



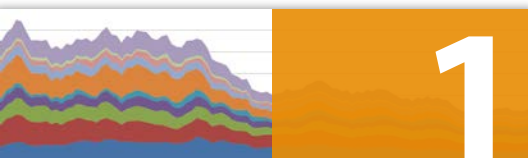
Global trends affecting tropical timber markets

Challenges and opportunities



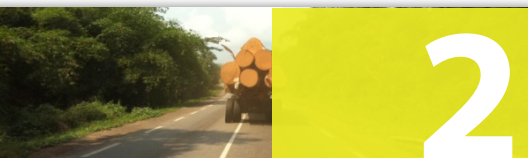
Global trends affecting tropical timber markets: challenges and opportunities

Paolo Omar Cerutti



1

The big picture

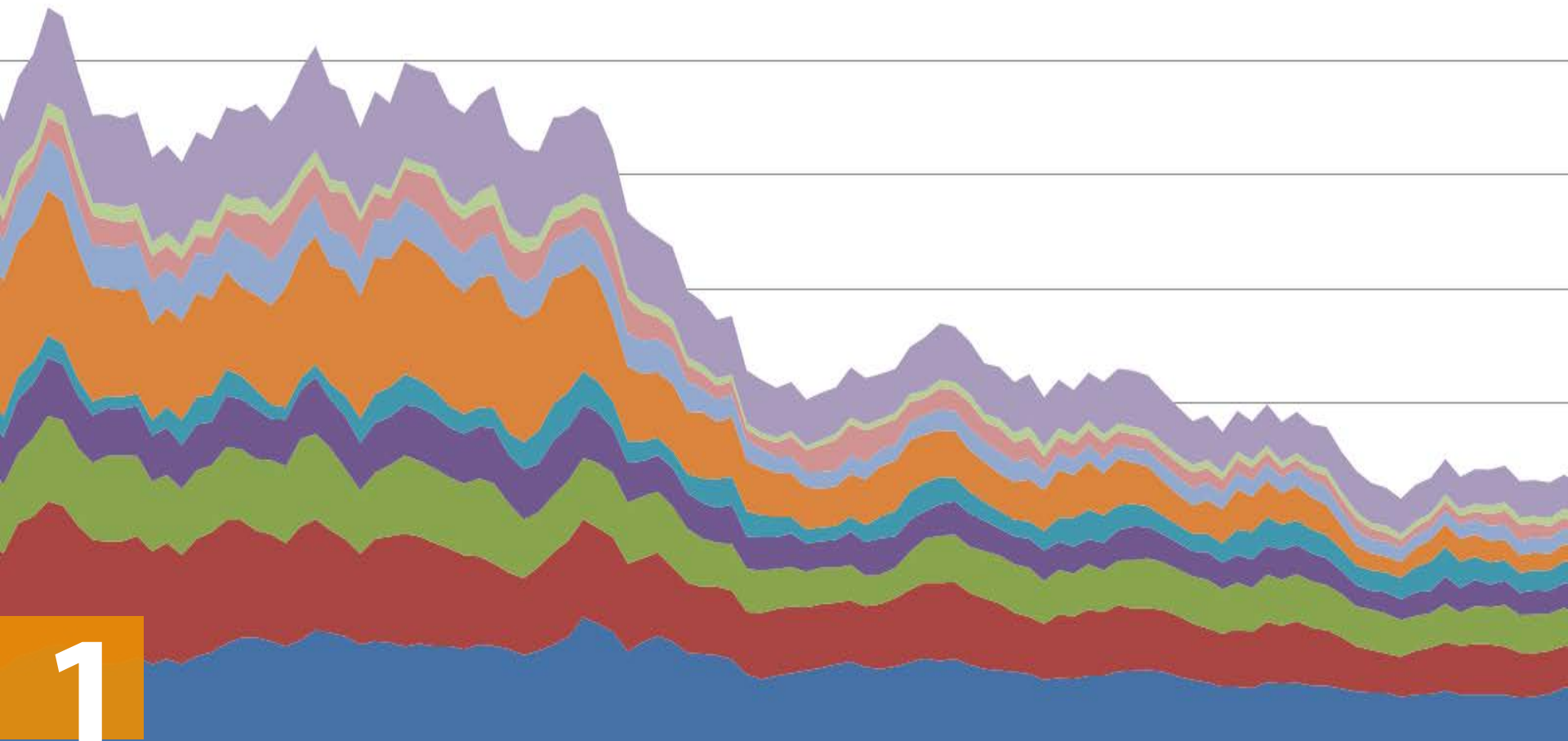


2

Challenges and opportunities

Data and information presented here have been produced with the financial assistance of the UKAID-funded KnowFOR (Forestry Knowledge) program and the CGIAR research program on Forests, Trees and Agroforestry (FTA)





