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Poland

Solid Wood Products

Annual

2005

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Report Highlights:

Sales of logs were 30.2 million CUM an increase by 2.6 million CUM - 9 percent up from 2002. This was the largest volume since 1995. The strong zloty, a weakened Euro and an even weaker dollar, as well as an insufficient supply of raw material has not helped Polish exporters, especially those exporting furniture. Forestry products importers should take advantage of the situation. The quantities of imported logs and lumber may increase during the first months of 2005, as Polish importers hope to get good offers from Sweden and Slovakia, which suffered damage from hurricanes in 2004.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Warsaw [PL1]
[PL]

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Executive Summary

There were 8.9 million forested hectares in Poland at the end of 2003, the same as in 2002, which covered 28.4 percent of the country. The coniferous variety is dominant in Poland's forests.

In 2003 timber production was 31 million CUM (over 9 percent increase compared to 2002) produced from 24.5 million CUM of logs and about 6.5 million CUM of wind fallen or broken trees and deadwood.

Total sales of wood in 2003 were 30.2 million CUM (10 percent increase compared with 2002 results). Total sales of gross merchantable timber amounted to 28.2 million (compared to 25.8 million CUM in 2002). This significant increase is attributed to higher demand and market recovery.

In 2003, Poland's forest product exports increased by 18.8 percent and reached \$1.8 billion (\$13.5 million to the U.S), while imports were valued at \$593 million (\$5.4 million from the U.S). The main exports were wood joinery and carpentry items, fiberboard, particleboard, and wood packing cases and pallets. Among imports, the most important were still fiberboard, lumber, particleboard, veneer sheets and plywood.

During the first three quarters of 2004, Polish exports of wood products were valued at \$1.69 billion. Imports reached \$563 million.

After Poland joined the EU in May 2004, as part of the wood promotion activities, the Ministry of Agriculture implemented the Sectoral Operational Program, which will be financed with EU and Polish government funds and includes a forestation program. More than 2,000 farmers benefited from these funds in 2004.

Also, producers and processors in their efforts to better promote wood as a raw material, created the Wood House Association (Association) in April 2003. The Association has a large scope of activities including: seminars, conferences, contests, and advertisement campaigns.

PRODUCTION

Growing Resources

The number of forested hectares in Poland at the end of 2003 was unchanged from the same period of 2002 at 8.9 million, which covered 28.4 percent of the country. An area of 7 million hectares of forests is administered by the State Forests, public forests accounted for 82.6 percent (7.38 million hectares). There are 1.6 million ha of privately owned forests. The forest ownership structure has not changed much in recent years. The only noticeable change was an increase in forested area in national parks, which accounted for one percent of national forested area in 1985 but two percent in 2003. Significantly dispersed ownership, lack of information on actual resources and wood cutting amounts, and little known economic activity characterize private forests.

Poland's forests are situated on the poorest soil. Forests are dominated by coniferous varieties – 77.3 percent of all forested area and 85 percent of wood volume, including scotch pine (together with larch, represent 69.3 percent of forests), spruce (5.5 percent) and fir (2 percent). The composition of Polish forests changed considerably between 1945 and 2003 as broad-leaf varieties rose from 13 up to 23 percent including oak, ash, maple, beech, sycamore, birch and alder.

During the last 40 years the classification of the age of stands has changed in the State Forests. During the 1960s, young stands were in the majority. As a result of limited cutting and the use of complex felling and a decrease in clear-cuts, the number of older trees has increased. Also, trees 40-80 years old are the majority. Trees over 80 years old increased surface area from 0.9 million hectares in 1945 to 1.5 million hectares in 2003. In addition, the average age of stands is now 59 years.

With its relatively high surface of forests and higher than European average resources, Poland's 1.8 billion CUM wood reserves¹ continue to rank third in Europe (after Germany and France). Since 1967, Poland's wood resources have noticeably increased. The State Forests reported at the beginning of 2003 there were 1.8 billion CUM, including 1.5 billion in public forests and 189 million CUM in private forests. In terms of total forested area, average resources were 220 CUM per ha in public forests and 119 CUM per ha in private ones.

During the period January 1983 - January 2003 timber growth in public forests was around 903 million CUM. During this period 514 million CUM of logs were cut, resulting in an increase of 389 million CUM of timber to total wood resources. The average growth of timber per ha in government owned forests over the past 20 years (1983-2003) is 6.58 CUM. The growth rate for the last five years averaged 7.73 CUM per ha. Increased resources are attributed to improved forestry management including improved harvesting and better reforestation (growth in resources outpaced cutting by 43 percent).

In 2003 timber production was 31 million CUM (over 9 percent increase compared to 2002) produced from 24.5 million CUM of logs and about 6.5 million CUM of wind fallen or broken trees and deadwood. The timber production in the State Forests was 29.2 million CUM, of which 72 percent was softwood and 28 percent hardwood.

Among the specific features of Polish forestry, compared to forests in other European countries is the greater harvest of dead trees. The harvest of dead trees in Poland exceeds the total harvest of many countries in the region, thereby making clear the considerable significance of Poland as a timber producer in Central Europe.

Total sales of wood in 2003 were 30.2 million CUM (10 percent increase compared with 2002 results). Total sales of gross merchantable timber amounted to 28.2 million (compared to 25.8 million CUM in 2002). The significant increase reflected the higher demand and market recovery.

