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Faster rise in forest products trade

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TRADE in forest products worldwide is increasing faster than general trade but is more sensitive to periods of economic difficulties.

Jim Douglas and Juergen Blaser from the World Bank said this when presenting their paper entitled "Global Economic Trends and Implications to the International Timber Market" at the International Timber Conference '98.

The three-day conference was opened by Prime Minister Datuk Seri Dr Mahathir Mohamad in Kuala Lumpur yesterday.

Douglas said the economic downturn in Asia was the biggest challenge faced by the timber trade industry as it had resulted in a substantial slowdown in exports. This had resulted in a net decline in economic growth in the Northeast Asian timber market as a whole.

He said that the World Bank and others in the international community with an interest in the industry should work together in implementing workable solutions.

A number of approaches could be taken in this direction, one of which being that governments should value forest resources and manage them accordingly.

Another approach would be for international agencies, non-governmental organisations and other interest groups to apply their influence and gain access to economic decision makers.

He also urged the international private forestry sector to take up the role of the corporate citizen and work with companies in forest-rich developing countries on operational and market-based sustainability.

Another paper presented was by Dr I.J. Bourke from the Food and Agriculture Organisation entitled "Prospects and Challenges in the Supply and Demand of Timber in the Global Market". He said demand for world production of tropical timber had increased and continued growth in global consumption was expected.

To complement this, he said, increased trade would be needed to compensate for shortfalls in specific countries.

He said that two factors likely to influence trade in timber markets were moves to liberalise trade, and environmental pressures.

He said that many factors would continue to influence the timber industry and it would be essential to continue to keep up with technological challenges, identify market requirements and develop suitable market strategies.

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