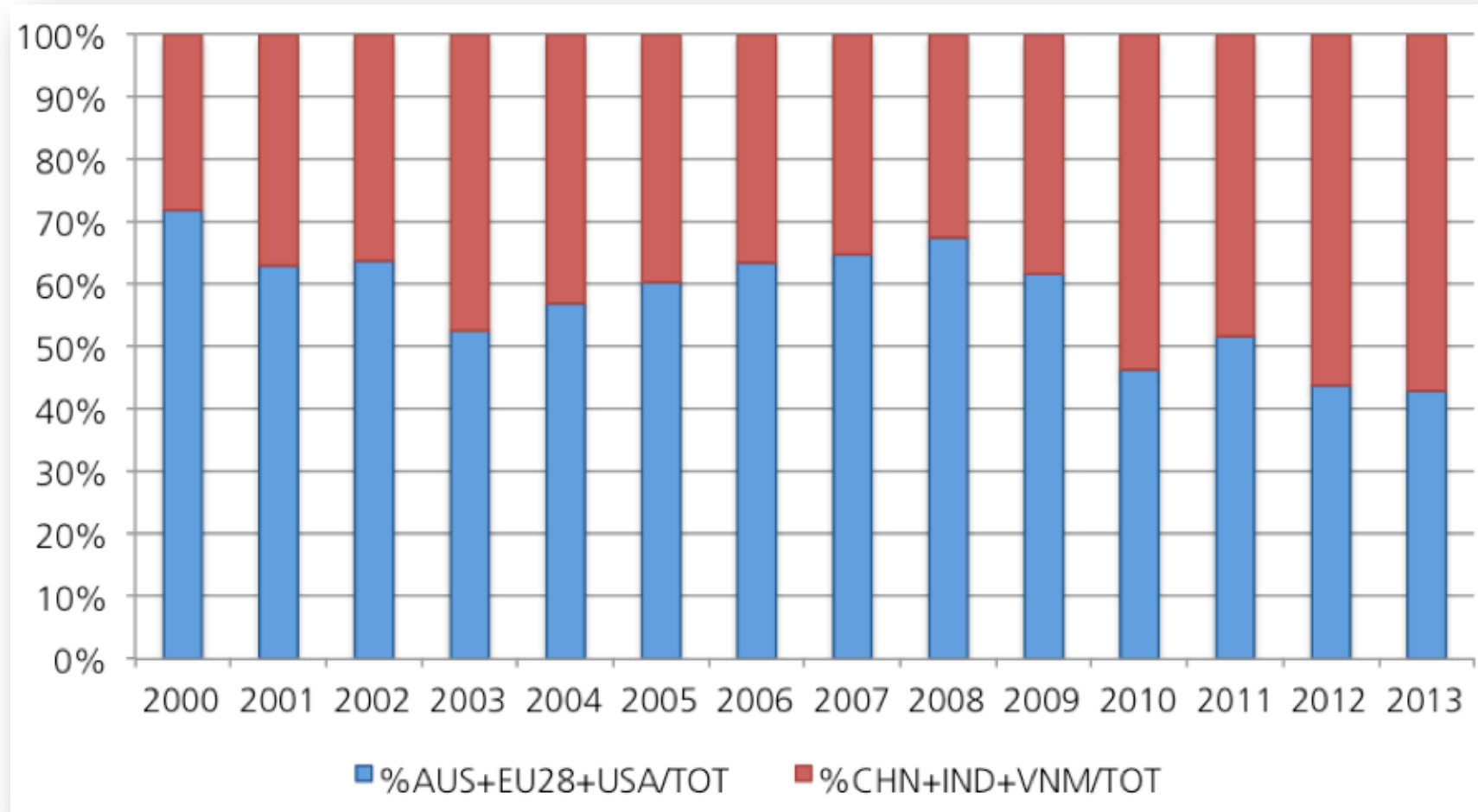
The big picture

Official timber trade data!!!



