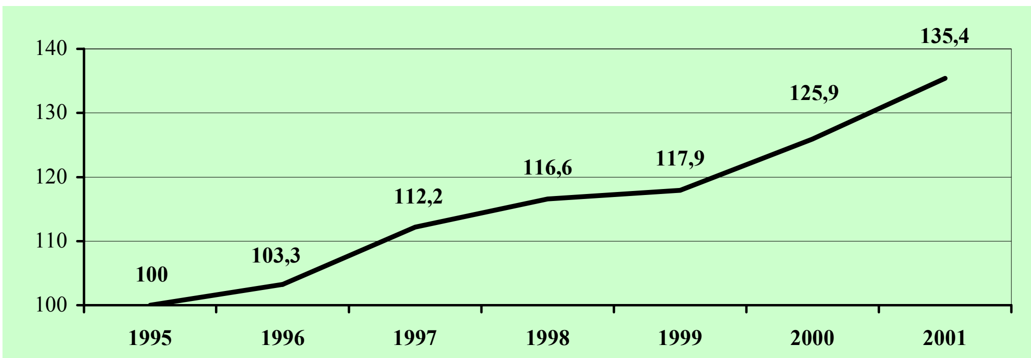
REPUBLIC OF LATVIA
MARKET STATEMENT

1. GENERAL ECONOMIC TRENDS AFFECTING THE FOREST AND FOREST INDUSTRIES SECTOR

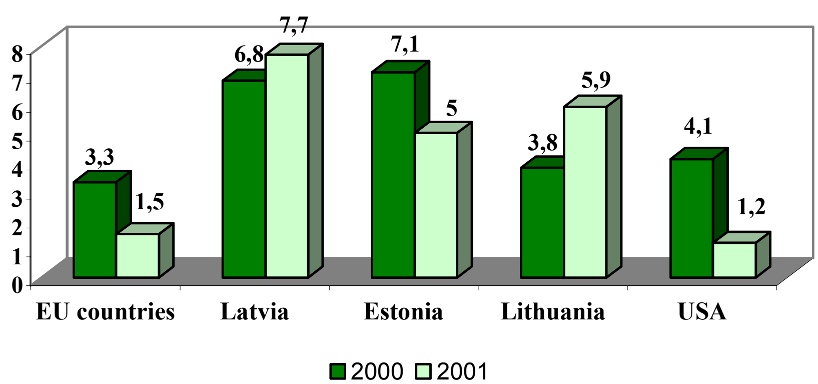
MACROECONOMIC DEVELOPMENT

For several years already there has been economic growth in Latvia. In the last two years economic development in Latvia has been among the fastest growing in Europe. In 2000 GDP increased by 6.8%, in 2001 - by 7.7%. Forecast increase of GDP for 2002 is 5.0% (table 1).



***Actual increase of gross domestic product in Latvia** (1995 = 100%)*

Considering the fact that in 2001 global economic development remarkably slowed down Latvia's achievements should be evaluated very positively.



Changes in the GDP in 2000 and 2001 (in comparable prices, increase in % of the previous year)

The bulk or 2/3 of the GDP increase in 2001 was constituted by 3 sectors - manufacturing industry, commerce, and transport and communications development (table 2).

The remarkable growth of the manufacturing industry in 2001 was driven by the increased export volumes both to EU and CIS. In 2001 increase of the export volumes from Latvia was 11%. Latvian producers (wood-processing, textile industry, metal processing industry, a. o.) have successfully established their business in EU countries markets. In the beginning of 2002 there was slowdown in the growth of Latvia's export caused by decrease of global economy. Improvements in the existing situation are expected only in the second half of the year when by improving situation in EU countries it is expected to see exterior demand for Latvia's export products.

Further growth in industry sector may be driven by demand for Latvia's traditional industries sectors production in the local and global markets. First it is timber industry giving the biggest share in the export from Latvia. Latvia's timber products are competitive in the global market both from the cost and quality aspects.

The total forest sector contribution in the Latvia's export structure is 40%. Compared to 2000 forest sector products share in the total export volume has slightly decreased because other products group export volumes have increased faster.

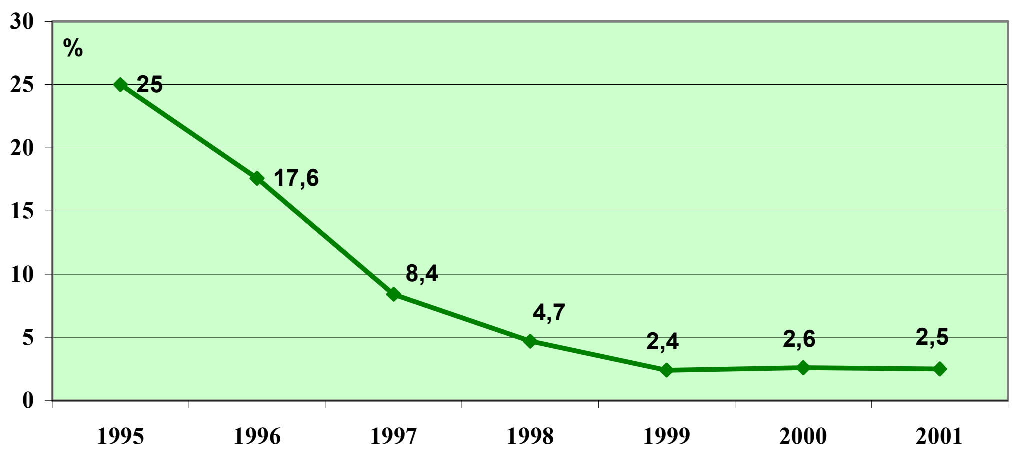
The fast growth of the added value created by the service sector in 2001 was driven by the dynamic development of trade, transport and communications services, financial intermediation, and commercial services.

In the first quarter of 2002 Latvia's national economy was influenced by slowdown of the global economic situation in 2001 especially decrease of demand from EU. Also compared to the first quarter of 2001 the GDP increased only by 3.8% in the first quarter of 2002. In the actual prices GDP constituted 1183.6 mln LVL in the first quarter of 2002 (table 3).

Inflation

The economic growth in Latvia has been achieved in a stable macroeconomic environment. The exchange rate of Latvia's lats (LVL) to SDR currency basket remains stable for many years. It reduces uncertainty, eliminates currency risk, and provides stable platform for entrepreneurs for planning and setting prices.

Inflation in Latvia is one of the lowest among countries with economies in transition. During the last three years the average inflation has been within 2-3%. It is expected to remain at the same level in the coming years. Inflation is not expected to lower since the relative price adjusting to global prices will continue.



Changes in consumption prices, % to the previous year.

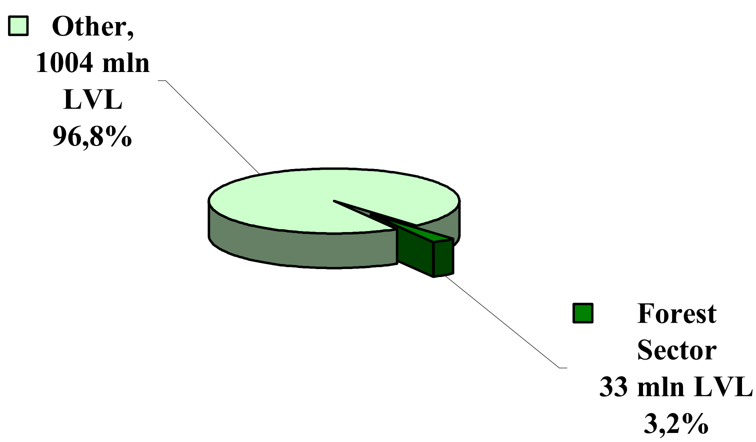
Investments

During the period from 1996 - 2001 growth of the total stock capital has been increasing on average by 18.2% annually. Investments remarkably increased in 1996-1998 fostered by privatization process development. Although the greater portion of privatization has basically been finished, the growth of the total stock capital has been increasing approximately by 15% annually during the last two years.

