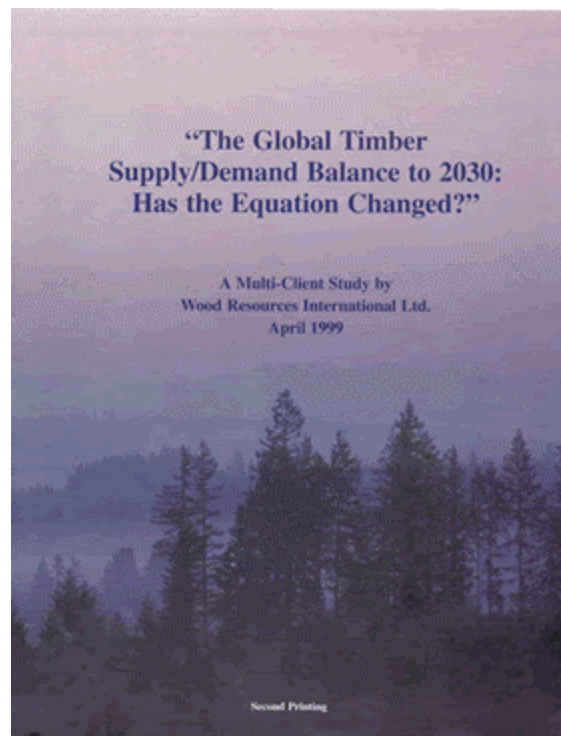


Multi-Client Studies

"The Global Timber Supply/Demand Balance to 2030: Has the Equation Changed?"

Completed October 1998, Revised April 1999



Purpose

Since the early 1990's, several studies projecting the world's timber supply and demand have forecasted a pending shortage or deficit of timber early in the next century, as industrial roundwood demand overtakes sustainable supply. Since the cyclical timber crunch of 1995, however, prices for most forest products have remain depressed, operating rates have been relatively low, and many regions of the world have been virtually awash in wood.

Since these studies were done, supply has been bolstered by reduced deforestation, expanded plantation resources, increasing yields, and the expanded use of alternative fiber resources. In the last 12 months, Asian demand has been stifled by economic restructuring, and a general slowdown in global economic growth is on the horizon.

The purpose of this multi-client study is to reevaluate the basic assumptions of global timber supply and demand forecasts in light of these developments, and provide an updated outlook for global and regional timber supply and demand balances over a 1997-2030 forecast period. The report goes on to discuss the implications of our new forecasts on trade, investment, and trends in timber prices, and product substitution.

I. Executive Summary

II. 1997 Timber Supply Assessment (For each study region)

- A. Land and Forest Area
- B. Estimate of Productive Closed Non-Reserved Forests (conifer, non-conifer)
- C. Estimate of Short and Medium Rotation Plantations (conifer, non-conifer, fiber, fuelwood)
- D. Estimate of Average Net Annual Growth Rate by Forest Type (m³/ha/year)
- E. Estimate of 1997 Biological Supply by Forest Type and Species Group
- F. Estimate of 1997 Probable Supply by Forest Type and Species Group

III. 1997 Industrial Timber Demand Assessment (For each study region)

- A. Production of Major Solid Wood Products (sawnwood, plywood, particleboard, OSB, MDF)
- B. Production of Wood Pulp (chemical, mechanical, semi-chemical, dissolving)
- C. Net Trade of Major Forest Products
- D. Derived Consumption of Major Forest Products
- E. Population and GDP Estimates
- F. Derived Industrial Roundwood Demand Estimates (conifer, non-conifer)

IV. 1997 Base Year Wood Source and Use Balances

- A. For Each Study Region
 - 1. Source of Industrial Roundwood (domestic, imported)
 - 2. Use of Industrial Roundwood by Major Product Area (derived from production)

3. Use of Wood Residuals by Major Product Area
4. Use of Wood for Fuelwood, and Estimates of Industrial Roundwood Component
5. Industrial Roundwood and Wood Chip Trade Balances

B. Global Summaries

1. Use of Industrial Roundwood by Major Product Area
2. Use of Wood Residues by Major Product Area
3. Use of Wood for Fuelwood

V. Forecast of Biological and Probable Timber Supply (1997-2010-2020-2030 - for each study region)

- A. Changes in Plantation and Non-Plantation Forest Areas by Species Group
- B. Changes in Yields and Probable Roundwood Supply by Species Group
- C. Sensitivity Analysis Around Environmental Set-Asides, Afforestation Rates, and Yields

VI. Forecast of Industrial Roundwood Demand (1997-2010-2020-2030 - for each study region)

- A. Overall Forecast of GDP and Population Growth
- B. Overall Forecasts of Per Capita Forest Product Consumption Levels
- C. Changes in Demand for Solid Wood Products
- D. Changes in Demand for Wood Pulp
- E. Forecast of Industrial Roundwood Demand by Species Group Under Various Trade Scenarios
- F. Outlook for Fuelwood Demand
- G. Sensitivity Analysis Around Economic Growth and Non-Wood Product Substitution

VII. Global and Regional Supply/Demand Balances (1997-2010-2020-2030)

- A. Biological & Probable Supply and Industrial Roundwood Demand Balances by Species Group

B. Implications of Forecasts on:

1. Trade of Raw Material and Primary Forest Products (logs, woodchips, lumber, pulp)
2. Investment in Primary Forest Product Manufacturing
3. Timber Price Trends and Plantation Economics
4. Non-Wood Product Substitution Trends
5. Structure of the Global Forest Product Industry

Study Cost and Availability

The subscription cost to this multi-client study has been reduced to US\$ 2,000, which will include 3 copies of the final report. Additional copies will be available to subscribers for a fee of US\$ 150. An invoice, payable within 30 days, will be sent with the report. The study was published in October 1998 and revised in April 1999, it is available now.