

OVERVIEW OF THE GLOBAL FOREST ECONOMY

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Global Economy

- Key to good forecasting is to give a number, but NO date
- A good forecaster, forecasts often
- OUTLOOK: Slow, painful recovery

Global Economic Dashboard

- **YELLOW CAUTION** light is on
- Global economy not as strong as expected
- Geo-political tensions and growth concerns in emerging economies likely to continue for some time
- US benefits from low inflation; Europe struggles

STILL Trending

- Foreign Exchange – keeps us in or out of export markets
- Europe
 - PIIGs still in the trough
 - High bond yields/shaky debt
 - North v. South
 - Youth unemployment
 - Forest resource tapped out

Trending - II

- BRICs
 - Russian log tariff
 - Brazil – topping out???
 - India – surging demand
 - China syndrome
- Canada declining – insects, 1st Nations, Loonie

China - Goods

- 14+ million housing starts a year
- Huge demand for 10+ years
- Very little domestic supply

China - Bads

- 10s of millions sq. ft. vacant apartments
- “Ghost Cities” were built and nobody came
- 100s of billions \$ of unused factory capacity – debt financed
- Shadow-banking lending is 80% GDP
- China growth could go from 7.5% to 6%

Source – WSJ, 7.27.14

Baltic Dry Index

- Down 35% year over year
- Lowest point in 18 months
- Points to glut in shipping capacity left over from 2008 meltdown
- Indicates weak China demand for commodities