The most important product categories in percent of sales		
	2002 sales	2003 sales
softwood pulpwood	30.9	31
softwood saw timber	28.1	28.2
hardwood pulpwood	14.1	14.1
hardwood saw timber	7.1	7
Slash	6.5	7
softwood fuelwood	3.5	4
hardwood fuelwood	3.5	3.3
Pitwood	2.7	2.3
other saleable hardwood timber	2.3	1.9
Hardwood "valuable" assortments (veneer, plywood)	1.1	1

¹ According to the "Report on the forests' situation in Poland – 2003" prepared by the State Forests, Poland's wood resources were about 1,787 million CUM on January 1, 2003.

softwood "valuable" assortments (veneer, plywood)	1.1	0.2
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Source: The State Forest National Forest Holding – Annual Reports 2002 and 2003

The increase in demand for wood began in 2002. Sales of logs were 30.2 million CUM an increase by 2.6 million CUM - 9 percent up from 2002. This was the largest volume since 1995. The most dynamic were export sales which almost doubled compared with 2002 figures and reached 0.57 million CUM (in 2002 – 0.31 million CUM). Logs represented 39 percent of total sales. The largest consumers were sawmills, which produce general use sawn timber. Obsolete drying equipment and technology make it more difficult for them to compete with big European sawmills.

Local wood and paper industries are the main customers of the State Forests. The most important are: the sawmill sector - 45 percent of wood, board producers - 25 percent of wood, furniture production, which is the most dynamic sector in Poland, as well as the paper industry - 47 percent of pulpwood. The demand on wood products for paper and board industries has stabilized, and increases are moderate. The pitwood market was in a downward trend because of the restructuring of the coal industry and decreasing mine activities.

Fuelwood and other wood markets are stable. Fuelwood is mainly used for fuel and energy production purposes, as well as for the production of pallets and packagings. The average price per cubic meter of timber and pulpwood in 2003 were as follows:

Softwood saw timber – PLN 163 (down 2.5 percent) – (\$46.58)

Hardwood saw timber – PLN 180 (down 1 percent) – (\$51.43)

Softwood pulpwood – PLN 81 (up 3.8 percent) – (\$23.15)

Hardwood pulpwood – PLN 72 (up 1.4 percent) – (\$20.58)

The average exchange rate \$1=PLN 3.5

Poland produces sawn wood (hard and soft), wood panels (fiberboard and particle board) as well as construction materials such as windows, doorframes and flooring. Polish plywood production continues a downward trend. Polish plywood production in 2003 was 81,800 CUM down from the 85,200 CUM in 2002. According to the Institute of Technology, 40 percent of plywood production is softwood and 60 percent is hardwood.

Below is estimated demand for raw wood for plywood production through 2010:

Demand on raw materials for plywood production							
Years	2004	2005	2006	2007	2008	2009	2010
Wood (cubic meters)							
softwood A	58,600	63,550	171,900	173,100	175,100	176,100	177,100
softwood B	58,600	63,550	67,400	68,600	71,600	72,600	73,600
hardwood, incl:	349,930	381,170	412,770	444,620	461,620	476,520	486,420
- birch	208,280	228,925	247,800	268,900	282,650	290,900	299,400
- alder	117,000	127,575	136,400	146,300	149,750	154,400	155,400
- beech	24,650	27,670	28,570	29,420	30,020	31,220	31,620
TOTAL A	408,530	447,720	584,670	617,720	636,720	652,620	663,520
TOTAL B	408,530	447,720	480,170	513,220	533,220	549,120	560,020

Source: Association of Wooden Board Manufacturers in Poland

TRADE

Overview/Outlook

In 2003, Poland's forest product exports increased by 18.8 percent and reached \$1.8 billion (\$13.5 million to the U.S.- up 28 percent from 2002) while imports were valued at \$593 million, up 5.5 percent from 2002 (\$5.4 million from the U.S., 37 percent down). The main exports were wood joinery and carpentry items (\$295 million, up almost 50 percent), fiberboard (\$219 million, 36 percent up), lumber (\$183 million, up 33 percent), logs (\$59 million, \$21 million increase from 2002), particleboard (\$162 million, up 31 percent), and wood packing cases and pallets (\$206 million, 51 percent up). Among imports, the most important were fiberboard (\$136 million, up 31 percent), lumber (\$91 million compared with \$84 million in 2002), particle board (\$85 million, 28 percent up), wood joinery and carpentry (\$47 million, \$1 million down), veneer sheets (\$44 million, almost 30 percent up), logs (\$33 million, \$2 million more) and plywood (\$39 million, up 12 percent).

During the first three quarters of 2004, exports of wood products were valued at \$1.69 billion, up 27 percent compared with the same period of 2003. Polish imports reached \$563 million, 41 percent higher than the same period of 2003. Within the first nine months of 2004, the United States exported \$3.1 million of wood products to Poland (21 percent down from 2003) and Poland supplied the U.S. with \$15.7 million of wood products (increase of 62 percent).

