

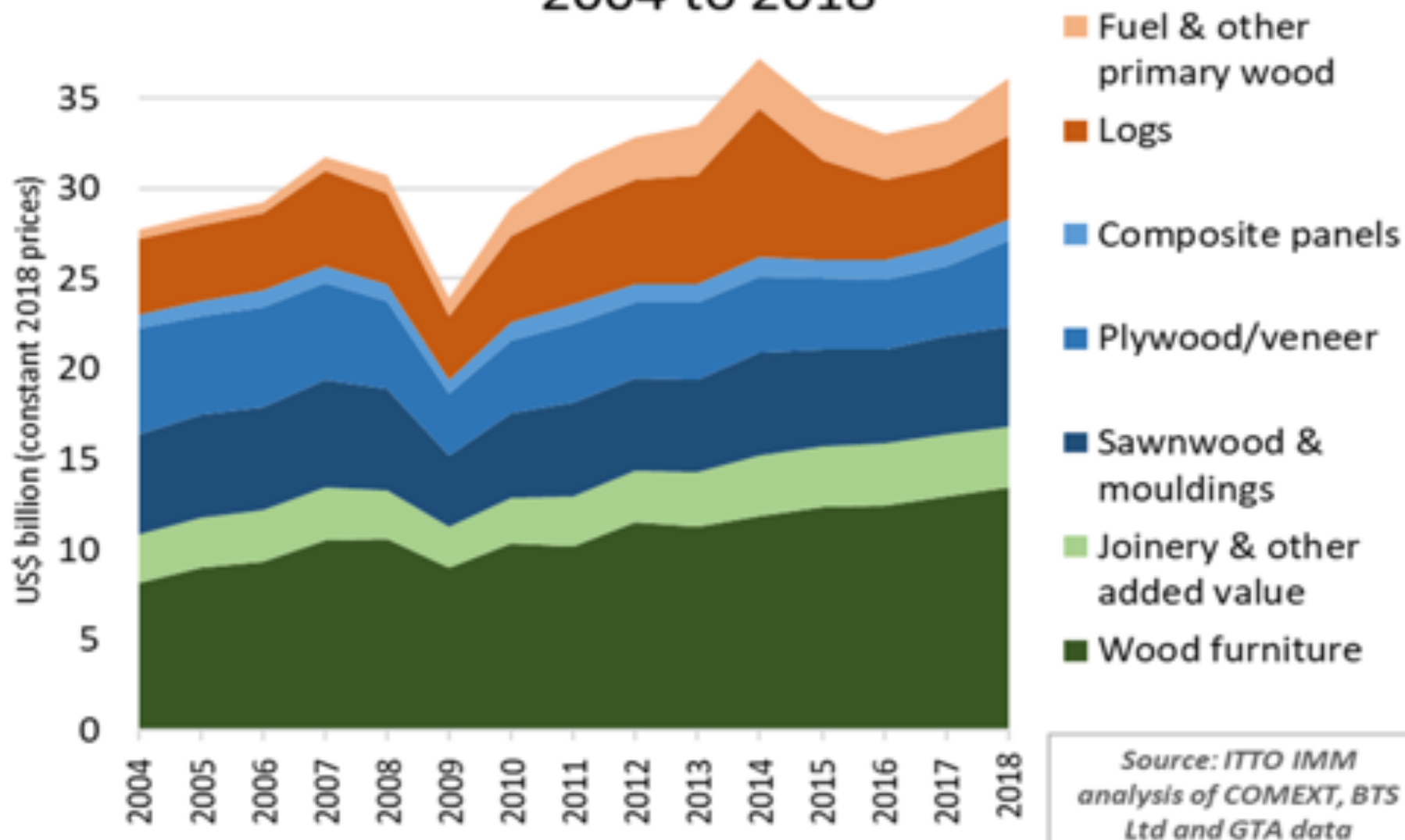
The EU market for tropical timber products

Introduction to discussion at Belgium/Netherlands Trade Consultation, 12 April 2019
Rupert Oliver, IMM Trade Analyst