CN Code	Commodity groups and sub-groups	Short Description
4403	Logs or Roundwood	Wood in the rough or roughly squared
440341	Meranti Red Dark	Dark Red Meranti, Light Red Meranti, and Meranti Bakau
440349	Other Tropical Wood nes	Tropical wood logs (not elsewhere specified)
4407	Sawnwood	Wood sawn, chipped lengthwise, sliced or peeled
440721	Mahogany (<i>Swietenia</i> spp.)	Mahogany (<i>Swietenia</i> spp.), sawn or chipped lengthwise, sliced or peeled
440722	Virola, Imbuia and Balsa	Virola/ Imbuia and Balsa wood sawn or chipped lengthwise, sliced or peeled
440723	Baboen, Mahogany , Imbuia, Balsa	Baboen, Mahogany (<i>Swietenia</i> spp.), Imbuia, Balsa wood sawn or chipped lengthwise, sliced or peeled
440724	Virola, Mahogany	Virola, Mahogany (<i>Swietenia</i> spp.), sawn or chipped lengthwise, sliced or peeled
440725	Meranti Red Dark	Dark Red Meranti, Light Red Meranti and Meranti Bakau, sawn or chipped lengthwise, sliced or peeled
440726	White Lauan, White Meranti, White Seraya, Yellow Meranti and Alan	White Lauan, White Meranti, White Seraya, Yellow Meranti and Alan, sawn or chipped lengthwise, sliced or peeled
440727	Virola, Mahogany (<i>Swietenia</i> spp.), Imbuia and Balsa	Virola, Mahogany (<i>Swietenia</i> spp.), Imbuia and Balsa, non-coniferous species, sawn or chipped lengthwise, sliced
440728	Iroko	Iroko wood sawn or chipped lengthwise, sliced or peeled, over 6 mm thick
440729	Other Tropical Wood nes	Tropical wood sawnwood (not elsewhere specified)
4408	Veneers	Veneers and sheets for plywood etc <6mm thick
440831	Meranti Red Dark	Dark Red Meranti, Light Red Meranti and Meranti Bakau, Veneer or plywood sheets
440839	Other Tropical Wood nes	Tropical wood veneers (not elsewhere specified)
4412	Plywood	Plywood, veneered panels and similar laminated wood
441213	Plywood, all wood	Plywood all wood, each ≤ 6 mm, with at least one outer ply of tropical wood
441222	Plywood, outer ply of tropical wood	Plywood not all wood and/or at least one ply > 6 mm, with at least one outer ply of tropical wood
441229	Plywood nes, 1 ply tropic	Plywood not all wood and/or at least one ply > 6 mm, with at least one outer ply of non-coniferous tropical wood
441231	Plywood, outer ply of other tropical wood	Plywood not all wood and/or at least one ply > 6 mm, with at least one outer ply of other tropical wood

Total imports by groups of countries (%)



In short

- Between 2000 and 2013 international trade in tropical primary timber products (logs, sawnwood, veneer and plywood) decreased by 16% in volume and 2.5% in value
 - Several possible explanations, but very different across countries and continents
- Imports by Australia, the EU and the USA halved (-50%) while those by China and India (et al.) remained stable and then increased in recent years
- Trends influenced by the financial crisis (direct impact in housing and building), log-export bans, but also by increasing domestic demand for timber products by larger proportion of the population in emerging economies



