

EUROPEAN TIMBER TRENDS AND PROSPECTS

A Study.

Prepared jointly by the Secretariats of the Food and Agricultural Organisation of the United Nations and the United Nations' Economic Commission for Europe.

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THIS is one of the most important publications that has appeared since the end of the war. The aim of the publication is to help governments and individuals to appraise their forestry programmes and problems more accurately than in the past. This study must surely arouse apprehension in those who are concerned with the growing and marketing of timber. For many it will mean an awakening from a delightful forestry daydream, in which the forester revelled as a much courted producer of goods for which a host of suitors sought. The boom is over in timber as in many other commodities. We have now a buyer's market once more and fears are general that forestry products will be in surplus supply.

The study surveys the whole field of forest marketing, consumption and supply and for the first time produces a picture which is both disturbing and reassuring at the same time.

"The study underlines the continuing importance of wood in various forms in the European economy and shows that consumption of industrial wood tends to rise. Production, on the other hand, tends to remain stable. Since there is little prospect of a substantial increase in overseas imports of timber, serious difficulties must be expected by 1960, unless a change in production policies is adopted without delay and European timber output is raised both in the short term and the long term."

For the purpose of estimating Europe's wood requirement and production by 1960, the study makes two alternative assumptions, the first, that gross European production would rise by 50 per cent. during the present decade, and the second that it would rise by only 20 per cent.

The study reveals that whether Europe's economic growth is rapid or slow, wood production under present policies and prospective import supplies will be insufficient to achieve equilibrium, and the balance could be restored only through a rise in relative timber prices.

The most important conclusion of the study is that if timber consumption does not rise in line with, although not necessarily at the same rate as, gross European production, then it is likely to fall, and the fall may not be a relative one, as measured in terms of consumption per

unit of output or per head of population; it may in due course, through the loss of markets to other materials, become an absolute decline. There exists already definite danger signs.

Part I of the study deals with consumption.

Among the factors influencing wood consumption in any country are the degree of its economic development (highly industrialised countries tend to consume more industrial wood per head) the availability and the technical possibility, of using substitute materials such as steel for saw timber in general construction, and stone, bricks and cement, in housing.

The picture of stability or slight decline in the consumption of wood in Europe is shown by the figures for all wood and industrial wood (roundwood equivalent).

	1913	1950
Cu. metres of Total wood (Roundwood equiv.) per head83	.77
Cu. metres of Industrial wood (Roundwood equiv.) per head	.41	.41

Ireland's consumption of industrial wood based on 1935-38 figures is given as .31 cubic metres roundwood equivalent per head.

The tables given in each chapter are most interesting and repay study. Table 1/5 shows that sawn softwoods account for 43% of the industrial wood consumed in Europe in 1950.

In Chapter II tables show the use of wood in housing in Europe and reveal a steady decline in the use of saw timber due to substitution by other materials, mainly steel, concrete and glass, but also other forest products, such as wall board and laminated board. It is this decline in the traditional uses of timber which has aroused the concern of the timber trade. The study reveals that this relative decline in the use of saw timber for house building has gone as far as it is likely to go in most countries and that the fall in consumption to date has been largely due to the very considerable rise in the price of timber relatively to those of cement and structural steel. Whether timber will hold its own, regain some lost ground or decline further depends among other things on the price of timber and competing materials. This is what one would expect. One wonders if the timber trade lost sight of this basic economic factor during recent years. That timber prices have soared in recent years is due as much to controls and price fixing by the trade as to shortage in supply. The boom is now over and the trade is worried at the loss in business. Foresters who might be inclined to say, "serves them right" should pause and reflect that the timber trade is the life blood of forestry and its well-being a matter of vital concern to the future of all concerned with timber growing.

The influence of the "drift from the land" is also analysed. There appears to be a close dependence of the rural use of wood on agricultural prosperity.

The consumption of wood in mining is dealt with in Chapter VI. While it might appear that this form of use is of little importance to this country where the prospects for mining are not bright, it is true to say that the pitwood market has been a very great asset to the industry in the past and should not be overlooked in the future.

The study runs right through the whole gamut of utilization, in transport, in packaging, textiles, paper, woodworking and finally sums up the prospects for 1960. Table XII/3 is well worth studying in that it gives an indication of the probable trends in wood use in the coming years. The big increases foreshadowed are mainly in the field of what might be broadly termed the pulpwood category. Consumption of paper and paper board is expected to rise by 65% to 113% as compared to a 23% rise in sawn timber.

Chapters XIX and XXVII provide much food for thought. These chapters reveal the dependence of the forest industries on the general economic position. Further they show up many of the weaknesses of the present position of the forests of Europe. First and foremost it appears that "the general belief that construction in general and housing in particular, is the key-index of the continent's wood needs is becoming less valid." The most striking change is the increase expected in the consumption of pulp products.

A matter of serious concern to Irish forestry is the revelation that Europe's annual timber producing capacity has been reduced by 31 million cubic metres as a result of loss of forest areas to Russia, excessive war-time fellings in Germany and unsatisfactory age distribution in Northern Europe. Under present programmes and at unchanged prices, Europe's output of industrial wood in 1960 is likely to be 50 to 80 million cubic metres less than requirements. If this situation, which, according to the study, is avoidable, is allowed to materialise it will have serious consequences for European economic recovery and also for the forest owner. In ten to twenty years time the output from European forests is expected to rise sharply again. If by that time the substitution of other materials for wood has been pushed too far, these additional supplies may fail to find a market.

This last conclusion is of vital significance to us here. Any contribution now by way of increase in mill capacity, in the fields of pulp and paper here in Ireland would be a very material help to European economy. This increase in pulp mill capacity would stimulate supplies here enormously during the next 10 years. If these pulpmills fail to materialise, not alone will we have missed a golden opportunity of getting established in the most important field of forestry utilization open to us but we will be contributing to a situation where by 1970 or so, with a vastly increased supply of material, we may find ourselves without a market for the products of our forests.