Investments are fostered by several determinants: stable macro economic environment, inflow of foreign investments, decrease of loan interest rate, strengthening of the bank sector, growth of the general economic activities, and also development of positive future prospects, a. o. The remarkable investment increase has insured the development of the total stock capital by 26% of the GDP.

Latvia has gained on those Central and Eastern European countries with economies in transition which are in the leading positions regarding foreign direct investment attraction. Denmark, USA, Germany, Sweden, Great Britain, Estonia, Russia are the biggest investors in Latvia. The three priority sectors with biggest investments made are transport and communications, finances, and industry.

Considerable foreign investments have flown also in Latvia's Forest Sector, which was able to attract foreign investments by its stable raw material sources, advantageous geographical position, as well as by close outlets. The total value of foreign capital invested in Latvia's Forest Sector enterprises in the end of 2001 was 32.7 mln LVL, i.e. 3.2% of the total accumulated foreign investment value in the sock capital of Latvia's enterprises.

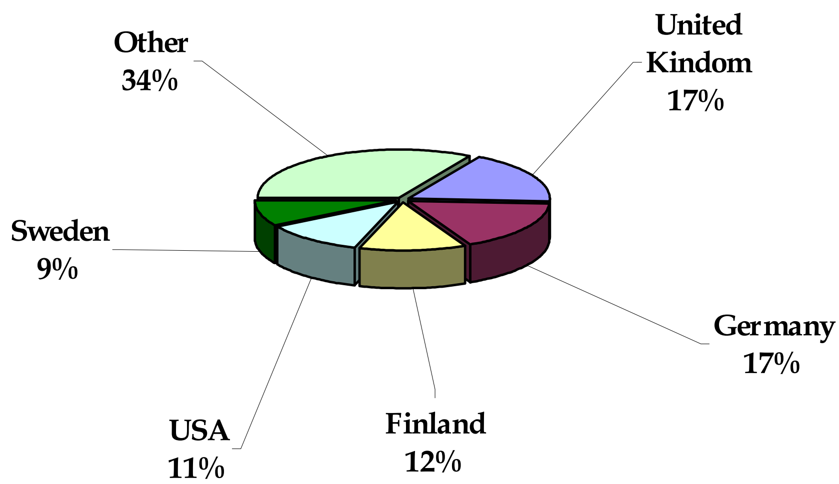


Foreign investments in the stock capital of the forest sector enterprises registered in Latvia, 1992 - 2001

Non-finance investments in forest sector enterprises in 2001 were almost 43.6 mln LVL, which constituted 4.7% of the total non-finance investments in Latvia's enterprises in 2001. Almost 30 mln LVL or 68% of the funds were invested in technologies and equipment

The dominating share of the foreign investment flow is connected with timber industry development - 30.1 mln LVL or 92% of the total foreign investment value invested in the Latvia's forest sector enterprises stock capital *(the investments included in the figure refer to enterprises producing timber and timber materials, pulp, paper, paperboard articles, and furniture).*

In general during the period between 1992 to 2001 the biggest investors in the stock capitals of Latvia's forest sector enterprises are from Great Britain (5.7 mln LVL), Germany (5.6 mln LVL), and Finland (4 mln LVL).

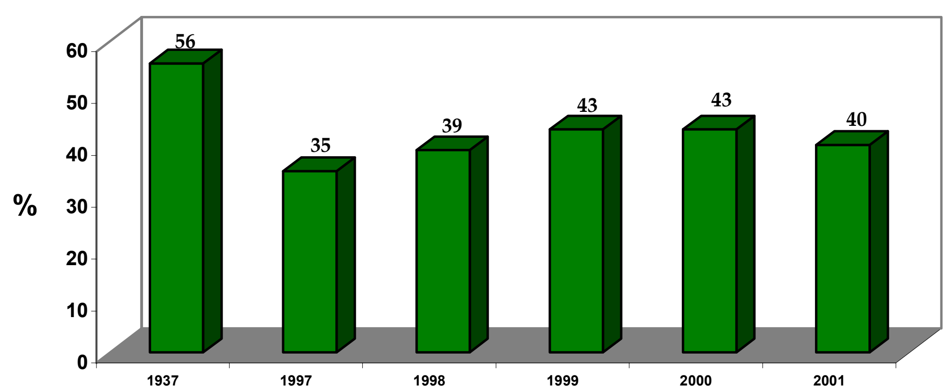


Foreign investments by countries in the stock capital of the forest sector enterprises registered in Latvia, 1992 - 2001

2. DEVELOPMENT TRENDS IN TIMBER AND TIMBER PRODUCTS MARKETS

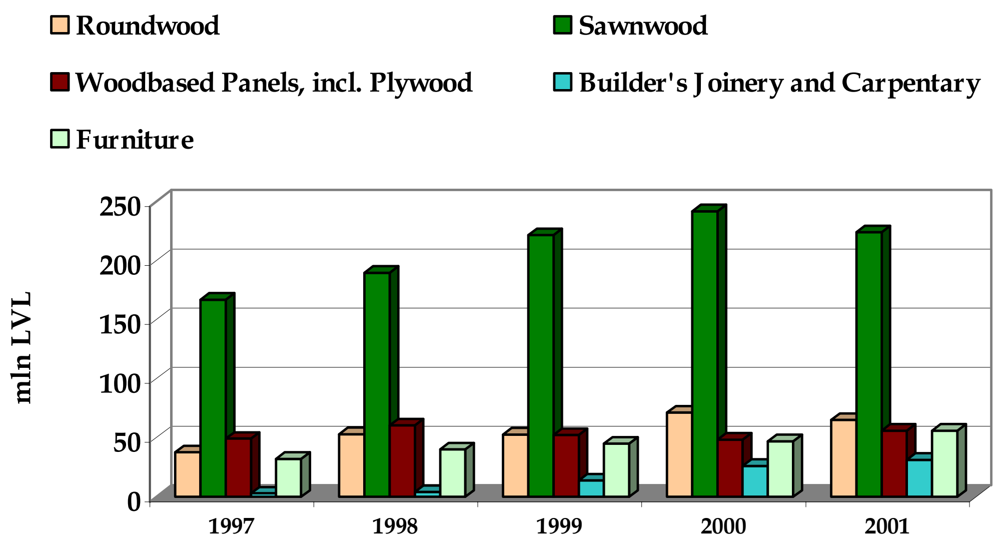
Latvia's timber industries have developed remarkably during the last ten years, the production has found demand and successfully competes in the global market.

Timber and timber products export reached 503 mln LVL in 2001 constituting 40% of the total Latvia's export volume (table 4).



