



ITTO

TWENTY-FOURTH SESSION
20-28 May 1998
Libreville, Gabon

DECISION 6(XXIV)

DOWNTURN IN THE INTERNATIONAL TROPICAL TIMBER MARKET

The International Tropical Timber Council,

Seriously concerned about the deteriorating market conditions for tropical timber, characterized by falling demand, exports and prices;

Recalling the proceedings of the 1998 Market Discussion held on 22 May 1998 in conjunction with the current Session;

Noting the ongoing ITTO Market Access Study;

Recognizing the serious implications of the market downturn on the international trade in tropical timber, on the socio-economic well-being of members and on on-going efforts towards enhancing sustainable forest management;

Further noting Article 1 (e) of the ITTA, 1994, which aims to promote the expansion and diversification of international trade in tropical timber from sustainable sources by improving the structural conditions in international markets, by taking into account, *inter alia*, prices which reflect the cost of sustainable forest management, and which are remunerative and equitable for members;

Decides to:

1. Call upon Members to explore ways to facilitate the recovery of the international tropical timber market;
2. Encourage Members to support on-going efforts to enhance their capacity to implement a strategy for achieving exports of tropical timber and timber products from sustainably managed sources by the year 2000;
3. Authorize the Executive Director to engage two consultants (one from a producer member country and the other from a consumer member country) to undertake a study to assess the extent and implications of the market downturn for tropical timber, and to recommend appropriate actions to address the problem as per the attached Terms of Reference; and
4. Authorize the Executive Director to arrange funding for the two consultants from the Special Account, and invite member countries to contribute to the Special Account for this purpose.

ANNEX FOR DECISION 6(XXIV)

**TERMS OF REFERENCE FOR A STUDY ON THE DOWNTURN IN THE
INTERNATIONAL TROPICAL TIMBER MARKET**

1. To assess the extent and implications of the market downturn for tropical timber in exporting and importing member countries.
2. To analyse the factors contributing to the market downturn.
3. To analyse the current market conditions for tropical timber vis-à-vis other timber and timber substitutes.
4. To recommend appropriate actions to address the problem.
5. To prepare a preliminary report for the Twenty-fifth session and a final report for the Twenty-sixth session.

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