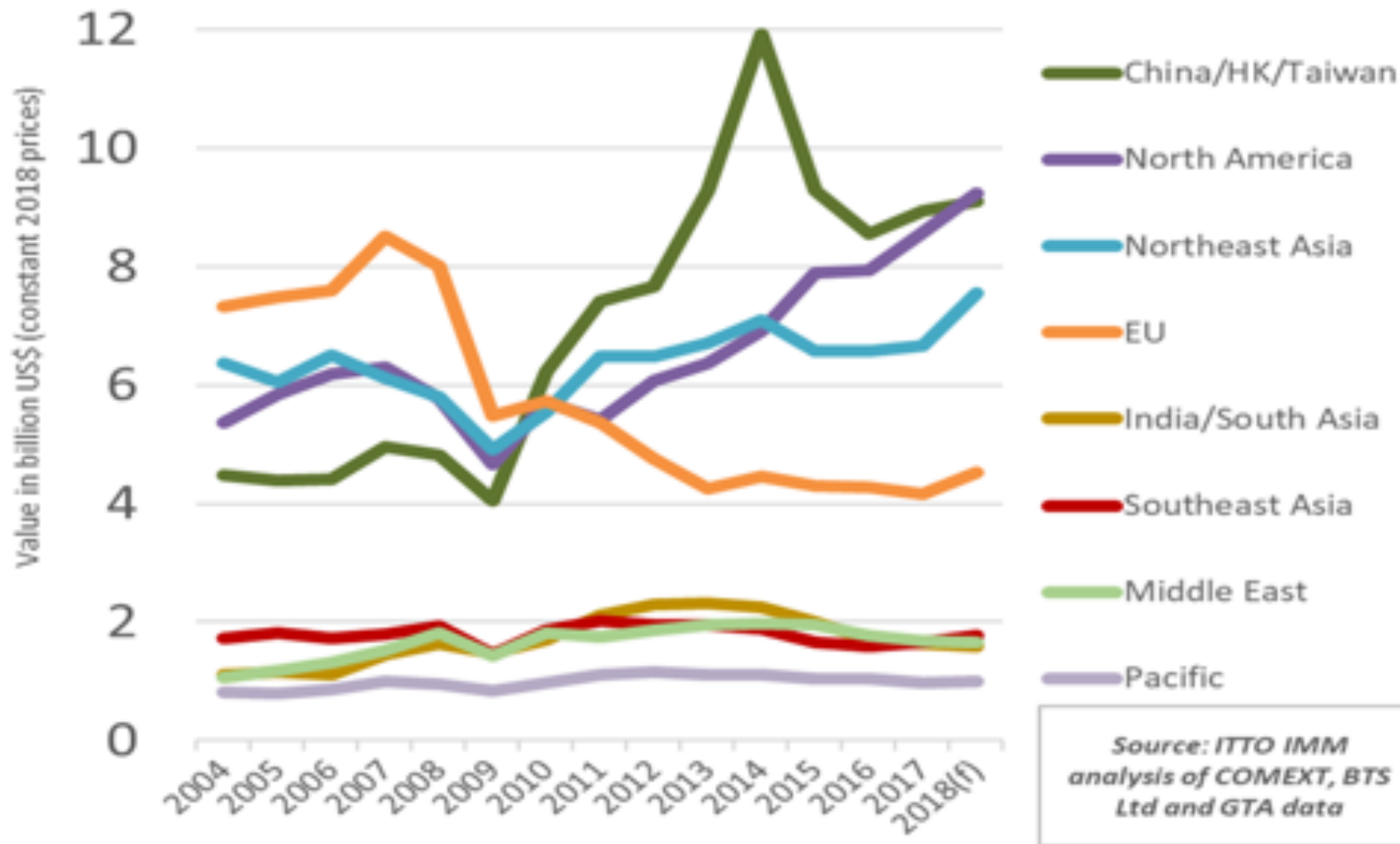


Independent Market Monitoring of FLEGT-Licensed Timber

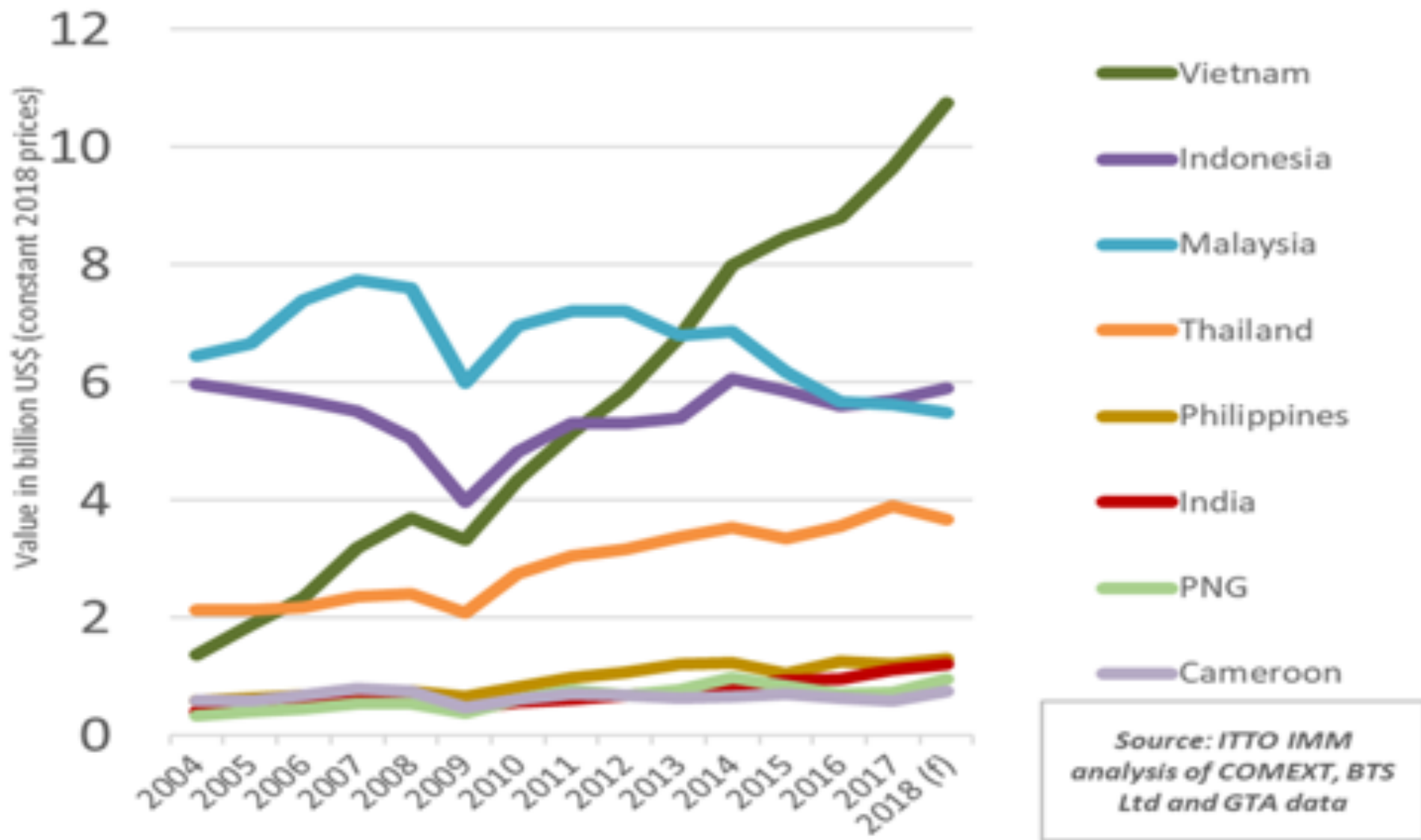
Global tropical wood trade by product group: 2004 to 2018