The Share of Forest Sector in Total Export (%)

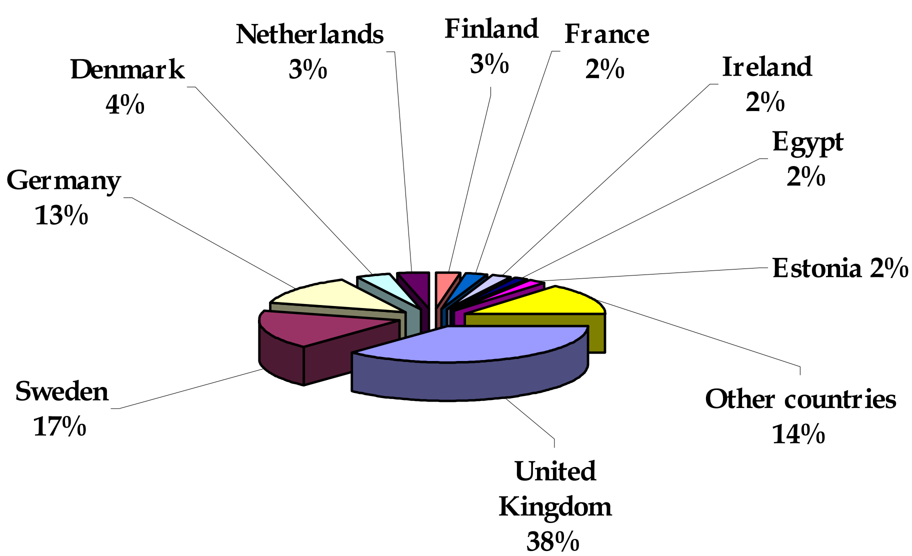
Latvia's forest industries and timber industries produce mainly for export - about 85% of the total volume produced is exported. The main export products are sawn timber, plywood, particle board, furniture, and roundwood (mainly pulpwood) (table 5).



Value added Product Export in Relationship with Roundwood export

Latvia's timber export is continuing dynamic development. Latvia's forest sector has received remarkable investments and new up-to-date sawmills have been built.

The dominating countries in Latvia's forest sector products export in 2001 were Great Britain, Sweden, Germany, and Denmark. The same structure remained in the first half of 2002. Export volumes have remarkably increased to Japan, USA, and Egypt (table 6).



Export of Timber and Timber Products, 2001 (by Countries)

In order to utilize timber resources more efficiently and to increase competitive capacity of timber industries fuel wood export should be considerably decreased. At the moment huge volumes of fuel wood is being exported from the country (in 2001 for 16.5 mln LVL, in the first half of 2002 already for 11.1 mln LVL) that could be utilized in the country thus decreasing fossil fuel import.

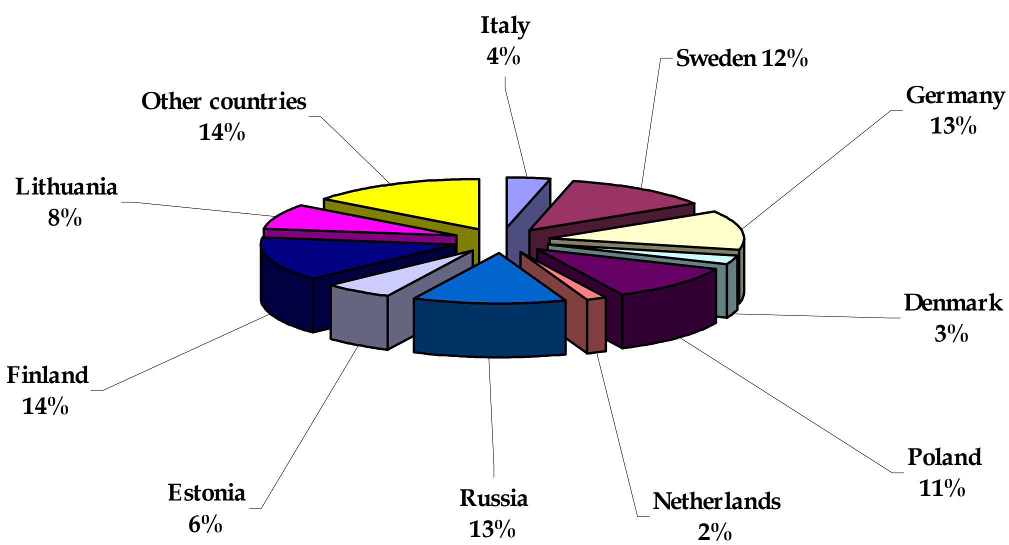
The projected pulp mill should be built in the territory of Latvia in order to increase the export value of forest resource based industries and decrease roundwood export in the nearest future

It is anticipated that in future timber export could increase by value.

Timber import during the last five years has increased by value five times. Major import products are paper, paperboard and related articles, furniture, sawn timber, and roundwood.

The countries dominating in the forest products import in Latvia are Finland, Germany, Russia, Sweden, and Poland. In the first half of 2002 the biggest import was from Russia.

The huge resource and outlet market in Russia is obvious therefore timber import from Russia might increase. Semi-manufactured products are bought from Russia, higher value added by processing and part of them exported. In the nearest future both countries should develop cooperation on this issue to make the market profitable for both parties.



Import of Timber and Timber Products, 2001 (by Countries)

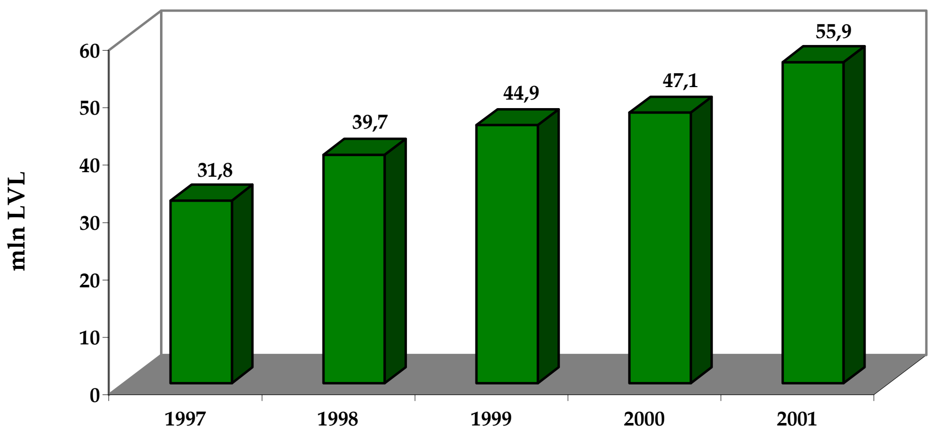
A. Value-added timber products and engineered timber products

Production and market of timber processing products with high added value (furniture, furniture parts, also builders' joinery and carpentry articles) is developing considerably.

Furniture manufacturing is an important sector in Latvia's timber industry. The volume of manufactured furniture is increasing year by year. It should be noted that in the recent years many furniture producing enterprises have started manufacturing high quality furniture, mainly from solid timber and with special attention being paid to design, and serving individual orders. In Latvia produced office furniture is successfully competing with imported products.