2

Challenges and opportunities

Four, with an African perspective, and for you as leaders



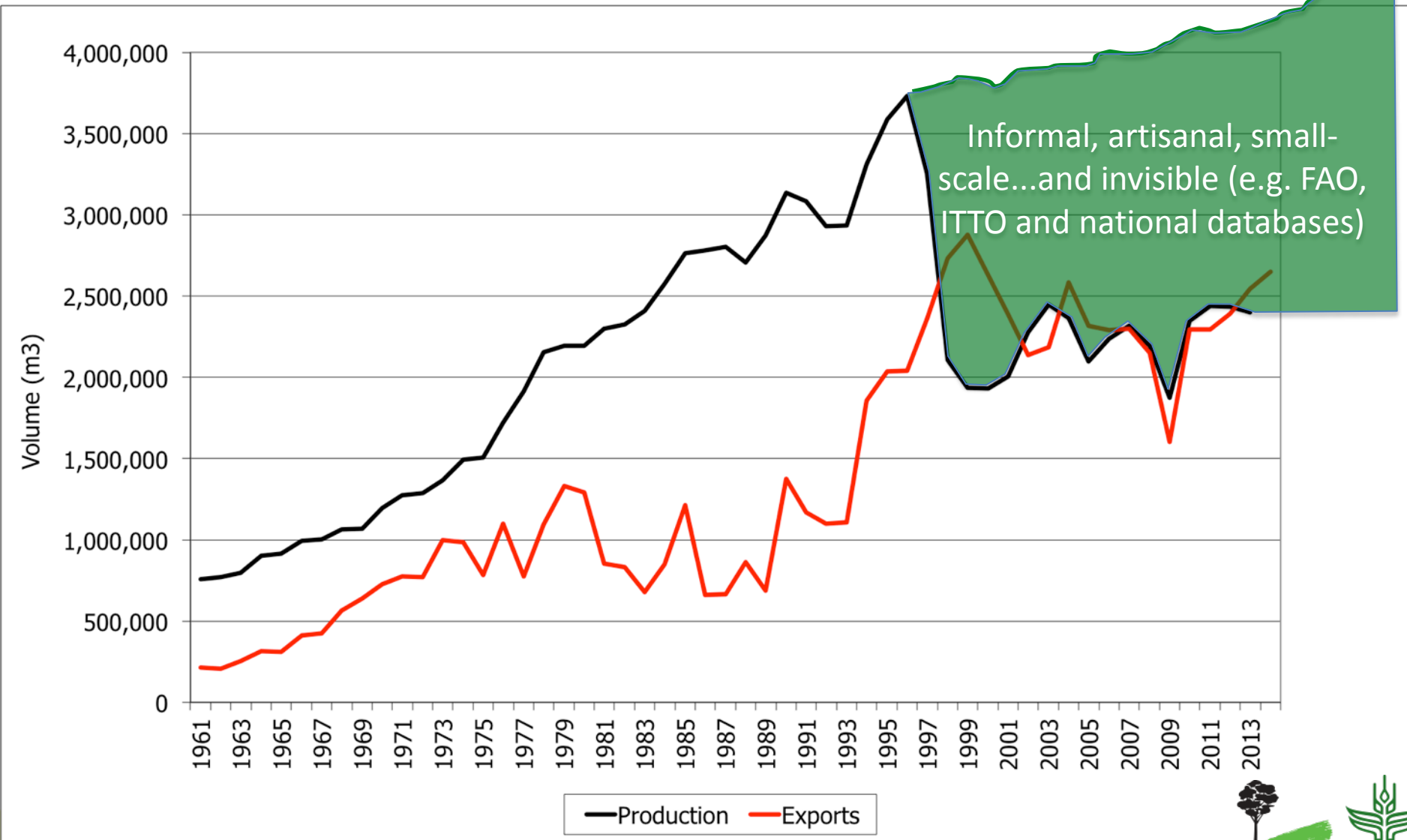
1. Get the numbers right!

	CMR	GAB	DRC	IND	ECU
Annual domestic consumption from informal chainsaw milling (sawnwood, 000m ³) ^a	662	50	1,024	1,408 ^b	60-76 ^c
Estimated informal jobs (000)	45	1	25	1,500 ^d	3.6 ^e
Contribution to local economies (million €)	32	1.6	34 ^g	63 ^h	9 ⁱ
Profit per m ³ harvested (€/m ³ RWE)	5	6	4-24	85 ^j	7-183
Annual formal production/export (sawnwood, 000m ³)	360	150	36	1,199 ^k	170 ^l
Annual forest taxes paid (formal sector, million €) ^m	29.3	53	58 ⁿ	227.2 ^o	6.4 ^p