BALTIC DRY INDEX

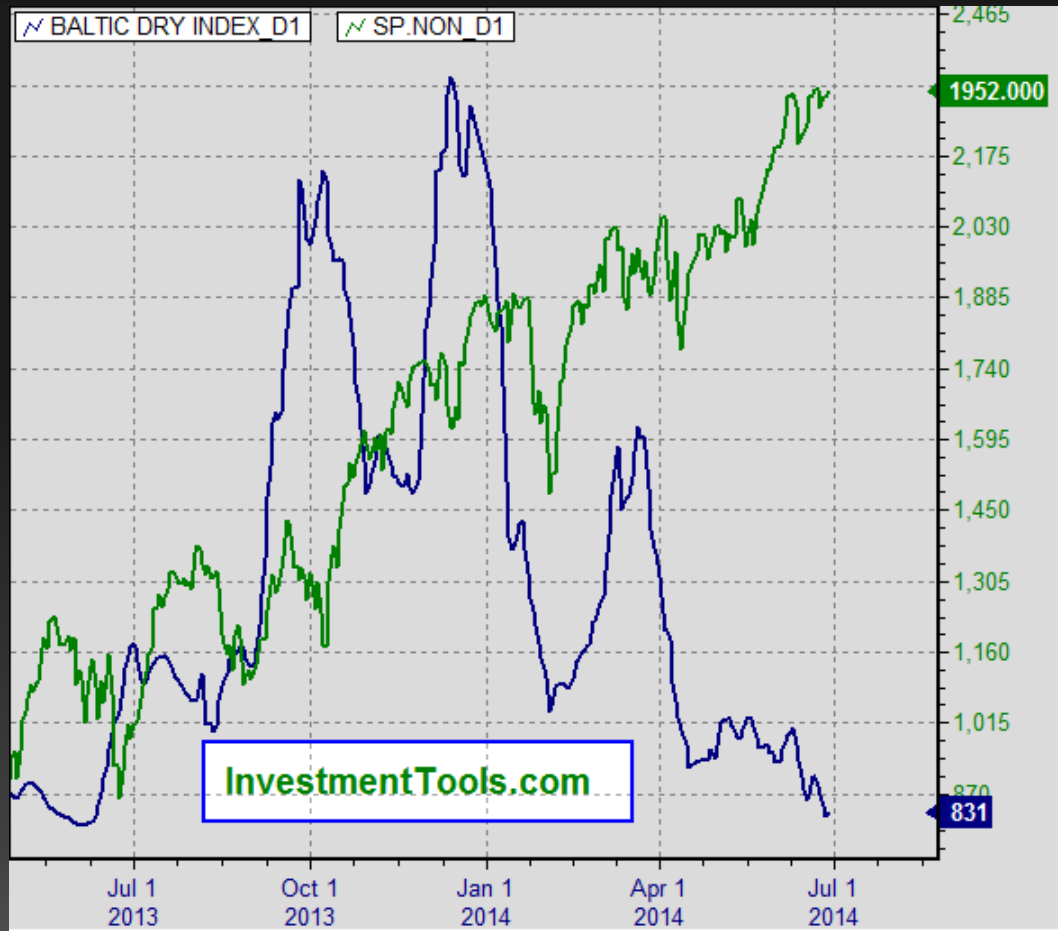


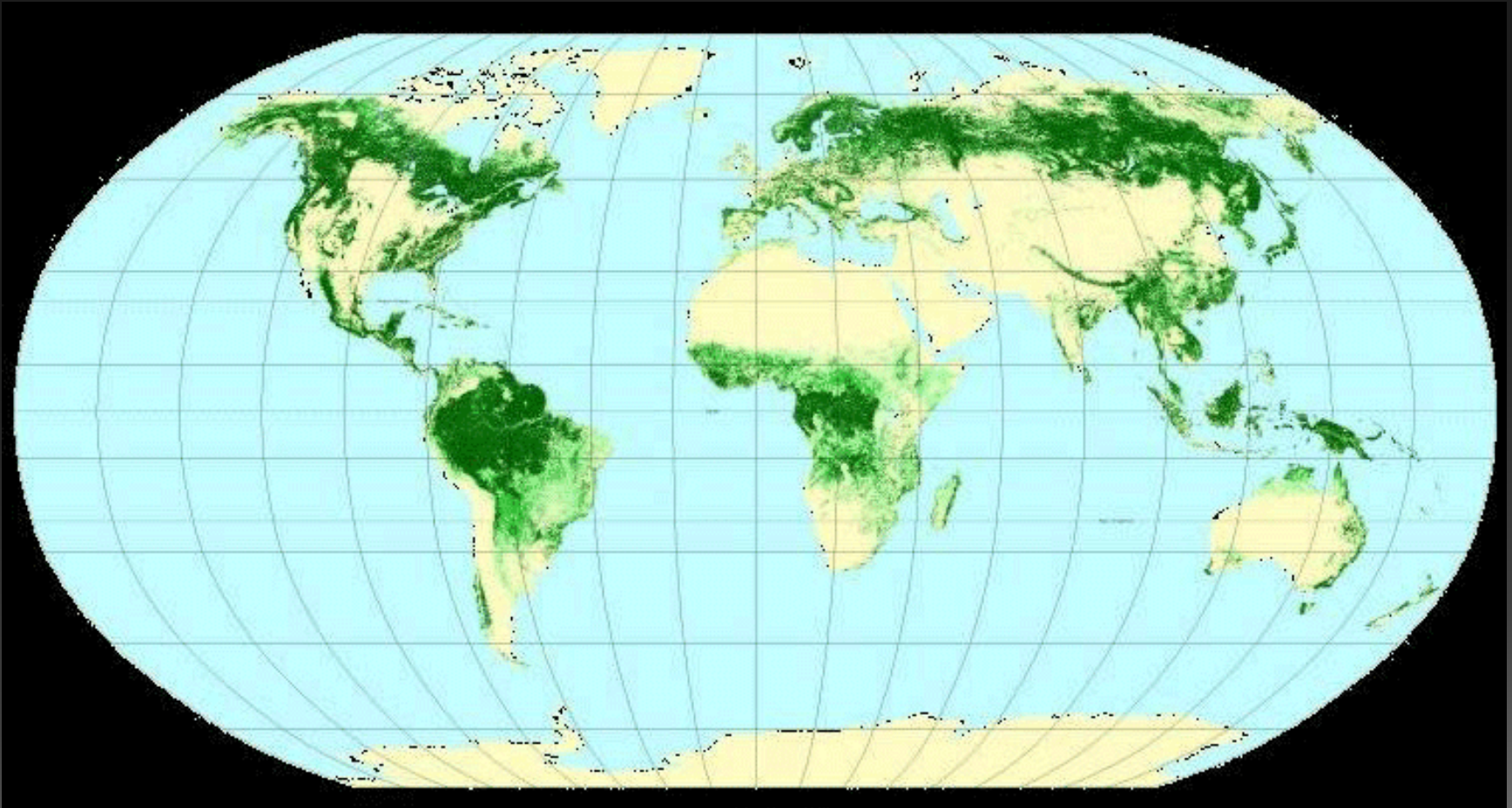
Chart created with NeoTicker EOD © 1998-2007 TickQuest Inc.