At present there are a little more than 300 enterprises producing furniture or furniture parts. Furniture producers are concentrated mainly in cities, especially in

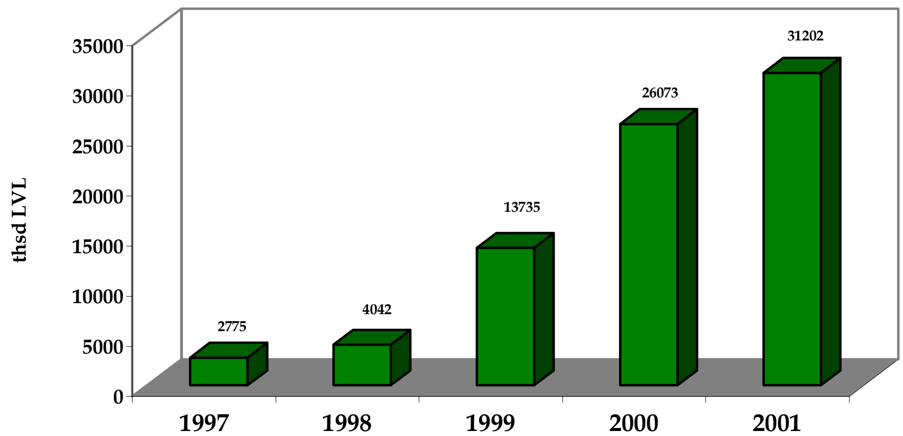
Riga. Furniture export in terms of value is steadily growing - during the last five years it has increased by 38%. Most furniture is exported to Germany, Denmark, France, Sweden, and Finland. Approximately 40% of the total furniture export is furniture parts. Also furniture import has slightly increased; major importing countries being Poland, Italy, Lithuania, and Estonia.



Export of Furniture (mln LVL)

During the last five years the production of builders' joinery and carpentry items has grown to a great extent - timber window frames, doors with frames and doorsteps, parquet panels, concreting moulds, and other necessary for construction timber products (stairs, parts of stairs). As well as form shaped parts (solid timber shelves and shelves for window and door production, form shaped solid timber plates, form shaped items for construction). Such a dynamic growth of the above items is related to introducing new technologies in Latvia's timber industry thus increasing the value of the production. In this way Latvia is taking advantage of the cost-efficiency to offer these products in the market where there is growing demand for them.

The export development of carpentry and builders' joinery articles is the most remarkable compared to 1993. In terms of monetary value this part of timber export has grown 6.8 times. The buyers of this production are Germany, Sweden, Denmark, Ireland, USA, and Great Britain.



Export of Joinery and Carpentry (thousand LVL)

There is also remarkable development in production and export of such timber processing products as further processed sawn-wood and prefabricated buildings of wood.

B. Certification of sustainable forest management in Latvia

In Latvia forest management and timber product chain of supply certification is performed under two certification schemes: Forest Stewardship Council (FSC) and Pan-European Forest Certification (PEFC).

FSC certification in Latvia is developing remarkably. ***Until July 2002 a total of 905.7 thousand ha have been certified according to the FSC requirements.***

Four regional forestry units have received FSC certificate. Their total certified forest area is 846 thousand ha or 52% of the state forest area managed by state stock company *"Latvijas valsts mezi"* (Latvia's State Forests).

FSC forest management certificate has been granted to 57 thousand ha area of Riga City forests.

Private forest owners have received FSC forest management certificate for 2.7 thousand ha forest area.

35 Latvia's forest sector enterprises have certified their timber supply chain account systems.

PEFC Latvian scheme has been evaluated as complying with PEFC provisions and requirements, accepted by the PEFC Board of Directors, has received a positive vote from PEFC Member Countries' National Boards, and has been internationally recognized as PEFC Latvian National Scheme on July 20, 2001.

Up to July 2002 under PEFC certification criteria ***110 forest properties have been certified with the total forest area of 11 thousand ha.*** And also three chain-of-supply enterprises (two chain-of-supply enterprises are in the certification process). At the moment only private and municipality forest owners are involved in the PEFC process.

C, D Sawn softwood, sawn hardwood

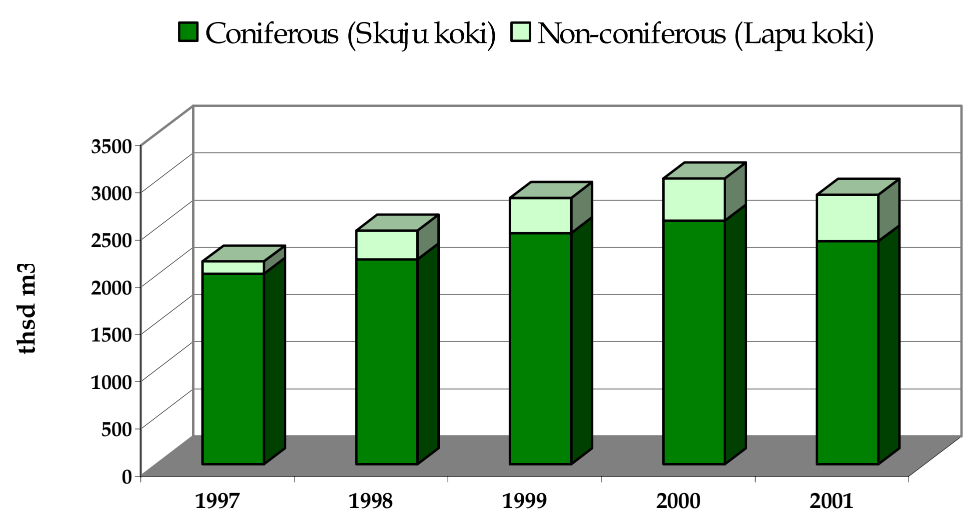
Today in Latvia there are 8 sawmills with annual production around 50 130 thousand m³, and which utilize up-to-date production technologies thus reaching high operational efficiency. These sawmills plan to invest in their production and in the nearest future most of them can reach capacity of 200000 - 250000 m³ sawn production per year. These sawmills basically produce mass production: starting with high quality dried construction materials to wide range of finishing materials, as well as pulp and fuel chips.

There are about 20 medium size sawmills with production volume of 10 to 50 thousand m³ per year. The level of technologies and work efficiency in these enterprises varies a lot. During the last years in this particular sawmill sector there have been changes in the produced assortments, i.e. the added value of the production is being increased. Also more "niche products" are developed and they are delivered to the big EU and USA DIY chains. There are also 200-250 smaller sawmills mainly being family enterprises and farms producing from 500-10000 m³ non-dried or partly dried sawn timber per year.

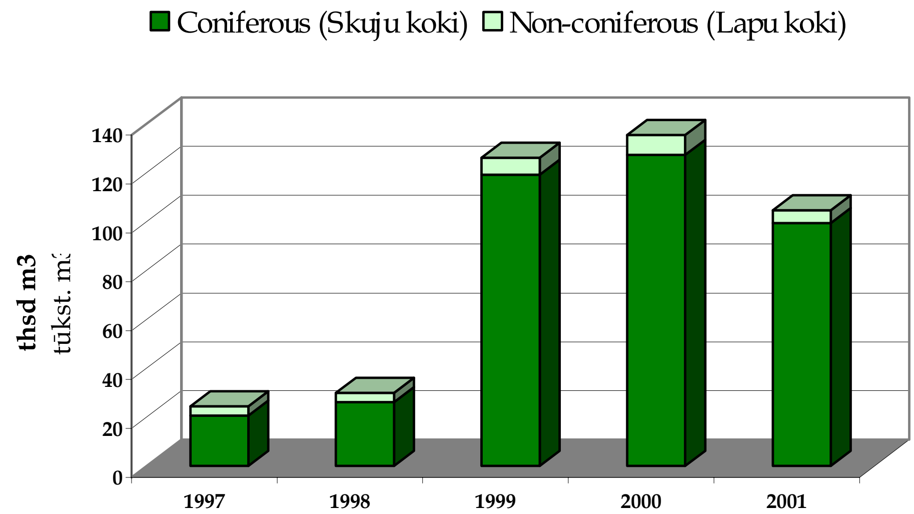
Existence of many small and medium sized sawmills is unstable. In situation when big enterprises focus on big production volumes, but the medium - on specialisation of production, the loss of small and inefficient sawmills, that have not or can not ensure the necessary investments to reach the next stage of development, is inevitable. The only possibility for the small sawmills is to develop specialised processing lines, co-operating with same type of producers, producing higher value added production, and serving specific orders.

