

At present, the supply and demand ratio for coniferous sawn timber in Japan is very unstable. That country has moved into third place globally for imports of such timber, being surpassed only by the USA and Great Britain. While the demand for lumber remains relatively active there, prices as before are fairly high and amount to approximately 130-140 roubles worth of hard currency for a cubic metre of Canadian squared timber with a side measuring 10.5 centimetres. But it is precisely these extremely attractive prices for exporters that are stimulating the Canadian, American, New Zealand and Chilean firms to increase shipments of lumber to levels above the customers' requirements. This has resulted in Japanese ports and warehouses being filled to overflowing with sawn timber.

It comes as no surprise, therefore, that in the autumn of this year Western European importers were playing a waiting game and taking a very cautious approach to the conclusion of contracts for deliveries of coniferous sawn timber in 1989.

The demand for pine for use in carpentry work remains high in the western European countries. Supplementary purchases of low-grade pine products are being made in the second half of the year by countries in the Middle and Near East. In recent weeks there have also been reports of transactions involving spruce lumber with a slight increase in prices. In actual fact, however, the new prices are no different from those that prevailed at the beginning of this year.

Our Canadian competitors are now taking a different position. After July, they lowered their prices in Europe by 10-20 per cent.

A decrease in the capacity of the European market is also predicted for other forest products. The requirements of this region for saw timber imports are determined by the EEC Wood Products Committee to be 5.9 million cubic metres as against the 5.6 million anticipated for 1988. European imports of pulpwood may drop from 28 to 27 million cubic metres, and of plywood and wallboard - from 12.1 to 11.8 million cubic metres.