

sources will be 10 to 15% lower and in 1991 it will go down a further 10%; the main reason for this decline in production is the deep recession faced by the Peruvian economy during the last several years aggravated by terrorism in some regions. Businessmen in the forestry sector comment that 60% of their forestry equipment is not being used now as result of lower demand for lumber for the construction industry which from 1985 to 1990 went through one of the most difficult periods in Peru's economic history.

Peruvian businessmen expect that the production figures for lumber will begin to rise again in 1992 when most of Peru's important sectors such as mining and construction, begin to increase their output as the economic recovery plan takes effect, aided by new loans from the World Bank and the Interamerican Development Bank.

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