activities pending as of the 16<sup>th</sup> IWG with their current status:

<u>Nbr</u>	<u>Mtg</u>	<u>Responsible</u>	<u>Action to take</u>	<u>Status</u>
1	15 <sup>th</sup>	All	Verify HS/SITC definitions with JQ	On-going
2	16 <sup>th</sup>	DG Enterprise	Produce a more detailed proposal on including recycling in the JQ for next meeting.	On-going
3	16 <sup>th</sup>	ECE	Review existing sources of fuelwood information and distribute to IWG.	Done
4	16 <sup>th</sup>	ECE/all	Provide a definition of value of production, each organization will check with a representative sample of its countries to determine if they can supply such information.	On-going
5	15 <sup>th</sup>	ECE/Eurostat	Quantify needs and identify projects to get resources	Done
6	16 <sup>th</sup>	ECE/Eurostat	Send EU1 and 2 questionnaires (clearly labelled "samples") to candidate countries	Done
7	15 <sup>th</sup>	Eurostat	Analyze national conversion factors listed in EFI study and compare to FAO standard	Done
8	15 <sup>th</sup>	FAO	Harmonize conversion factor sheet with JQ products	On-going
9	15 <sup>th</sup>	ITTO	Provide more information on need for C/NC breakdown on DOT.	Done
10	16 <sup>th</sup>	ITTO	Send copy of disks of HS96 and HS2002 to IWG partners	Done

Activities marked "On-going" are included in the table in the Annex incorporating any amendments decided by the IWG at this meeting.

#### Other

ITTO noted that its new logo should be used on the JQ and that this had been sent to Mr. Padovani.

The IWG noted the desirability of harmonizing database systems between partners as far as possible. ITTO noted that its database system was still under development and that an ITTO staff member would likely visit partner organizations in 2004 to study their database systems.

#### Next meeting of IWG

It was proposed that the next meeting of the IWG should take place in early 2005 (late January/early February). In addition to the regular agenda items reviewing the JQ process, the on-going items listed in the Annex table below should be included in the agenda for discussion/consideration at the 18<sup>th</sup> IWG meeting.

## Annex – List of decisions/activities (sorted by organization) requiring further action

<u>Nbr</u>	<u>Mtg</u>	<u>Responsible</u>	<u>Action to take</u>	<u>Deadline</u>
1	17 <sup>th</sup>	All	Provide comments on draft JQ 2004	March 15 2004
2	17 <sup>th</sup>	All	Review correspondent list to be sent by FAO	March 31 2004
3	17 <sup>th</sup>	All	Alert correspondents to pending data problems with JQ 2003 responses when JQ 2004 is sent	JQ dispatch deadlines
4	17 <sup>th</sup>	All/FAO	Fill blanks in paper data back to 1998, fill missing quantity/value data, check negative consumption	July 31 2004
5	17 <sup>th</sup>	All	Investigate training video	18 <sup>th</sup> IWG
6	17 <sup>th</sup>	All	Review information received from CEPI	18 <sup>th</sup> IWG
7	17 <sup>th</sup>	All	Consider combining EU3, ECE1 and ITTO2	18 <sup>th</sup> IWG
8	15 <sup>th</sup>	All	Verify HS/SITC definitions with JQ	18 <sup>th</sup> IWG/ongoing
9	17 <sup>th</sup>	All	Review distribution of IWG minutes	18 <sup>th</sup> IWG/ongoing
10	16 <sup>th</sup>	DG Enterprise	Produce a more detailed proposal on including recycling in the JQ for next meeting.	18 <sup>th</sup> IWG
11	17 <sup>th</sup>	DG Enterprise	Provide breakdown of mechanical and woodfree Coated Paper	18 <sup>th</sup> IWG
12	17 <sup>th</sup>	ECE	Send revised definitions to ITTO	Feb. 6 2004
13	17 <sup>th</sup>	ECE	Send wood-chain diagram and JQ manual to all	Feb. 16 2004
14	17 <sup>th</sup>	ECE	Advise EU 10 that Eurostat takes over in 2005	March 31 2004
15	17 <sup>th</sup>	ECE	Contact UNIDO and ILO re: employment data	18 <sup>th</sup> IWG
16	16 <sup>th</sup>	ECE	Provide definition of value of production; check correspondence between ISIC and SP1 product categories; provide examples of production values and value-added data	18 <sup>th</sup> IWG
17	17 <sup>th</sup>	Eurostat	Analyze sample responses to EU tables by EU 10 and advise ECE if EU/ITTO tables to be sent with JQ 2004	Feb. 13 2004
18	17 <sup>th</sup>	Eurostat	Translate definition changes to F/S, send FAO	March 1 2004
19	17 <sup>th</sup>	Eurostat	Investigate Comext access for ITTO	March 31 2004
20	17 <sup>th</sup>	Eurostat	Investigate woodfuel reporting in EU	18 <sup>th</sup> IWG
21	17 <sup>th</sup>	Eurostat	Investigate employment reporting in EU	18 <sup>th</sup> IWG
22	17 <sup>th</sup>	Eurostat	Investigate Eucalyptus data	18 <sup>th</sup> IWG
23	17 <sup>th</sup>	Eurostat	Publish OSB and prefabricated house data	18 <sup>th</sup> IWG
24	15 <sup>th</sup>	FAO/ECE/ DG Enterprise	Harmonize conversion factor sheet with JQ products	March 1 2004
25	17 <sup>th</sup>	FAO	Check Korea JQ 2003 response (ITTO query)	March 1 2004
26	17 <sup>th</sup>	FAO	Finalize draft JQ 2004	March 5 2004
27	17 <sup>th</sup>	FAO	Present Wastepaper Survey report	18 <sup>th</sup> IWG
28	17 <sup>th</sup>	ITTO	Send final English definitions to Eurostat/FAO	Feb. 16 2004
29	17 <sup>th</sup>	ITTO	Send final ITTO data set to FAO.	March 31 2004