The University of Georgia

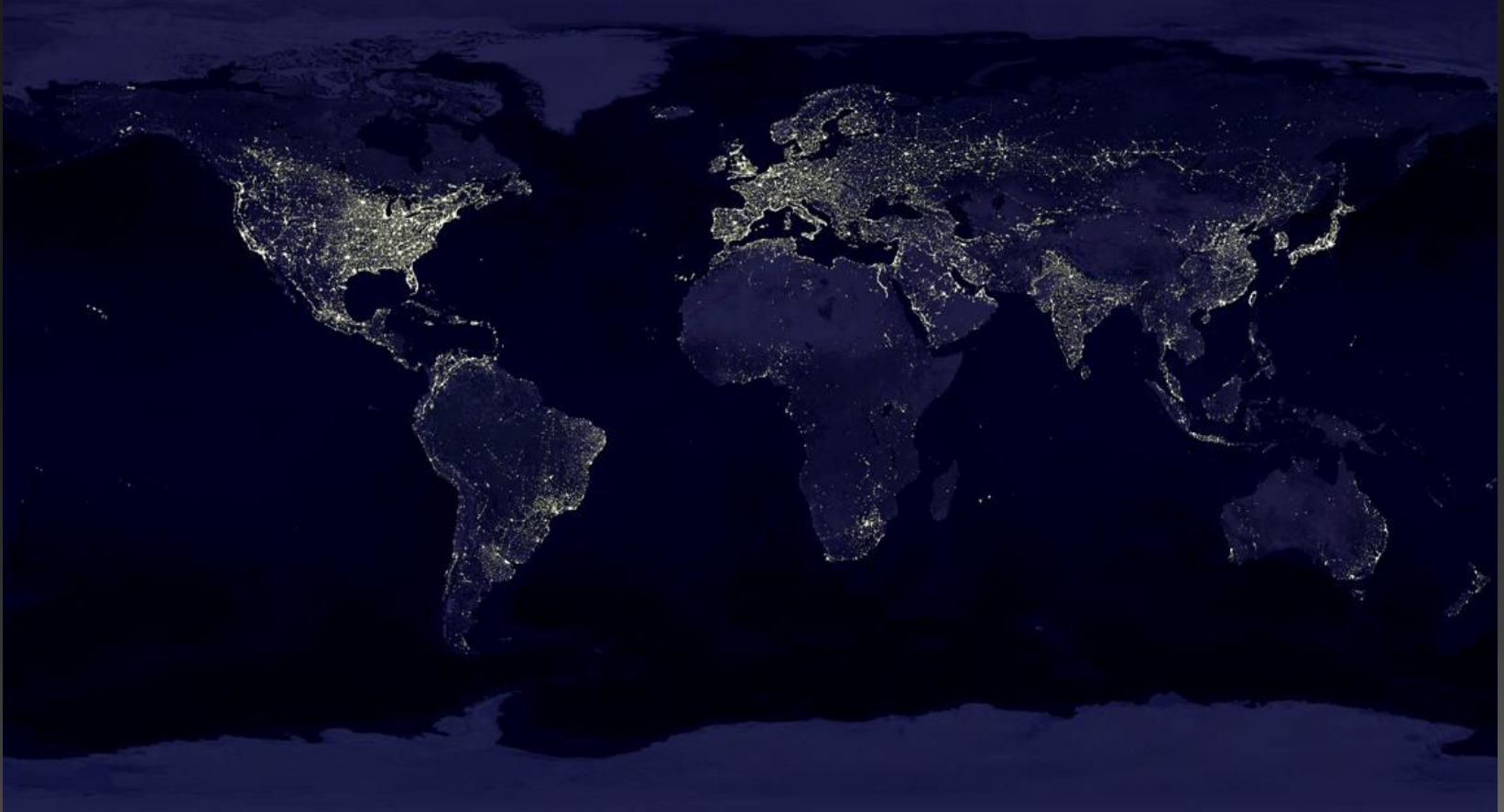
WARNELL

SCHOOL OF FORESTRY & NATURAL RESOURCES

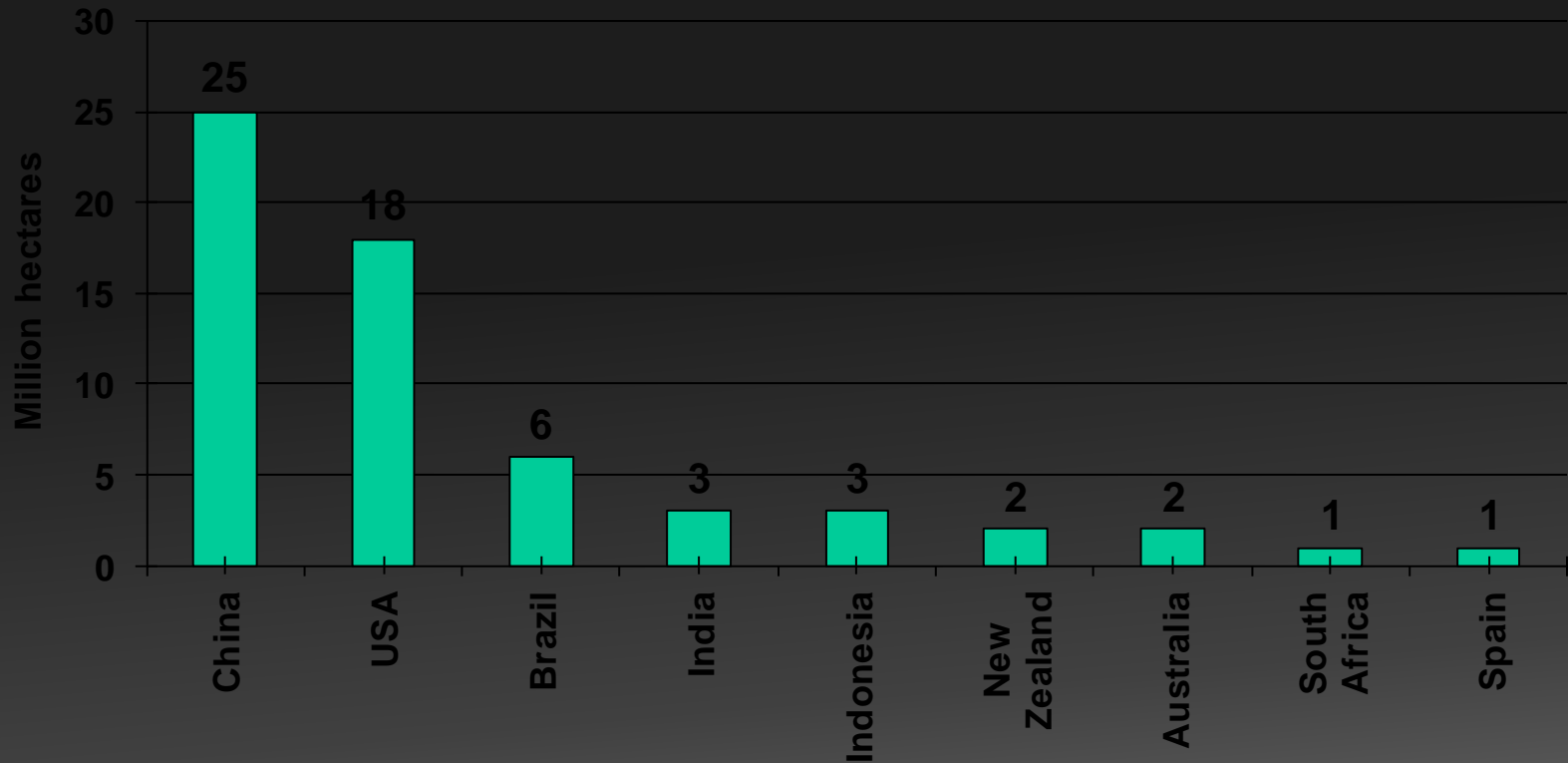
Forested Regions of the World



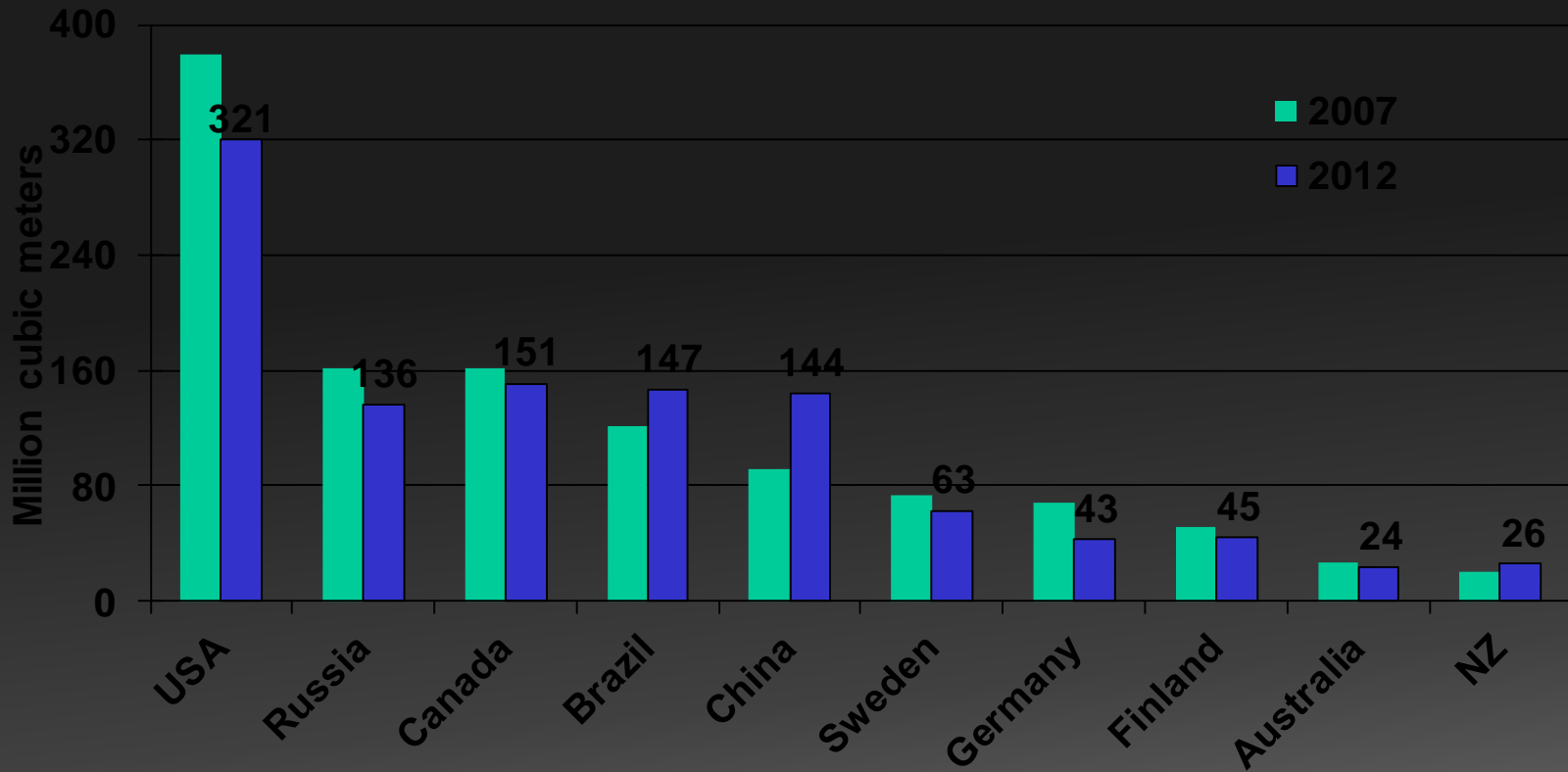
World Markets