Sawn timber takes first place in Latvia's timber export. Compared to 2000 sawn softwood export volumes slightly went down in 2001, and volumes of sawn hardwood slightly increased.

Decrease of sawn wood export can be explained by growing production and trade of value added timber products. There are also new sawn wood markets developed, e. g. USA, Japan, and other countries of Southeast Asia.



Export of Sawnwood (thsd m^3)



Import of Sawnwood (thsd m^3)

E. Wood-based panels (particle board, fibreboard and MDF, OSB, plywood)

Compared to the previous year situation has improved in wood-based panels production in Latvia produced by stock company "Bolderaja" - one of the leading timber complex processing enterprises in Baltic. But fibreboard production has closed.

Plywood industry in Latvia continues to develop. Considerable funds are being invested both in expanding production and technology development. New contacts and new joint companies abroad are being established.

Stock company "Latvijas Finieris" takes leading position in Eastern and Central Europe in plywood production. It has become leading plywood and glued articles (furniture parts, form shaped articles) producer and exporter in Latvia. 176 thousand m^3 plywood have been produced in 2001 including 143 thousand m^3 for export.

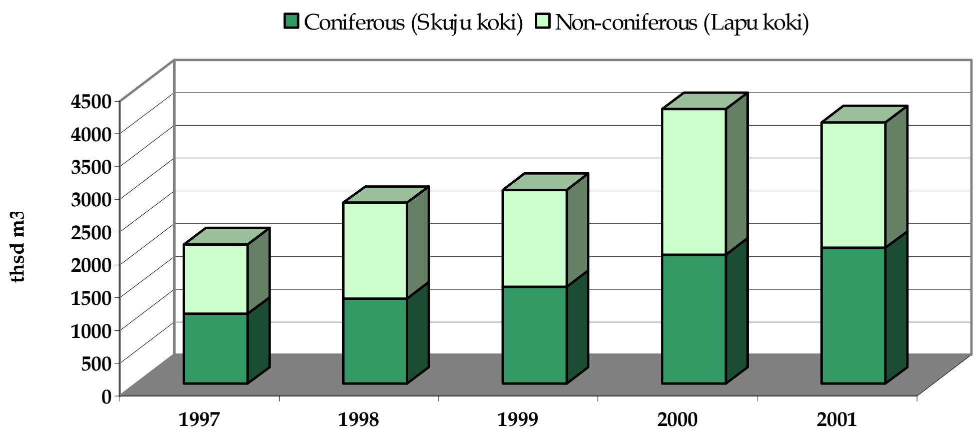
It should be noted that when comparing data on wood based panels export of the first half of 2002 with respective period in 2001, the volumes of wood based panels export have decreased.

F. Pulp and paper

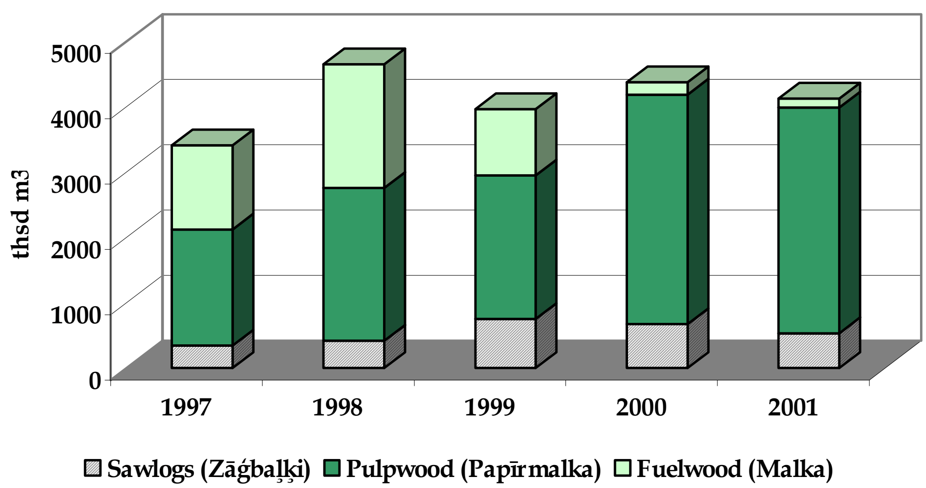
At the moment there is just one factory producing paper from recovered paper, while the others are basically paper conversion factories. The existing factories are old with old capacities. Nevertheless the export of paper industry production has slightly increased - from 23.3 thousand t in 2000 to 27.7 thousand t in 2001. Also in the first half of 2002 compared to the same period in the previous year it has grown from 12.6 thousand t to 17.2 thousand t.

G. Wood raw materials (e.g. roundwood including sawlogs and pulpwood)

The present wood working and wood-processing enterprises' capacity and structure do not ensure possibilities to process or utilise on site all timber harvested in Latvia's forests (e.g. there is no operating pulp mill, insufficient capacity for processing small round-wood. Also the National Energy Policy hasn't been formulated which would ensure wood harvesting and timber processing residue utilisation in energy production). Therefore rather big volumes of round-wood, fuel-wood, and chips are being exported. Rational utilisation of this raw-material source and/or its processing in the local wood-working and wood-processing enterprises would considerably increase forest related industry effectiveness and increase Forest Sector contribution in the National Budget, like it has been achieved in the Nordic countries where timber processing and export gives the biggest net income.



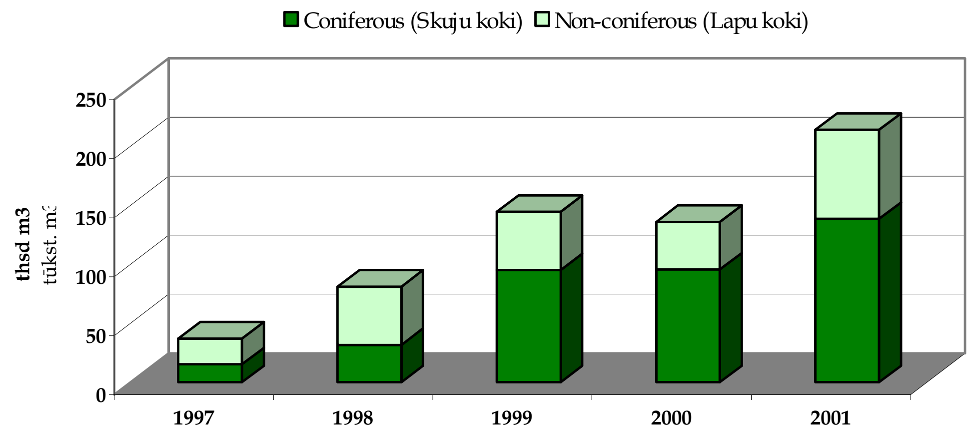
Development of round-wood export (by species) (thsnd m^3)



Development of round-wood export (by assortments) (thsnd m^3)

In 2001 pulpwood constituted about 86% of the total round-wood export. Softwood and hardwood have almost equal shares in this structure although there is a tendency of hardwood share decrease. Round-wood is mainly exported to Sweden, Finland, Germany, and Estonia.