Market Development Strategies

The low U.S. dollar exchange rate can be beneficial for Polish importers of U.S. hardwood lumber and veneer. Polish manufacturers also import U.S. oak logs (\$47,000 in 2003 and \$1 million in first eleven months of 2004). According to U.S. Census data, U.S. panel/plywood exports to Poland increased slightly from \$2 million in 2003 to \$2.2 million in the first eleven months of 2004. U.S. hardwood lumber imports were more than double in the first eleven months of 2004 compared with 2003 (\$390,000 in 2004 and \$131,000 in 2003). Softwood lumber imports were not large in 2003, as well as the first eleven months of 2004 compared with no imports in 2002 (\$19,000 in 2003 and \$8 in eleven months of 2004). Continued demand by Polish furniture manufacturers makes hardwood lumber, veneer and boards the best market prospects for U.S. exporters. Increased hardwood flooring may also generate market potential.

MARKET SEGMENT ANALYSIS

Construction Sector

According to preliminary data from the Polish Central Statistical Office (GUS), construction production, including investment and renovation, was 1.7 percent higher in December 2004 than in December 2003 and 2 percent higher than in November 2004. In first three quarters of 2004 only 70,804 apartments were constructed, which was 56.9 percent of the apartments constructed in a similar period of 2003. Such a significant drop can be explained by the legal changes announced in 2003 wherein many investors registered their properties as complete prior to actual completion to avoid taxes. In 2003 and 2004 the predominant method used for new constructions was an improved traditional method. Its share in 2003 was lower by 4.2 percent than in 2002. Also, other methods of construction were down, including wood frame structures, which decreased by 0.3 percent. In 2003, 27 apartments in 5 buildings were finished in the wood frame system. There are no records about completed wood frame houses in 2004.

Construction activity			
in first six months of 2004			
compared with the same period of 2003			
	I/2003	I/2004	2004 versus 2003
Construction permits (decisions)	81,603	71,729	down 12,1%
Finished buildings	73,502	53,187	down 27,6%
Demolition warrants	4,376	3,136	down 28,3%
Demolitions done	1,545	1,259	down 18,5%

Source: General Office of Building Control

A dynamics of apartment number which were permitted for construction and started in the first eleven months of 2005:

Dynamic of permits for construction and starts in I-XI 2004				
	Permits for apartment construction		Started apartment	
	numbers	I-XI2003 = 100	numbers	I-XI2003 = 100
Total	103,080	128.9	92,422	121.1
Individual	58,614	104.1	58,732	110.4
For sale or rent	28,851	239.5	21,744	160.3
Cooperative	7,334	156.6	6,498	126.5
Public tenement houses	4,793	100.3	3,311	97.5
Public housing	2,942	157.4	1,738	218.6
Company owned	546	168	399	194.6

It is estimated that wood products used in construction represent about 8.5 percent of all raw materials. The downward trend in production of construction materials, especially ceramics, cement, lime and plaster, but also wood and carpentry products, continued in 2004. However, in some sectors, such a fiberboard production or other wooden materials noticed an increase compared with a similar period of 2003.

According to GUS preliminary data, an index of the situation in the construction sector was positive in December 2004, but worse than in November. The outlook for the demand for construction services for the next three months is more pessimistic than it was in November. Companies forecast further worsening of their financial situation.

Warsaw remains the biggest market for commercial and office space. However, there is evidence that the market for office space is becoming saturated, as there seems to be as many vacancies as there are newly constructed offices. In Warsaw 18.6 percent of office space is vacant. It is estimated that additional 100,000 square meters will be available at the beginning of 2006. As for storage space, more and more storage complexes are built outside of the big towns. It is estimated that 1 million square meters of modern storage buildings have been constructed since 1990. In other Polish towns only 150,000 square meters have been constructed. According to Cushman&Wakefiled Healey&Baker, it is evident that the market in other regions has been active. In 2002 there were 71,000 square meters

of storage space finished, in 2003 – only 56,000. It is estimated that in 2004 over 117,000 square meters of new storage surface was finished.

Also, other regions are being considered by developers. Many new storage buildings were built in Central Poland, as well as along existing and future highways. A positive change has been observed since Poland joined the EU, border control actions are less time consuming. Specialists estimate that this is the beginning of positive changes, as many companies are considering moving their production or logistical plants to Poland.

Furniture & Interiors Sector

A low Euro and dollar exchange rate especially at the end of 2004 slowed furniture exports. Therefore, the demand on solid wood is still higher than the quantities supplied by the State Forests. The furniture industry remains amongst the industry leaders having a significant impact on the economic growth of the country. Furniture manufacturers increased their production by 26.7 percent in the first half of 2004 compared with the same period of 2003. According to the National Economic Chamber of Furniture Manufacturers, 90 percent of their production is exported. However, a strong zloty does not help the exports, as the revenue for furniture manufacturers exporting to the Western Europe decreases. In addition, buyers do not want to renegotiate agreements which were signed in Euro. The lower income of furniture manufacturers is also caused by the high price of wood. The supplied quantities are insufficient and the main supplier, State Forests does not want to increase limits.

The value of production sold in 2003 and three quarters of 2004 was again higher than in previous years. This was a result of the higher Euro exchange rate in 2003 and at the beginning of 2004 but also a higher output.

