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STUDY OF LATIN AMERICAN TIMBER TRENDS AND PROSPECTS

Note by the Executive Secretary

The forest wealth of Latin America is immense; the region, with only 8 per cent of the world's population, possesses 23 per cent of the world's forest area. But this wealth is insufficiently developed and hence Latin America is today a net importer of forest products, particularly pulp and paper. Net imports of pulp and paper in 1955 represented an outflow of 215 million dollars. From the point of view of raw material requirements, the net volume of imports of all forest products, in terms of round-wood equivalent, was more than 4 million cubic metres.^{1/}

ECLA, in co-operation with FAO and TAA, has paid close attention to pulp and paper problems, which have constituted a serious obstacle in this region. Nevertheless, the rate of general economic development visualized for Latin America in the near future will necessitate not only new supplies of pulp and paper, but also vastly increased supplies for housing and other construction, packing, communications, the wood-working industries, etc. The anticipated growth of these activities will call for increased amounts of sawn goods, railway ties, telephone poles, fibre building board, plywood and so forth.

The problems created by the increasing demand are manifold and the key questions requiring an answer include the following:

1. How fast are Latin America's timber requirements likely to grow?
2. How extensive are existing resources?
3. What new resources must be exploited or created to satisfy the increasing demand?
4. Are the proposed forest industry developments compatible with general economic programmes?
5. Do the region's resources, if developed indicate favourable export possibilities?
6. What opportunities are there for intra-regional specialization and trade?

The suggested study for tackling these problems involves a joint effort by ECLA and FAO. The secretariat believes that this study would have a direct impact on many aspects of ECLA's current work programme and

^{1/} Yearbook of Forest Products Statistics, 1957.

may well furnish answers to many important questions confronting member Governments. It should provide information which will afford Governments and other interested parties a basis for formulating economic development policies and, more specifically:

- (a) Indicate possibilities for the medium- and long-term development of primary and secondary forest products industries;
- (b) Indicate priorities for the development of forest resources;
- (c) Indicate possibilities for regional specialization and co-ordination;
- (d) Indicate priorities for developing communications;
- (e) Indicate trade prospects; and
- (f) Contribute to the rapid and over-all improvement of forestry and forest products statistics.

Moreover, the study on Latin American timber trends would be a link in the chain of similar studies ^{2/} which would, when completed and integrated, present, for the first time, a comprehensive picture of world forest resources in relation to timber needs.

The total cost of the project would be borne in approximately equal proportions by ECLA and FAO. The FAO Conference already approved the project in November 1957 and appropriated the funds necessary for FAO's share. So far as ECLA's share is concerned, the secretariat estimates that the following additional resources would be required for the years 1960 and 1961 in order to complete this project:

	<u>Dollars</u>
(i) Two professional officers (P5 and P4), for 12 months each, including recruitment and common staff costs	24,500
(ii) Two General Services staff members and one additional computer	8,000

^{2/} European Timber Trends and Prospects, (United Nations publication, Sales N° 1953.II.E.3) prepared jointly by FAO and ECE; the study of the trends in the Far Eastern region, carried out jointly by FAO and ECAFE; and the Stanford report on North American timber trends.

(iii) Travel in the region for the two professional officers and other ECLA staff members assisting in the study	6,000
(iv) Consultants on special problems, and contingencies	4,000
(v) Printing costs	3,500
<u>Total</u>	<u>46,000</u>

Of this total, it is estimated that 21,000 dollars would be needed in 1960 and 25,000 in 1961.

In view of the importance of the proposed study, the Commission adopted resolution 133 (VII) at its seventh session, held at La Paz in 1957, the operative part of which reads as follows:

"The Economic Commission for Latin America,

"Declares that it is a matter of urgency to proceed with the most detailed study possible of the trends and prospects for the production and consumption of timber and forest products in Latin America; and

"Decide

"1. To request the secretariat to contact FAO with a view to undertaking such a study in close co-operation with that organization, and to concentrate on the immediate and medium-term aspects, while taking into due account the contemplated long-term projections, the need of which the Commission fully recognizes.

"2. To recommend to the Governments: (a) that they immediately take all appropriate steps to improve information on their forest resources as well as statistics on forest products, utilizing, where necessary, the Technical Assistance Administration, the Food and Agriculture Organization and other bodies; (b) that they collaborate to the greatest possible extent in providing their specialized financial, economic, industrial, agricultural and forestry services for the purposes of this study."