In general round-wood export is going down. It is explained by the growth of further processed timber products export where also small logs are used as raw material. Whereas round-wood import is going up most of which comes from Russia, Poland, Belarus.



Import of Round-wood (thsd m^3)

3. TABLES

A. Economic indicators

Table 1. ***Key Indicators of Economic Development*** (growth rates in percent)

	1996	1997	1998	1999	2000	2001	2002 p
GDP	3,3	8,6	3,9	1,1	6,8	7,7	5
Private consumption	10,3	5	6,2	5,1	5,6	7	6
Public consumption	1,8	0,3	6,1	0	-1,9	1,8	3
Consumer prices	17,6	8,4	4,7	2,4	2,6	2,5	2,5
Foreign trade balance (% of GDP)	-15,6	-15,1	-18,5	-15,4	-14,9	-17,9	-16,5
Direct foreign investments received during the year (% of GDP)	7,4	9,3	5,8	5,2	5,7	2,7	5
Registered unemployment rate (%, end of period)	7,2	7	9,2	9,1	7,8	7,7	7,6
Exchange rate of LVL against SDR (end of period)	0,7997	0,7997	0,7997	0,7997	0,7997	0,7997	0,7997

p – *projection*

Table 2. Latvia's Gross Domestic Product by Sector Activity

(in percent)

	2001		
	Growth rate	Contribution to the growth	structure
Gross Domestic Product	**7,7**	**7,7**	**100**
Production of Goods	**7,7**	**2,2**	**29,6**
Agriculture, hunting, and forestry	7,1	0,3	4,4
fishing	-14,3	0	0,3
mining	7,9	0	0,1
manufacturing	9,5	1,3	14,8
Electricity, gas, and water supply	6,6	0,2	3,8
construction	6,1	0,4	6,2
services	**8,3**	**5,5**	**70,4**
trade	10,6	1,8	18,8
Hotels and restaurants	13,7	0,1	1,3
Transport and communication	9,5	1,4	15,3
Finances	7,3	0,4	4,6
Real estate, renting, and business activities	13,9	1,4	11,4
Public administration and defense; compulsory social security	2,7	0,2	6,4
education	1,2	0,1	5,3
Health and social work	-0,1	0	3,1
Other community, social and personal service activities	3,5	0,1	4,2

Source: Statement on the Development of Latvia's National Economy

Table 3. ***Gross Domestic Product*** (mln. LVL) at current prices

0	1995	1996	1997	1998	1999	2000	2001	2002
I-XII	2349.2	2829.1	3275.5	3589.5	3889.7	4348.3	4758.6	
I-III	537.3	623.8	685.1	837.9	901.1	1000.8	1098.9	1183.6
IV-VI	592.6	702.2	806.2	907.2	961.4	1060.8	1181.5	
VII-IX	577.8	725.0	853.3	915.8	976.8	1095.1	1182.8	
X-XII	641.5	778.1	930.9	928.6	1050.4	1191.6	1295.4	

B. Forest products production and trade in 2001, 2002

Table 4. ***The Share of Forest Sector in Total Export (%)***

Year	Total export of Latvia LVL	Export of forest sector	%
1937			56
1997	971749	341118	35
1998	1068852	416808	39
1999	1008333	436112	43
2000	1131315	487409	43
2001	1256402	503081	40

Table 5. ***Value added Product Export in Relationship with Roundwood export***

Year	**Roundwood**	**Sawnwood**	**Woodbased Panels, incl. Plywood**	**Builder's Joinery and Carpentary**	**Furniture**
1997	38	167	49	2,8	32
1998	53	190	60	4,0	40
1999	53	221	52	13,7	45
2000	71	242	48	26,1	47
2001	65	224	56	31,2	56

Table 6. ***Export of Wood and Wood Products , 2001 (by Countries)***

Total	427256826	**100**
United Kingdom	158079534	37,0
Sweden	73407478	17,2
Germany	57007497	13,3
Denmark	17021428	4,0
Netherlands	14628168	3,4
Finland	12745575	3,0
France	10337521	2,4
Ireland	9146091	2,1
Egypt	7750834	1,8
Estonia	7725129	1,8
Other countries	59407571	13,9

Table 7. ***Forest sector production export from Latvia in 2001 compared to 2000***

HS code	Production	2000		2001		2001./2000.	
		1000 (units)	1000 (LVL)	1000 (units)	1000 (LVL)	% (units)	% (LVL)
3605	**Matches**	**-**	**1 451,9**	**-**	**1 575,5**	**-**	**8,5**
44	**Wood and articles of wood**	**-**	**423 296,2**	**-**	**427 256,8**	**-**	**0,9**
4401	**Fuelwood:**	**749,3(t)**	**11 276,6**	**964,7(t)**	**16 494,3**	**28,8**	**46,3**
440110	Fuelwood (round)	122,9(t)	1 907,9	90,1(t)	1 678,2	-26,7	-12,0
440120-440130	Chips, particles; other wood residues	626,4(t)	9 368,7	874,6(t)	14 816,1	39,6	58,1
4402	**Charcoal**	**8,6(t)**	**1 843,8**	**7,1(t)**	**1 622,4**	**-17,7**	**-12,0**
4403	**Roundwood:**	**4 189,8(m^3)**	**71 185,8**	**3 990,1(m^3)**	**65 197,5**	**-4,8**	**-8,4**
440320	Coniferous	1 968,6(m^3)	35 856,8	2 071,9(m^3)	37 270,2	5,3	3,9
	- diameter to 14 cm	1 595,4(m^3)	26 940,4	1 697,9(m^3)	28 354,0	6,4	5,2
	- diameter more 14 cm	373,1(m^3)	8 916,4	374,1(m^3)	8 916,2	0,2	0,0
440330-440399	Non-coniferous	2 221,3(m^3)	35 329,0	1 918,2(m^3)	27 927,3	-13,6	-21,0
	- diameter to 16 cm	1 921,4(m^3)	30 369,5	1 758,6(m^3)	25 423,9	-8,5	-16,3
	- diameter more 16 cm	299,9(m^3)	4 959,5	159,6(m^3)	2 503,4	-46,8	-49,5
4406	**Sleepers**	**13,1(m^3)**	**1 000,4**	**28,0(m^3)**	**3 132,5**	**113,7**	**213,1**
4407	**Sawnwood:**	**3 026,0(m^3)**	**238 150,4**	**2 854,9(m^3)**	**223 901,9**	**-5,7**	**-6,0**
440710	Coniferous	2 579,1(m^3)	208 904,7	2 361,3(m^3)	191 298,7	-8,4	-8,4
440720-440799	Non-coniferous	447,0(m^3)	29 245,6	493,6(m^3)	32 603,2	10,4	11,5
4408	**Veneer sheets**	**7,5(m^3)**	**4 974,6**	**10,6(m^3)**	**6 966,4**	**41,4**	**40,0**
4409	**Further processed sawnwood**	**24,4(m^3)**	**3 014,5**	**6,8(m^3)**	**1 621,0**	**-72,3**	**-46,2**
440910	Coniferous	**18,3(m^3)**	**2 260,6**	**4,5(m^3)**	**995,4**	**-75,3**	**-56,0**
440920	Non-coniferous	**6,1(m^3)**	**753,9**	**2,2(m^3)**	**625,6**	**-64,1**	**-17,0**
4410	**Particle board**	**78,7(m^3)**	**4 831,5**	**80,8(m^3)**	**5 761,3**	**2,7**	**19,2**
4411	**Fibreboard**	**5 725,1(m^2)**	**2 068,7**	**394,1(m^2)**	**305,4**	**-93,1**	**-85,2**
4412	**Plywood**	**128,0(m^3)**	**36 369,1**	**143,0(m^3)**	**42 880,1**	**11,8**	**17,9**
4415, 4416	**Wooden packaging**	**89,4(t)**	**11 561,8**	**121,3(t)**	**15 227,0**	**35,6**	**31,7**
4418	**Joinery and carpentry**	**56,3(t)**	**26 072,6**	**65,9(t)**	**31 201,6**	**17,2**	**19,7**
47	**Pulp of wood, recovered paper**	**24,4(t)**	**1 351,0**	**26,1(t)**	**1 098,6**	**7,0**	**-18,7**
48	**Paper and paperboard, articles of paper**	**23,3(t)**	**12 044,3**	**27,7(t)**	**14 834,3**	**19,0**	**23,2**
9401- 9404	**Furniture**	**-**	**47 100,6**	**-**	**55 863,7**	**-**	**18,6**
9406001	**Prefabricated building constructions**	**5,1(t)**	**2 165,1**	**7,0(t)**	**2 451,7**	**38,5**	**13,2**
	Total		**487 409,0**		**503 080,7**		**3,2**