Furniture sales during the first three quarters of 2004 increased about 23 percent compared with the same period of 2003 and reached \$3.5 billion. In 2003 exports of furniture were valued at \$3.4 billion (up 18 percent). Germany is still the biggest buyer of Polish furniture (\$1.5 billion), however, there were sales to the United States (\$89 million). In 2003, there were furniture seats valued at \$17.5 million; other furniture without seats was valued at \$54 million exported to the U.S. Furniture imported in 2003 was valued at \$467 million, including \$2 million from the United States (\$1.4 million in 2002). Imports in three quarters of 2004 were valued at \$388 million, exports – almost \$3 billion.

Material Handling Industry

Exports of pallets and other wood packaging containers in 2003 increased 49 percent to \$183 million. The majority of exports were to Europe. In the first nine months of 2004 exports were also high and reached \$178 million (up 35 percent compared with a similar period of 2003). This increase was caused by a high Euro exchange rate and the fact that together with Poland's EU accession on May 1, 2004, trade barriers such as anti-dumping procedures were lifted. Exports to the United States also increased up to \$222,710 (up 29 percent from 2002). Annual production of wood packaging materials is estimated at 2.5 million square meters. It is difficult to estimate how much of the total consists of pallets, but the National Association of Wood Pallet Manufacturers estimates that pallets make up the majority of the total.

Wood Promotion

As a result of the Wood Frame Technology Center initiative, the Wood House Association (Association) was created in April 2003. It is the first wood builders organization in Poland. The Association membership consists of wood frame construction, log house and other

companies, using wood as a primary building material. In January 2004, the association organized a seminar on wood construction during the construction exhibition "Budma" in Poznan. In September 2004 a Foundation of Wood Promotion "The Wood Now" was created in Warsaw for the promotion of wood as a raw material for construction.

After Poland joined the EU in May 2004, the Ministry of Agriculture started to implement the Sectoral Operational Program which will be financed with EU and Polish government funds and includes a forestation program. Over two thousand farmers used these funds in 2004. It is estimated that additional 9 thousand hectares of forests has been created. There are three types of financial aid:

- single payment of PLN 4,300 up to 5,900 per hectare.
- nursery premium paid for further five years from the moment of forestation – from PLN 420 to PLN1,200 per hectare,
- forestation premium paid for following 20 years – between PLN 360 and 1,400 depending on income – this is a twenty-year obligation that the farmer will keep the forest.

PSD and Trade Tables

Softwood Logs - PSD

<u>PSD Table</u>							
<u>Country</u>	<u>Poland</u>						
<u>Commodity</u>	<u>Softwood Logs</u>				<u>1000 CUBIC METERS</u>		
	<u>2003</u>	<u>Revised</u>	<u>2004</u>	<u>Estimate</u>	<u>2005</u>	<u>Forecast</u>	<u>UOM</u>
	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	
<u>Market Year Begin</u>		<u>01/2003</u>		<u>01/2004</u>		<u>01/2005</u>	<u>MM/YYYY</u>
<u>Production</u>	<u>19000</u>	<u>20838</u>	<u>19000</u>	<u>21000</u>	<u>0</u>	<u>21000</u>	<u>1000 CUBIC METERS</u>
<u>Imports</u>	<u>230</u>	<u>169</u>	<u>230</u>	<u>200</u>	<u>0</u>	<u>200</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL SUPPLY</u>	<u>19230</u>	<u>21007</u>	<u>19230</u>	<u>21200</u>	<u>0</u>	<u>21200</u>	<u>1000 CUBIC METERS</u>
<u>Exports</u>	<u>700</u>	<u>833</u>	<u>700</u>	<u>850</u>	<u>0</u>	<u>850</u>	<u>1000 CUBIC METERS</u>
<u>Domestic Consumption</u>	<u>18530</u>	<u>20174</u>	<u>18530</u>	<u>20350</u>	<u>0</u>	<u>20350</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL DISTRIBUTION</u>	<u>19230</u>	<u>21007</u>	<u>19230</u>	<u>21200</u>	<u>0</u>	<u>21200</u>	<u>1000 CUBIC METERS</u>

Softwood Logs – Exports

**Export
Trade
Matrix**

Country Poland

Commodity Softwood Logs

Time Period	<u>Jan-Dec</u>	Units:	<u>000 cubic meters</u>
Exports for:	<u>2003</u>		<u>2004</u>
U.S.		U.S.	
Others		Others	
<u>Austria</u>	<u>421</u>	<u>Austria</u>	<u>378</u>
<u>Czech Republic</u>	<u>124</u>	<u>Germany</u>	<u>151</u>
<u>Germany</u>	<u>123</u>	<u>Italy</u>	<u>99</u>
<u>Sweden</u>	<u>66</u>	<u>Sweden</u>	<u>42</u>
<u>Italy</u>	<u>52</u>	<u>Czech Republic</u>	<u>40</u>
<u>Morocco</u>	<u>12</u>	<u>Spain</u>	<u>6</u>
<u>Spain</u>	<u>9</u>	<u>Lithuania</u>	<u>4</u>
<u>France</u>	<u>8</u>		<u>-</u>
<u>Netherlands</u>	<u>5</u>		<u>-</u>
Total for Others	<u>820</u>		<u>720</u>
Others not Listed	<u>13</u>		<u>40</u>
Grand Total	<u>833</u>		<u>760</u>