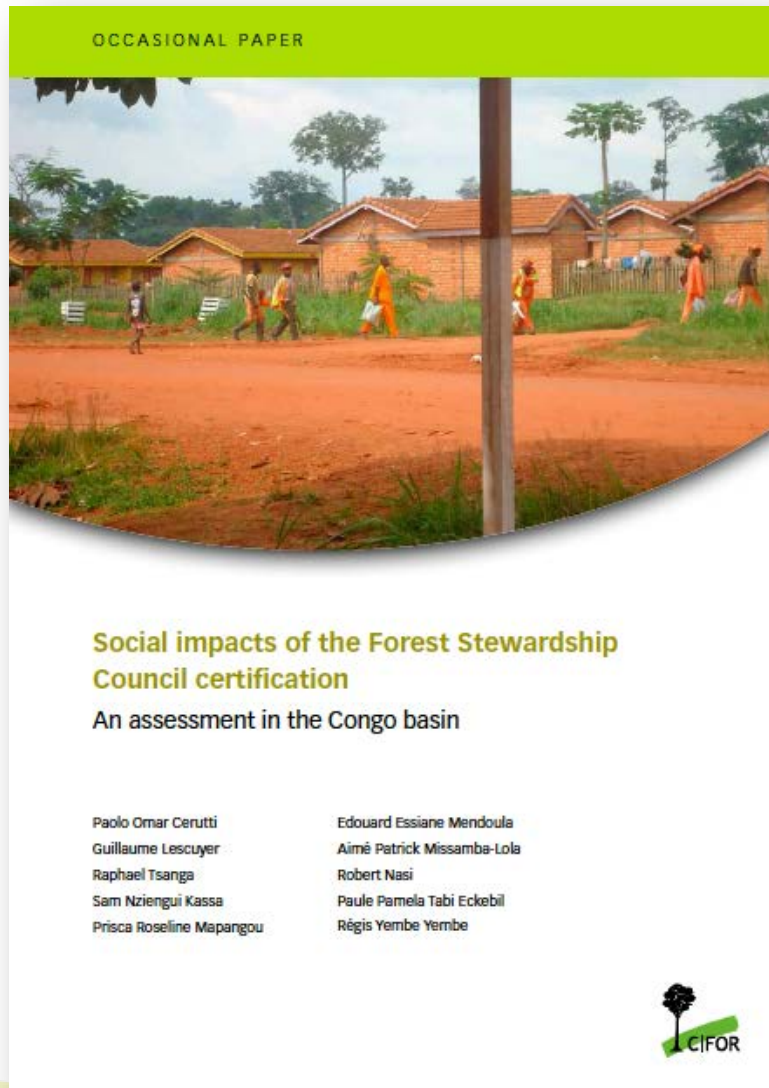
Source: www.cifor.org/pro-formal



The “invisible” Cameroonian timber

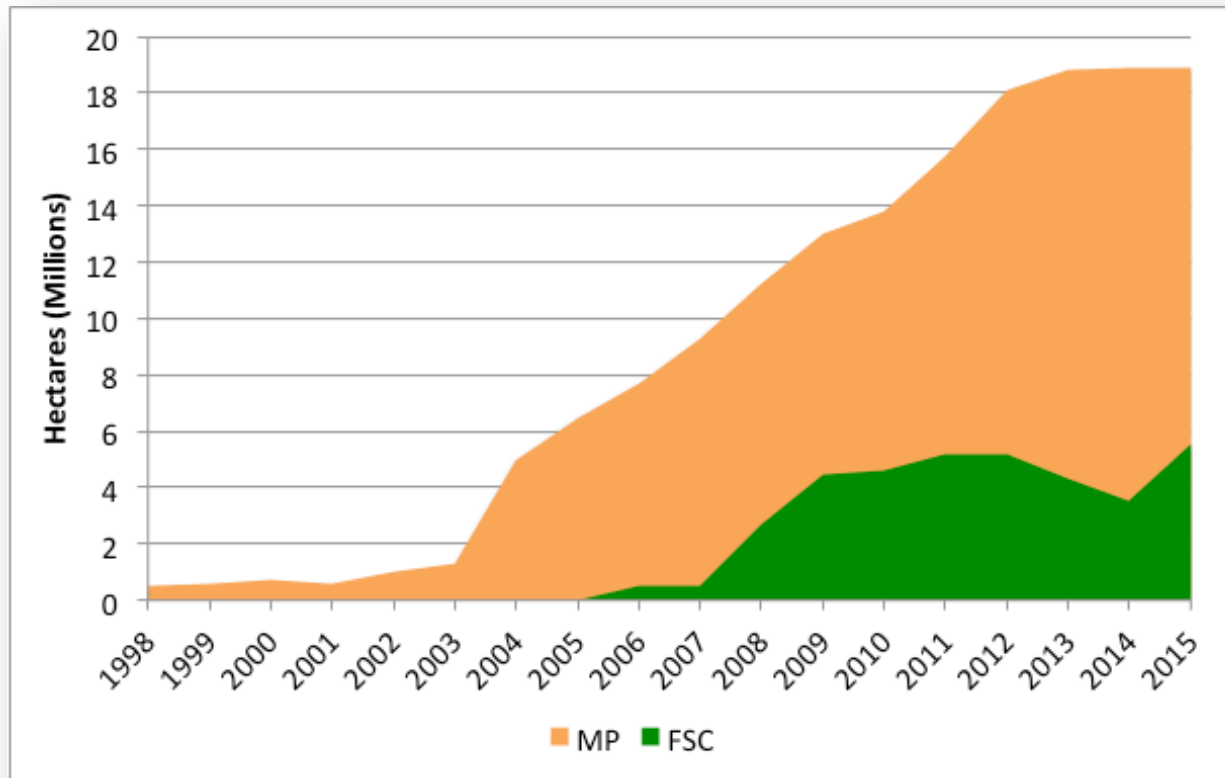


3. Private governance is an option



- Forest certification of tropical timber from natural forests (now a tiny niche market) could help you and your countries supply “better” timber to the market (whether or not companies decide to sell it as “certified”)
- But public policies (and State officials) can also be a “threat”

FSC: Congo basin trends



- The green area is NOT growing also because of “the law”
- Embrace the challenge, keep the good, sanction the bad









4. Perceptions are (almost) everything



- Many perceptions supported by wrong information
- And your contribution is needed to change them!

IL: Assumptions or facts?



2006

Table 8: The Congo Basin: summary of salient information

	Cameroon
Percentage assumed illegal	50% ²³⁰

²³⁰

cited in http://www.wwf.at/downloads/Illegaler_Holzeinschlag_und_oesterreich.pdf

Illegaler Holzeinschlag und Österreich

Eine Analyse der
Außenhandelsdaten

Tabelle 2: Illegaler Holzeinschlag in West- und Zentralafrika

Land	Anteil des illegalen Holzeinschlags	Quelle
Kamerun	50%	WWF, 2002 ²⁶

²⁶

WWF; 2002: The timber footprint of the G8 and China

März 2005

2005





... Based on the available estimates, the share of illegally harvested wood is assumed to be 20% in the case of Brazil, 50% in the case of Cameroon, ... »