Table 8. ***Forest sector production export from Latvia in the first half of 2002 compared to the corresponding period in 2001***

HS code	Production	2001 (January-June)		2002 (January-June)		2002/2001	
		1000 (units)	1000 (LVL)	1000 (units)	1000 (LVL)	% (units)	% (LVL)
3605	**Matches**	**-**	**675,0**	**-**	**1 030,3**	**-**	**52,6**
44	**Wood and articles of wood**	**-**	**225619,3**	**-**	**229 003,7**	**-**	**1,5**
4401	**Fuelwood:**	**478,3(t)**	**7 307,4**	**627,2(t)**	**11 109,3**	**31,1**	**52,0**
440110	Fuelwood (round)	36,6(t)	575,3	62,6(t)	1 052,6	70,9	82,9
440120-440130	Chips, particles; other wood residues	441,7(t)	6 732,1	564,6(t)	10 056,7	27,8	49,4
4402	**Charcoal**	**5,2(t)**	**1 191,5**	**5,8(t)**	**1 255,6**	**10,3**	**5,4**
4403	**Roundwood:**	**2 230,8(m^3)**	**36 956,6**	**2 095,8(m^3)**	**35 232,9**	**-6,1**	**-4,7**
440320	Coniferous	1 135,9(m^3)	20 737,2	1 070,9(m^3)	18 930,8	-5,7	-8,7
	- diameter to 14 cm	918,5(m^3)	15 529,8	429,1(m^3)	7 103,1	-53,3	-54,3
	- diameter more 14 cm	217,4(m^3)	5 207,4	641,8(m^3)	11 827,7	195,2	127,1
440330-440399	Non-coniferous	1 094,9(m^3)	16 219,4	1 024,9(m^3)	16 302,2	-6,4	0,5
	- diameter to 16 cm	994,4(m^3)	14 558,8	388,4(m^3)	5 737,2	-60,9	-60,6
	- diameter more 16 cm	100,5(m^3)	1 660,6	636,4(m^3)	10 565,0	533,3	536,2
4406	**Sleepers**	**11,4(m^3)**	**828,7**	**9,1(m^3)**	**693,1**	**-20,5**	**-16,4**
4407	**Sawnwood:**	**1 468,8(m^3)**	**115 720,1**	**1 411,2(m^3)**	**113 018,6**	**-3,9**	**-2,3**
440710	Coniferous	1 223,0(m^3)	99 318,3	1 136,8(m^3)	94 014,9	-7,0	-5,3
440720-440799	Non-coniferous	245,7(m^3)	16 401,9	274,4(m^3)	19 003,8	11,6	15,9
4408	**Veneer sheets**	**5,3(m^3)**	**3 599,1**	**6,3(m^3)**	**4 134,2**	**19,3**	**14,9**
4409	**Further processed sawnwood**	**3,1(m^3)**	**738,5**	**6,7(m^3)**	**1 326,6**	**116,0**	**79,6**
440910	Coniferous	2,3(m^3)	480,4	5,5(m^3)	963,7	138,5	100,6
440920	Non-coniferous	0,8(m^3)	258,1	1,1(m^3)	362,9	47,7	40,6
4410	**Particle board**	**40,3(m^3)**	**2 798,5**	**34,8(m^3)**	**2 395,4**	**-13,5**	**-14,4**
4411	**Fibreboard**	**333,6(m^2)**	**225,4**	**29,5(m^2)**	**86,0**	**-91,2**	**-61,8**
4412	**Plywood**	**79,5(m^3)**	**24 018,3**	**76,0(m^3)**	**21 924,9**	**-4,4**	**-8,7**
4415, 4416	**Wooden packaging**	**60,9(t)**	**8 083,0**	**63,8(t)**	**8 892,7**	**4,8**	**10,0**
4418	**Joinery and carpentry**	**34,0(t)**	**16 340,0**	**41,5(t)**	**19 140,3**	**22,2**	**17,1**
47	**Pulp of wood, recovered paper**	**12,5(t)**	**562,7**	**15,4(t)**	**640,4**	**23,4**	**13,8**
48	**Paper and paperboard, articles of paper**	**12,6(t)**	**6 914,9**	**17,2(t)**	**9 254,9**	**36,0**	**33,8**
9401- 9404	**Furniture**	**-**	**27 257,8**	**-**	**31 305,9**	**-**	**14,9**
9406001	**Prefabricated building constructions**	**2,9(t)**	**1 161,4**	**4,4(t)**	**1 410,3**	**53,9**	**21,4**
	Total		**262 191,1**		**272 645,5**		**4,0**

Table 9. ***Forest sector production import to Latvia in 2001 compared to 2000***