*2004 data covers a period of Jan-Sept

Softwood Logs – Imports

**Import
Trade
Matrix**

Country Poland
Commodity Softwood Logs

<u>Time Period</u>	<u>Jan-Dec</u>	<u>Units:</u>	<u>000 cubic meters</u>
<u>Imports for:</u>	<u>2003</u>		<u>2004</u>
<u>U.S.</u>		<u>U.S.</u>	
<u>Others</u>		<u>Others</u>	
<u>Lithuania</u>	<u>59</u>	<u>Slovakia</u>	<u>62</u>
<u>Ukraine</u>	<u>53</u>	<u>Belarus</u>	<u>36</u>
<u>Belarus</u>	<u>50</u>	<u>Ukraine</u>	<u>24</u>
<u>Russia</u>	<u>3</u>	<u>Lithuania</u>	<u>20</u>
<u>Slovakia</u>	<u>1</u>	<u>Germany</u>	<u>10</u>
<u>-</u>	<u>-</u>	<u>Czech Republic</u>	<u>10</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Total for Others</u>	<u>166</u>		<u>162</u>
<u>Others not Listed</u>	<u>3</u>		<u>2</u>
<u>Grand Total</u>	<u>169</u>		<u>164</u>

*2004 data covers a period of Jan-Sept

Hardwood Logs – PSD

<u>PSD Table</u>							
<u>Country</u>	<u>Poland</u>						
<u>Commodity</u>	<u>Temperate Hardwood Logs</u>				<u>1000 CUBIC METERS</u>		
	<u>2003</u>	<u>Revised</u>	<u>2004</u>	<u>Estimate</u>	<u>2005</u>	<u>Forecast</u>	<u>UOM</u>
	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	
<u>Market Year Begin</u>		<u>01/2003</u>		<u>01/2004</u>		<u>01/2005</u>	<u>MM/YYYY</u>
<u>Production</u>	<u>7300</u>	<u>7899</u>	<u>7300</u>	<u>7900</u>	<u>0</u>	<u>7900</u>	<u>1000 CUBIC METERS</u>
<u>Imports</u>	<u>620</u>	<u>520</u>	<u>650</u>	<u>500</u>	<u>0</u>	<u>500</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL SUPPLY</u>	<u>7920</u>	<u>8419</u>	<u>7950</u>	<u>8400</u>	<u>0</u>	<u>8400</u>	<u>1000 CUBIC METERS</u>
<u>Exports</u>	<u>220</u>	<u>115</u>	<u>250</u>	<u>115</u>	<u>0</u>	<u>115</u>	<u>1000 CUBIC METERS</u>
<u>Domestic Consumption</u>	<u>7700</u>	<u>8304</u>	<u>7700</u>	<u>8285</u>	<u>0</u>	<u>8285</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL DISTRIBUTION</u>	<u>7920</u>	<u>8419</u>	<u>7950</u>	<u>8400</u>	<u>0</u>	<u>8400</u>	<u>1000 CUBIC METERS</u>

Hardwood Logs - Exports

Export
Trade
Matrix

Country Poland

Commodity Temperate Hardwood Logs

<u>Time Period</u>	-	<u>Units:</u>	-
<u>Exports for:</u>	-		<u>1</u>
<u>U.S.</u>	-	<u>U.S.</u>	-
<u>Others</u>		<u>Others</u>	
<u>Denmark</u>		<u>33 Sweden</u>	<u>29</u>
<u>Sweden</u>		<u>32 Germany</u>	<u>26</u>
<u>Germany</u>		<u>14 Belgium</u>	<u>18</u>
<u>Austria</u>		<u>11 Denmark</u>	<u>17</u>
<u>Slovakia</u>		<u>6 Austria</u>	<u>7</u>
<u>China</u>		<u>4 Slovakia</u>	<u>2</u>
<u>Spain</u>		<u>3 Spain</u>	<u>1</u>
-	-	<u>China</u>	<u>1</u>
-	-	-	-
-	-	-	-
<u>Total for Others</u>	<u>103</u>		<u>101</u>
<u>Others not Listed</u>	<u>12</u>		<u>14</u>
<u>Grand Total</u>	<u>115</u>		<u>115</u>

*2004 data covers a period of Jan-Sept

Hardwood Logs – Imports

**Import
Trade
Matrix**

Country Poland

Commodity Temperate Hardwood Logs

<u>Time Period</u>	<input type="text"/>	<u>Units:</u>	<input type="text"/>
<u>Imports for:</u>	<input type="text" value="-"/>		<input type="text" value="1"/>
<u>U.S.</u>	<input type="text"/>	<u>U.S.</u>	<input type="text"/>
<u>Others</u>		<u>Others</u>	
<u>Belarus</u>	<u>169</u>	<u>Belarus</u>	<u>158</u>
<u>Ukraine</u>	<u>119</u>	<u>Ukraine</u>	<u>123</u>
<u>Lithuania</u>	<u>86</u>	<u>France</u>	<u>60</u>
<u>Germany</u>	<u>46</u>	<u>Slovakia</u>	<u>49</u>
<u>Slovakia</u>	<u>36</u>	<u>Lithuania</u>	<u>37</u>
<u>France</u>	<u>24</u>	<u>Germany</u>	<u>35</u>
<u>Russia</u>	<u>20</u>	<u>Russia</u>	<u>18</u>
<u>Sweden</u>	<u>1</u>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<u>Total for Others</u>	<u>501</u>		<u>480</u>
<u>Others not Listed</u>	<input type="text" value="19"/>		<input type="text" value="3"/>
<u>Grand Total</u>	<u>520</u>		<u>483</u>