Source: Cameroon, Gabon, Ghana, Russia WWF 2004, Brazil ...

2004

SCALE OF ILLEGAL LOGGING AROUND THE WORLD CURRENTLY AVAILABLE ESTIMATES

Compiled by the WWF European Forest Programme March 2004

AFRICA - Central Africa

CAMEROON	50% (2)
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- 2= The Timber Footprint of the G8 and China WWF International 2002
http://www.panda.org/downloads/forests/G8_meeting_June2002.pdf

The timber footprint of the G8 and China

June 2002

Africa

“**Cameroon:** Fifty per cent of logging in Cameroon is illegal⁴².”

- ⁴² Centre pour Environnement et Developpement, *Inside Cameroon*, cited by 6.
- ⁶ Greenpeace, 2000. *Against the law: the G8 and the illegal timber trade*.

2002

First Issue of Inside Cameroon

Center for Environment & Development (CED).

February 12, 2001

“
= Cameroon has become Africa's biggest timber exporter. Over half of the logging taking place is estimated to be illegal and foreign companies continue to enjoy general impunity, often in complicity with government officials or members of the military hierarchy. The situation today is

2001

2000

1999...





GRACIAS
OBRIGADO
TERIMA KASIH
MERCİ
谢谢
THANK YOU

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RESEARCH
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Agroforestry



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