HS code	Production	2000		2001		2001./2000.	
		1000 (units)	1000 (LVL)	1000 (units)	1000 (LVL)	% (units)	% (LVL)
3605	**Matches**	**-**	**22,5**	**-**	**47,0**	**-**	**108,9**
44	**Wood and articles of wood**	**-**	**23 200,5**	**-**	**28 672,6**	**-**	**23,6**
4401	**Fuelwood:**	**0,5(t)**	**35,1**	**0,3(t)**	**30,9**	**-36,8**	**-11,8**
440110	Fuelwood (round)	0,1(t)	0,2	0,0(t)	0,1	-	**-62,5**
440120-440130	Chips, particles; other wood residues	0,4(t)	34,9	0,3(t)	30,9	-26,0	-11,5
4402	**Charcoal**	**0,1(t)**	**7,5**	**0,1(t)**	**10,6**	**136,0**	**40,5**
4403	**Roundwood:**	**135,9(m^3)**	**4 162,1**	**213,9(m^3)**	**6 201,0**	**57,4**	**49,0**
440320	Coniferous	95,5(m^3)	1 605,1	138,3(m^3)	2 695,7	44,9	67,9
	- diameter to 14 cm	51,7(m^3)	745,9	118,1(m^3)	2 247,4	128,5	201,3
	- diameter more 14 cm	43,8(m^3)	859,2	20,2(m^3)	448,4	-53,8	-47,8
440330-440399	Non-coniferous	40,4(m^3)	2 557,0	75,5(m^3)	3 505,3	86,9	37,1
	- diameter to 16 cm	5,3(m^3)	96,4	8,6(m^3)	123,0	62,7	27,6
	- diameter more 16 cm	35,1(m^3)	2 460,6	66,9(m^3)	3 382,3	90,5	37,5
4406	**Sleepers**	**0,7(m^3)**	**79,2**	**1,1(m^3)**	**257,1**	**48,3**	**224,5**
4407	**Sawnwood:**	**135,4(m^3)**	**7 504,3**	**104,6(m^3)**	**6 846,8**	**-22,8**	**-8,8**
440710	Coniferous	127,3(m^3)	6 991,4	99,3(m^3)	6 346,1	-22,0	-9,2
440720-440799	Non-coniferous	8,1(m^3)	512,9	5,3(m^3)	500,7	-34,8	-2,4
4408	**Veneer sheets**	**0,5(m^3)**	**617,3**	**0,9(m^3)**	**825,1**	**91,7**	**33,7**
4409	**Further processed sawnwood**	**1,2(m^3)**	**346,1**	**1,1(m^3)**	**487,3**	**-7,4**	**40,8**
440910	Coniferous	**0,7(m^3)**	**151,3**	**0,7(m^3)**	**239,5**	**-5,4**	**58,3**
440920	Non-coniferous	**0,4(m^3)**	**194,8**	**0,4(m^3)**	**247,8**	**-10,6**	**27,2**
4410	**Particle board**	**22,7(m^3)**	**3 020,4**	**25,9(m^3)**	**4 005,0**	**13,9**	**32,6**
4411	**Fibreboard**	**3 032,7(m^2)**	**2 838,0**	**2 899,5(m^2)**	**3 485,5**	**-4,4**	**22,8**
4412	**Plywood**	**3,5(m^3)**	**444,5**	**6,3(m^3)**	**887,0**	**79,0**	**99,5**
4415, 4416	**Wooden packaging**	**2,7(t)**	**573,8**	**4,3(t)**	**911,3**	**58,4**	**58,8**
4418	**Joinery and carpentry**	**1,9(t)**	**2 574,9**	**2,6(t)**	**2 982,4**	**35,0**	**15,8**
47	**Pulp of wood, recovered paper**	**0,5(t)**	**104,2**	**0,6(t)**	**142,3**	**31,7**	**36,6**
48	**Paper and paperboard, articles of paper**	**116,0(t)**	**68 110,1**	**111,6(t)**	**77 091,4**	**-3,8**	**13,2**
9401- 9404	**Furniture**	**-**	**12 112,4**	**-**	**14 802,6**	**-**	**22,2**
9406001	**Prefabricated building constructions**	**0,6(t)**	**1 446,5**	**0,9(t)**	**440,0**	**51,5**	**-69,6**
	Total		**104 996,1**		**121 196,0**		**15,4**

Table 10. ***Forest sector production import to Latvia in the first half of 2002 compared to the corresponding period in 2001***

HS code	Production	2001 (January-June)		2002 (January-June)		2002./2001.	
		1000 (units)	1000 (LVL)	1000 (units)	1000 (LVL)	% (units)	% (LVL)
3605	**Matches**	**-**	**21,4**	**-**	**20,5**	**-**	**-4,2**
44	**Wood and articles of wood**	**-**	**14 230,9**	**-**	**20 664,7**	**-**	**45,2**
4401	**Fuelwood:**	**0,1(t)**	**12,4**	**0,3(t)**	**31,5**	**145,8**	**153,8**
440110	Fuelwood (round)	0,0(t)	0,0	0,0(t)	0,6	-	-
440120-440130	Chips, particles; other wood residues	0,1(t)	12,4	0,3(t)	30,9	126,5	149,3
4402	**Charcoal**	**0,0(t)**	**1,3**	**0,2(t)**	**19,3**	**-**	**-**
4403	**Roundwood:**	**99,1(m^3)**	**3 428,8**	**202,6(m^3)**	**5 303,5**	**104,4**	**54,7**
440320	Coniferous	64,5(m^3)	1 354,7	150,8(m^3)	3 363,9	133,9	148,3
	- diameter to 14 cm	52,0(m^3)	1 087,7	14,6(m^3)	177,2	-71,9	-83,7
	- diameter more 14 cm	12,5(m^3)	266,9	136,2(m^3)	3 186,7	989,6	1 093,9
440330-440399	Non-coniferous	34,7(m^3)	2 074,1	51,8(m^3)	1 939,6	49,4	-6,5
	- diameter to 16 cm	6,0(m^3)	67,8	9,7(m^3)	109,4	61,5	61,3
	- diameter more 16 cm	28,7(m^3)	2 006,3	42,1(m^3)	1 830,1	46,8	-8,8
4406	**Sleepers**	**1,1(m^3)**	**254,2**	**1,4(m^3)**	**89,7**	**33,1**	**-64,7**
4407	**Sawnwood:**	**57,5(m^3)**	**3 710,5**	**92,9(m^3)**	**6 725,2**	**61,5**	**81,2**
440710	Coniferous	54,4(m^3)	3 426,2	88,6(m^3)	6 448,0	62,8	88,2
440720-440799	Non-coniferous	3,1(m^3)	284,3	4,4(m^3)	277,2	38,9	-2,5
4408	**Veneer sheets**	**0,6(m^3)**	**426,7**	**0,5(m^3)**	**575,4**	**-1,5**	**34,9**
4409	**Further processed sawnwood**	**0,4(m^3)**	**192,1**	**0,6(m^3)**	**325,3**	**42,8**	**69,3**
440910	Coniferous	0,3(m^3)	88,6	0,5(m^3)	203,0	80,3	129,0
440920	Non-coniferous	0,1(m^3)	103,5	0,1(m^3)	122,3	-2,0	18,2
4410	**Particle board**	**11,3(m^3)**	**1 749,4**	**15,3(m^3)**	**2 201,6**	**35,2**	**25,9**
4411	**Fibreboard**	**1 388,2(m^2)**	**1 566,3**	**1 299,8(m^2)**	**2 006,2**	**-6,4**	**28,1**
4412	**Plywood**	**3,3(m^3)**	**449,2**	**3,1(m^3)**	**463,6**	**-7,0**	**3,2**
4415, 4416	**Wooden packaging**	**2,2(t)**	**441,2**	**2,8(t)**	**603,2**	**29,2**	**36,7**
4418	**Joinery and carpentry**	**1,1(t)**	**1 288,7**	**1,3(t)**	**1 542,5**	**18,4**	**19,7**
47	**Pulp of wood, recovered paper**	**0,3(t)**	**61,2**	**0,5(t)**	**61,7**	**96,2**	**0,9**
48	**Paper and paperboard, articles of paper**	**57,4(t)**	**36 537,2**	**67,7(t)**	**42 560,5**	**18,0**	**16,5**
9401- 9404	**Furniture**	**-**	**6 642,2**	**-**	**7 752,0**	**-**	**16,7**
9406001	**Prefabricated building constructions**	**0,3(t)**	**201,6**	**0,5(t)**	**254,6**	**58,5**	**26,3**
	Total		**57 694,5**		**71 314,2**		**23,6**