*2004 data covers a period of Jan-Sept

Softwood Lumber – PSD

PSD Table							
Country	Poland						
Commodity	Softwood Lumber				1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	2170	4789	2170	4570	0	4550	1000 CUBIC METERS
Imports	200	436	190	450	0	450	1000 CUBIC METERS
TOTAL SUPPLY	2370	5225	2360	5020	0	5000	1000 CUBIC METERS
Exports	425	2509	400	3020	0	3000	1000 CUBIC METERS
Domestic Consumption	1945	2716	1960	2000	0	2000	1000 CUBIC METERS
TOTAL DISTRIBUTION	2370	5225	2360	5020	0	5000	1000 CUBIC METERS

Softwood Lumber – Exports

**Export
Trade
Matrix**

Country Poland

Commodity Softwood Lumber

<u>Time Period</u>	<u>Jan-Dec</u>	<u>Units:</u>	<u>000 cubic meters</u>
<u>Exports for:</u>	<u>2003</u>		<u>2004</u>
<u>U.S.</u>		<u>U.S.</u>	
<u>Others</u>		<u>Others</u>	
<u>Japan</u>	<u>988</u>	<u>Germany</u>	<u>2210</u>
<u>Germany</u>	<u>749</u>	<u>France</u>	<u>157</u>
<u>Netherlands</u>	<u>188</u>	<u>Netherlands</u>	<u>138</u>
<u>Spain</u>	<u>116</u>	<u>Italy</u>	<u>126</u>
<u>Italy</u>	<u>111</u>	<u>Spain</u>	<u>114</u>
<u>France</u>	<u>104</u>	<u>UK</u>	<u>107</u>
<u>Belgium</u>	<u>53</u>	<u>Czech Republic</u>	<u>34</u>
<u>Denmark</u>	<u>52</u>	<u>Sweden</u>	<u>7</u>
<u>Austria</u>	<u>35</u>	<u>Austria</u>	<u>2</u>
<u>Hungary</u>	<u>27</u>	<u>Norway</u>	<u>1</u>
<u>Total for Others</u>	<u>2423</u>		<u>2896</u>
<u>Others not Listed</u>	<u>86</u>		<u>114</u>
<u>Grand Total</u>	<u>2509</u>		<u>3010</u>

*2004 data covers a period of Jan-Sept

Softwood Lumber – Imports

<u>Country</u>	<u>Poland</u>		
<u>Commodity</u>	<u>Softwood Lumber</u>		
<u>Time Period</u>	<u>Jan-Dec</u>	<u>Units:</u>	<u>000 cubic meters</u>
<u>Imports for:</u>	<u>2003</u>		<u>2004</u>
<u>U.S.</u>		<u>1 U.S.</u>	-
<u>Others</u>		<u>Others</u>	
<u>Finland</u>	<u>138</u>	<u>Germany</u>	<u>135</u>
<u>Germany</u>	<u>91</u>	<u>Belarus</u>	<u>81</u>
<u>Belarus</u>	<u>57</u>	<u>Russia</u>	<u>63</u>
<u>Russia</u>	<u>51</u>	<u>Latvia</u>	<u>46</u>
<u>Slovakia</u>	<u>38</u>	<u>Sweden</u>	<u>20</u>
<u>Sweden</u>	<u>26</u>	<u>Ukraine</u>	<u>14</u>
<u>Norway</u>		<u>Slovakia</u>	<u>9</u>
<u>Canada</u>		<u>Finland</u>	<u>5</u>
<u>Latvia</u>		<u>Norway</u>	<u>3</u>
<u>Lithuania</u>		<u>Estonia</u>	<u>2</u>
<u>Total for Others</u>	<u>411</u>		<u>378</u>
<u>Others not Listed</u>	<u>24</u>		<u>1</u>
<u>Grand Total</u>	<u>436</u>		<u>379</u>
<u>*2004 data covers a period of Jan-Sept</u>			

Hardwood Lumber – PSD

<u>PSD Table</u>							
<u>Country</u>	<u>Poland</u>						
<u>Commodity</u>	<u>Temperate Hardwood Lumber</u>				<u>1000 CUBIC METERS</u>		
	<u>2003</u>	<u>Revised</u>	<u>2004</u>	<u>Estimate</u>	<u>2005</u>	<u>Forecast</u>	<u>UOM</u>
	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	<u>USDA Official [Old]</u>	<u>Post Estimate [New]</u>	
<u>Market Year Begin</u>		<u>01/2003</u>		<u>01/2004</u>		<u>01/2005</u>	<u>MM/YYYY</u>
<u>Production</u>	<u>468</u>	<u>464</u>	<u>470</u>	<u>470</u>	<u>0</u>	<u>490</u>	<u>1000 CUBIC METERS</u>
<u>Imports</u>	<u>220</u>	<u>1375</u>	<u>220</u>	<u>1602</u>	<u>0</u>	<u>1600</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL SUPPLY</u>	<u>688</u>	<u>1839</u>	<u>690</u>	<u>2072</u>	<u>0</u>	<u>2090</u>	<u>1000 CUBIC METERS</u>
<u>Exports</u>	<u>118</u>	<u>1078</u>	<u>120</u>	<u>1100</u>	<u>0</u>	<u>1200</u>	<u>1000 CUBIC METERS</u>
<u>Domestic Consumption</u>	<u>570</u>	<u>761</u>	<u>570</u>	<u>972</u>	<u>0</u>	<u>890</u>	<u>1000 CUBIC METERS</u>
<u>TOTAL DISTRIBUTION</u>	<u>688</u>	<u>1839</u>	<u>690</u>	<u>2072</u>	<u>0</u>	<u>2090</u>	<u>1000 CUBIC METERS</u>

