

thousands of people employed in the forest products industries of very different countries. Under the new system of incentives for external economic activity which is beginning to take hold in our country, the state of the external markets has also become important to Soviet enterprises producing for export.

Usually, the first basic estimates of the coming season in Western Europe, which continues to be the leading foreign market for sales of our forest products, are roughed out at two major annual forums: one is a session of the EEC's Forest Products Committee, in which representatives of the European countries, the USA and Canada take part; the other - a special conference of traditional exporters and importers of sawn coniferous timber. The summated data on production, consumption and external trade in individual wood products which are presented at these conferences by the individual national delegations also serve as a starting point for estimates of the state of the European and even the world market in the coming year.

Forecasts of the development of the overall economic situation serve as source material for analysing the future state of the timber market. Most foreign economists are in agreement that in 1989 there will very likely be a slowing of the economic development of the leading foreign countries and of the capitalist world as a whole. Preliminary data indicate that, whereas in 1988 economic growth rates in the industrially developed capitalist countries will be close to four per cent, in 1989 they will decline to between 2.8 and 3 per cent. They anticipate that this drop will have a specially severe impact on building activity - the leading area of consumption of the main types of forest products. During the last three to four years, in foreign countries this sector of the economy has been experiencing a boom, with the result that consumption of forest products has increased. However, in countries such as the USA, Canada and the Netherlands, the building indices, and hence the demand for forest products have begun to fall.

An alternation of rises and falls in demand, and the cyclical character of economic life remains the law of capitalism. Moreover, similar dangers are engendered by the overall instability of the financial