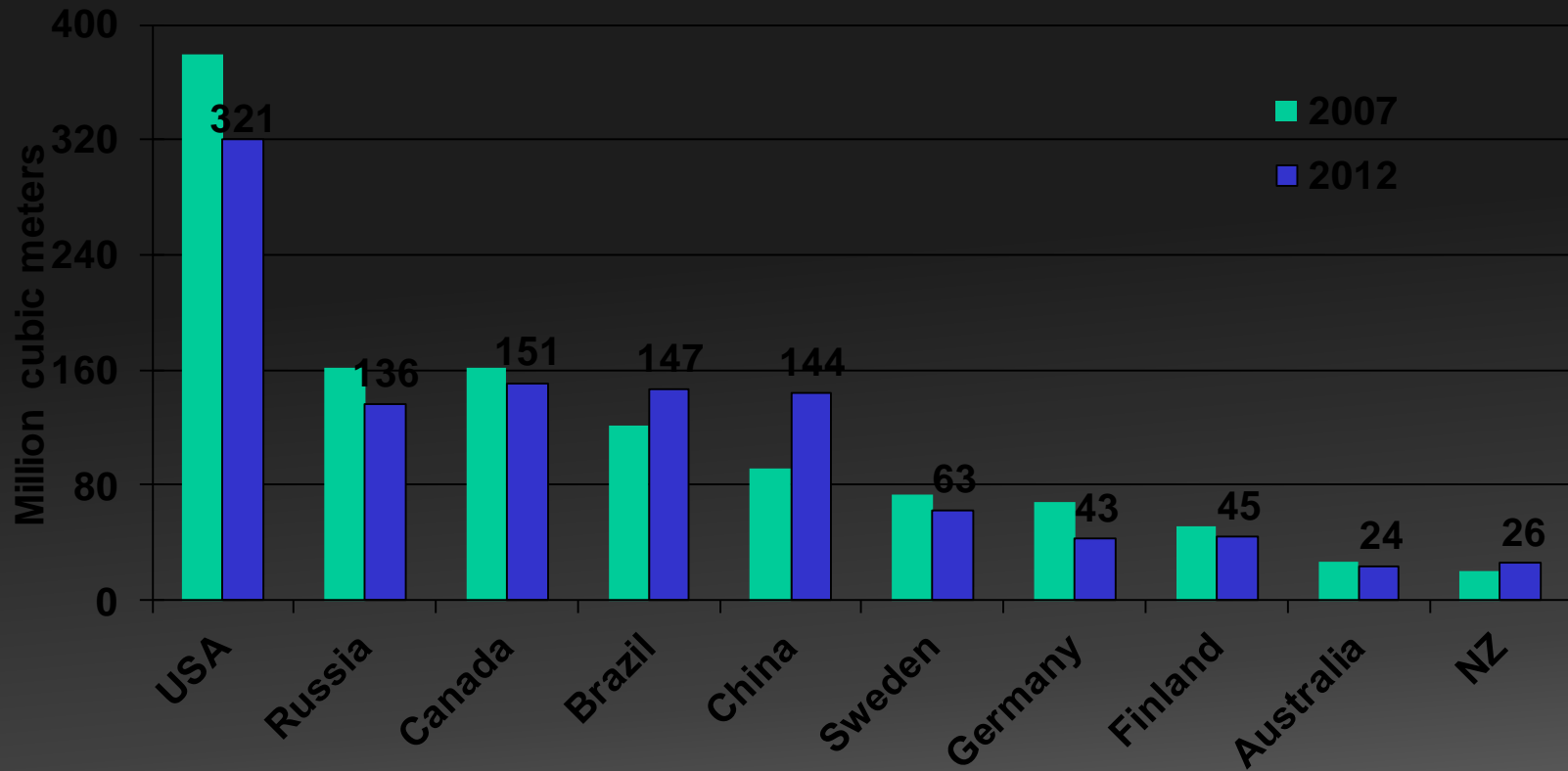
Fast Growing Plantations By Country



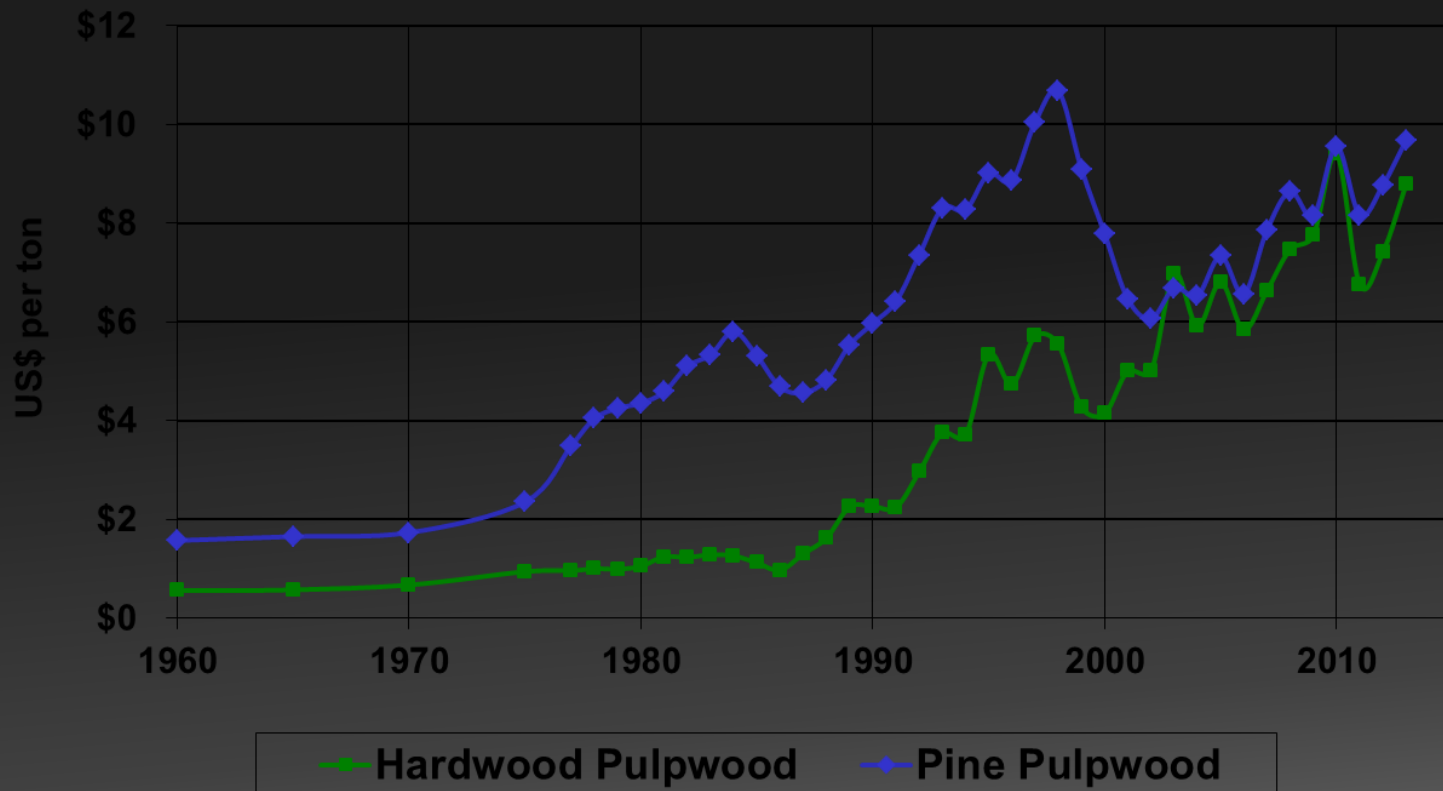
Roundwood Production By Country



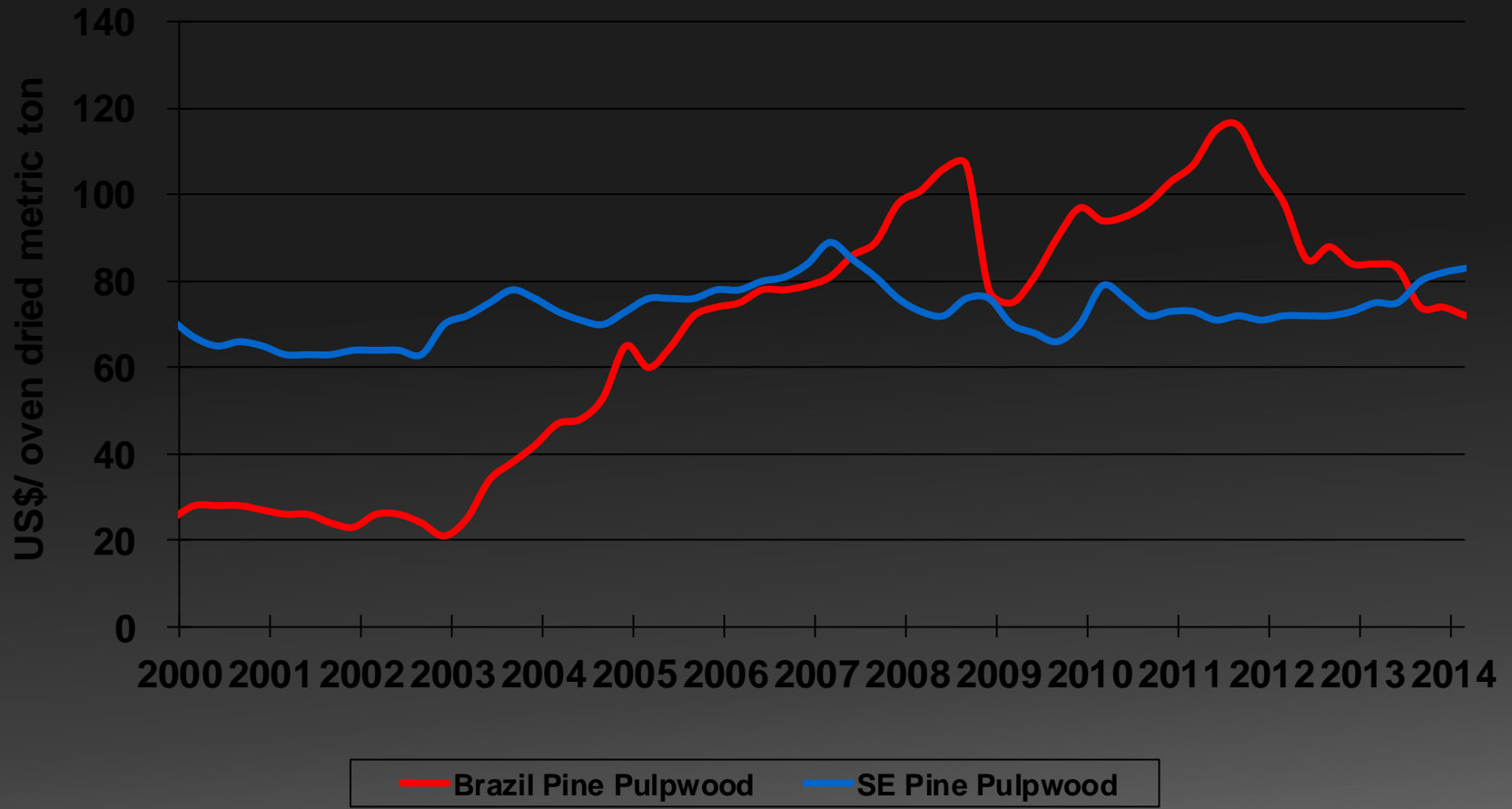
Sawn Wood Production



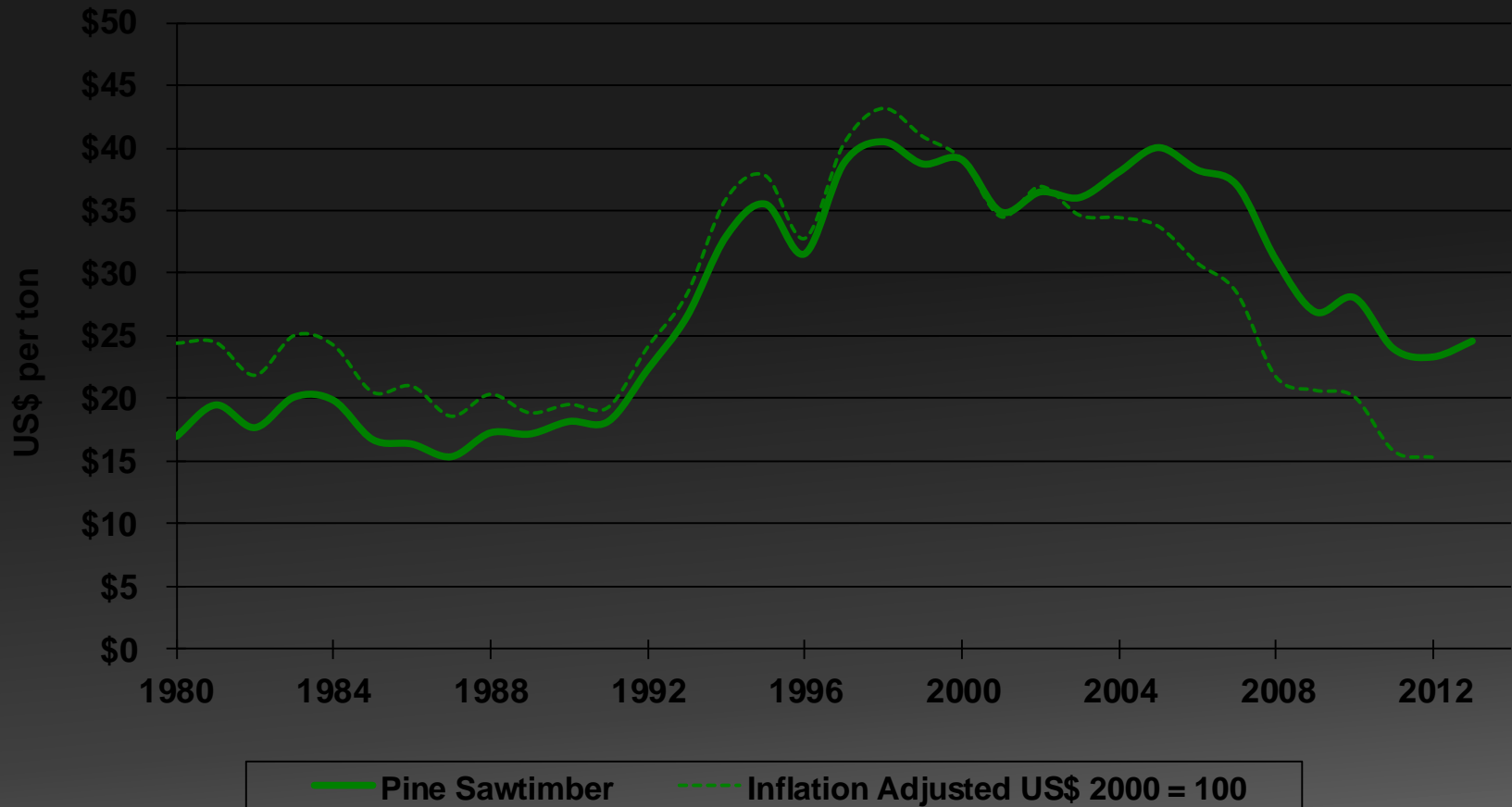
US South Av. Pulpwood Prices



Delivered Brazil Pine Pulpwood vs. US South



Pine Sawtimber Stumpage Price US South



Uruguay's Place

- Good indicators for increasing lumber demand
- Pulp is problematic
- Printing and writing paper demand slowing
- Newsprint crashing
- Performance fibers, market pulp, sanitary, packaging rising
- European energy pellets



PRESENTA



Conferencia de Inversiones Forestales 2015

MARQUE SU CALENDARIO

Febrero 18 - 20, 2015

Hotel Ritz-Carlton, Amelia Island, Florida, USA

Continuando con una tradición de excelencia desde 1985, el Comité Organizador compuesto por Bob Izlar, Tom Harris, Jacek Siry, Richard Mei y Mike Clutter se complace en anunciar la Conferencia Bienal sobre Inversiones en Plantaciones Forestales de 2015, auspiciada por del Centro de Negocios Forestales de la Universidad de Georgia.

Más información próximamente en nuestra página web.

www.ugacfb.com

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