Hardwood Lumber – Exports

<u>Export Trade Matrix</u>			
<u>Country</u>	<u>Poland</u>		
<u>Commodity</u>	<u>Temperate Hardwood Lumber</u>		
<u>Time Period</u>	<u>Jan-Dec</u>	<u>Units:</u>	<u>000 cubic meters</u>
<u>Exports for:</u>	<u>2003</u>		<u>2004</u>
<u>U.S.</u>		<u>4 U.S.</u>	<u>-</u>
<u>Others</u>		<u>233 Others</u>	
<u>Italy</u>		<u>220 Austria</u>	<u>257</u>
<u>Sweden</u>		<u>166 Germany</u>	<u>176</u>
<u>Germany</u>		<u>146 Italy</u>	<u>149</u>
<u>Spain</u>		<u>124 Sweden</u>	<u>85</u>
<u>Netherlands</u>		<u>57 France</u>	<u>74</u>
<u>Denmark</u>		<u>46 Spain</u>	<u>63</u>
<u>Belgium</u>		<u>31 Denmark</u>	<u>22</u>
<u>France</u>		<u>28 Finland</u>	<u>18</u>
<u>Austria</u>		<u>10 Netherlands</u>	<u>13</u>
<u>Finland</u>	<u>-</u>	<u>UK</u>	<u>11</u>
<u>Total for Others</u>		<u>828</u>	<u>868</u>
<u>Others not Listed</u>		<u>246</u>	<u>9</u>
<u>Grand Total</u>		<u>1078</u>	<u>877</u>
<u>*2004 data covers a period of Jan-Sept</u>			

Hardwood Lumber – Imports

Import Trade Matrix			
Country	Poland		
Commodity	Temperate Hardwood Lumber		
Time Period	Jan-Dec	Units:	000 cubic meters
Imports for:	2003		2004
U.S.	5	U.S.	-
Others	-	Others	-
Germany	610	Ukraine	942
France	347	Germany	342
Czech Republic	102	Slovakia	185
Slovakia	92	Austria	92
Ukraine	62	France	24
Austria	53	-	-
Latvia	10	-	-
-	-	-	-
-	-	-	-
-	-	-	-
Total for Others	1276		1585
Others not Listed	94		17
Grand Total	1375		1602
*2004 data covers a period of Jan-Sept			

Softwood Plywood – PSD

PSD Table							
Country	Poland						
Commodity	Softwood Plywood				1000 CUBIC METERS		
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Production	34	34	34	34	0	34	1000 CUBIC METERS
Imports	15	466	15	100	0	100	1000 CUBIC METERS
TOTAL SUPPLY	49	500	49	134	0	134	1000 CUBIC METERS
Exports	27	307	27	80		80	1000 CUBIC METERS
Domestic Consumption	22	193	22	54	0	54	1000 CUBIC METERS
TOTAL DISTRIBUTION	49	500	49	134	0	134	1000 CUBIC METERS

Softwood Plywood – Exports

Export Trade Matrix			
Country	Poland		
Commodity	Softwood Plywood		
Time Period	Jan-Dec	Units:	000 cubic meters
Exports for:	2003		2004
U.S.	1	U.S.	1
Others		Others	
Sweden	92	Sweden	40
Germany	76	Germany	14
Netherlands	68	Denmark	3
Norway	37	Norway	2
Denmark	16	Belgium	2
Belgium	2	Netherlands	1
Czech Republic	1	-	-
Austria	1	-	-
-	-	-	-
-	-	-	-
Total for Others	293		62
Others not Listed	13		5
Grand Total	307		68
* 2004 data covers a period of Jan-September			

Softwood Plywood – Imports

Import Trade Matrix			
Country	Poland		
Commodity	Softwood Plywood		
Time Period	Jan-Dec	Units:	000 cubic meters
Imports for:	2003		2004
U.S.	-	U.S.	-
Others		Others	
Indonesia	345	Germany	20
Finland	44	Finland	7
Lithuania	32	France	1
Czech Republic	18	Czech Republic	1
Germany	12	-	-
Latvia	5	-	-
Sweden	2	-	-
France	2	-	-
Netherlands	2	-	-
-	-	-	-
Total for Others	462		29
Others not Listed	4		4
Grand Total	466		33
* 2004 data covers a period of Jan-September			

FOREST PRODUCT STRATEGIC INDICATOR TABLES FOR POLAND			
(Please do not add/delete rows or columns -- note and other info must be added below row 110 -- thank you!)			
CONSTRUCTION MARKET			
Country:	Previous	Current	Following
Report Year:	CY 2003	CY 2004	CY 2005
Total Housing Starts (thousand units)	82	80	80
--of which, wood frame (thousand units)	0	0	0
--of which, steel, masonry, other materials (thousand units)	82	80	80
--of total starts, residential (thousand units)	82	82	82
----of residential, single family (thousand units)	49	49	50
----of residential, multi-family (thousand units)	33	33	32
--of total starts, commercial (thousand units)	12	15	15
Total Value of Commercial Construction Market (\$US mil)	8,000	8,000	8,000
Total Value of Repair and Remodeling Market (\$US million)	5,800	5,700	5,700
FURNITURE & INTERIORS MARKET			
Country:	Previous	Current	Following
Report Year:	CY 2003	CY 2004	CY 2005
Total Housing Starts (number of units)	82,433	80,000	80,000
Total Number of Household, million	12.5	13	13
Furniture Production (\$US million)	3,750	3,700	3,800
Total Furniture Imports (\$US million)	467	400	450
Total Furniture Exports (\$US million)	3,400	3,000	3,000
Interiors Market Size (\$US million)	1,000	1,500	1,500
MATERIAL HANDLING MARKET			
Country:	Previous	Current	Following
Report Year:	CY 2003	CY 2004	CY 2005
Total Value of Industrial Output (\$US million)	130,000	180,000	200,000

New Pallet Production (million units)	3	3	3
FOREST AREA			
Country:	Previous	Current	Following
Report Year:	CY 2003	CY 2004	CY 2005
Total Land Area (million hectares)	31	31	31
Total Forest Area (million hectares)	9	9	9
--of which, Commercial ('000 hectares)	8,800	8,800	8,800
----of commercial, tropical hardwood ('000 hectares)	0	0	0
----of commercial, temperate hardwood ('000 hectares)	2,000	2,000	2,000
----of commercial, softwood ('000 hectares)	6,800	6,800	6,800
Forest Type			
--of which, virgin ('000 hectares)	144	144	144
--of which, plantation ('000 hectares)	39	39	40
--of which, other commercial (regrowth) ('000 hectares)	26	27	28
Total Volume of Standing Timber (thousand cubic meters)	1,500	1,520	1,540
--of which, Commercial Timber ('000 cum)	750	760	770
Annual Timber Removal ('000 cum) 1/	30,836	28,000	29,241
Annual Timber Growth Rate ('000 cum)	90,000	90,000	90,000
Annual Allowable Cut ('000 cum)	28,700	28,700	28,700
1/ If Removals exceeds growth rate, analyze impact in text.			
WOOD PRODUCTS SUBSIDIES			
Country:	Previous	Current	Following
Year of Report	CY 2003	CY 2004	CY 2005
Total Solid Wood Export Subsidy Outlay (\$US million)	no	no	no
Is there a ban on the export of logs, lumber, or veneer? 1/	no	no	no
Are there export taxes (yes/no)? 2/	no	no	no
Total Wood Production Subsidy (\$US million)	15	15	15
Scope (thousands of hectares)	20	20	20
Are there other wood products export expansion activities? 1/	no	no	no

FOREST PRODUCT TARIFFS AND TAXES (percent)	Tariff	Tariff	Tariff	Other		
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Country:	Previous	Previous	Following	Import	Total	Export
Report Year:	till May	after May	Year	Taxes/Fees	of	Tax
	1, 2004	1, 2004		2/	Import	
		1/			3/	
4401	3	0	0	7/22	7 or 22%	none
4403	0	0	0	22	22%	none
4404	9	0	0	22	22%	none
4405	9	0	0	22	22%	none
4406	9	0	0	22	22%	none
4407	9	0	0	22	22%	none
4408	9	0	0	22	22%	none
4409	9	0	0	22	22%	none
4410	9	7	7	22	29%	none
4411	9	7	7	22	29%	none
4412						
- 441219	9	7	7	22	29%	none
4413	9	0	0	22	22%	none
4414						
- 44140010	9	3	5.1	22	27%	none
- 44140090	9	0	0	22	22%	none
4415	9	0	4/3	22	25- 26%	none
4416	9	0	0	22	22%	none
4417	9	0	0	22	22%	none
4418						
- 441810 (windows)	9	0	3	22	25%	none
- 44182010 (doors from tropical species)	9		6	22	28%	none
- 44182050/80 (doors from other species)	9	0	0	22	22%	none
4419	9	0	0/3	22	22- 25%	none
4420	9	0	0	22	22%	none
4421	9	0	0	22	22%	none
9401, 9403.30, 9403.40, 9403.50, 9403.60	12	0	0	22	22%	none
9403.3	12	0	0	22	22%	none
9493.4	12	3	2.7	22	25%	none
9403.5	12	0	0	22	22%	none
9403.6	12	0	0	22	22%	none
9406	6	2.6	2.7	22	25%	none

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1/ On May 1, 2004, Poland joined the EU and adopted the EU tariff, including a retaliatory tax applicable on U.S. products entering the EU territory.

2/ According to the new construction regulations, a 22 percent VAT is applicable on all construction products. In 2004, if the materials were used for public construction, the investor could claim the difference between 7 and 22 percent tax. There is currently a proposal to allow individual investors to do the same if materials were used to improve their lodging (for home construction, apartment for private use).

* The results of the 2004 census will be available in mid-2005