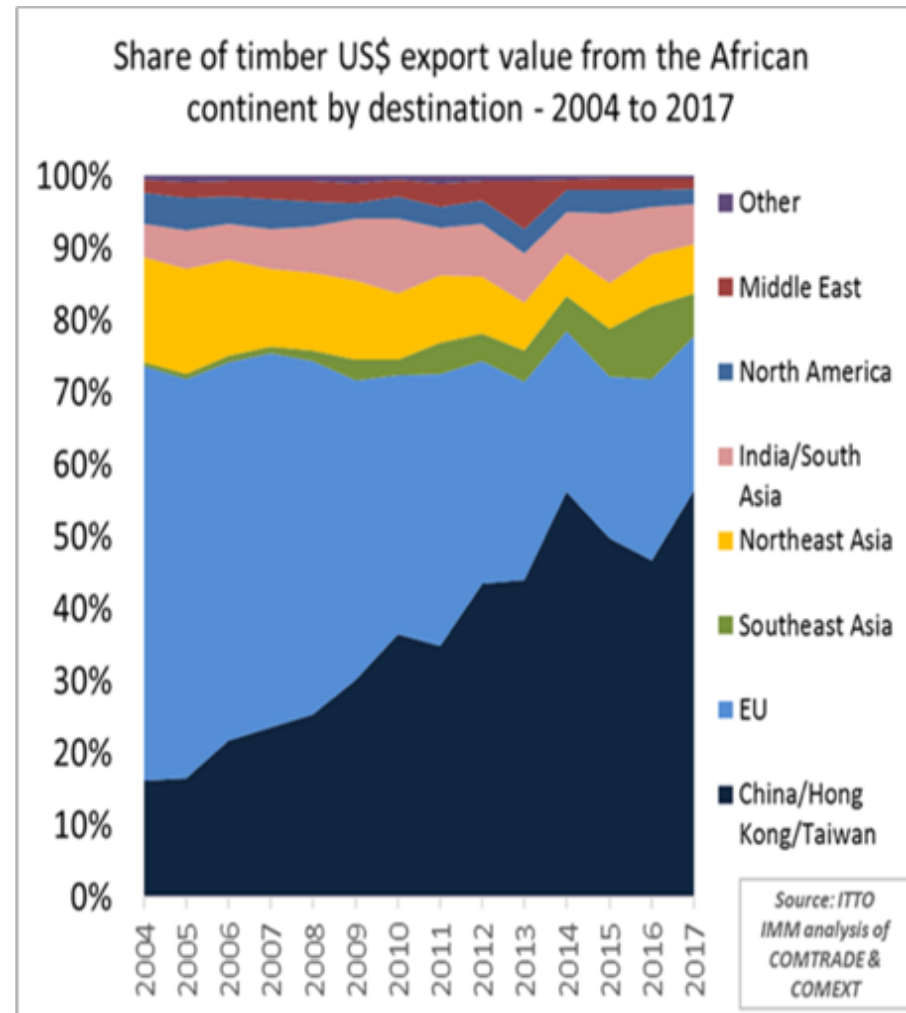
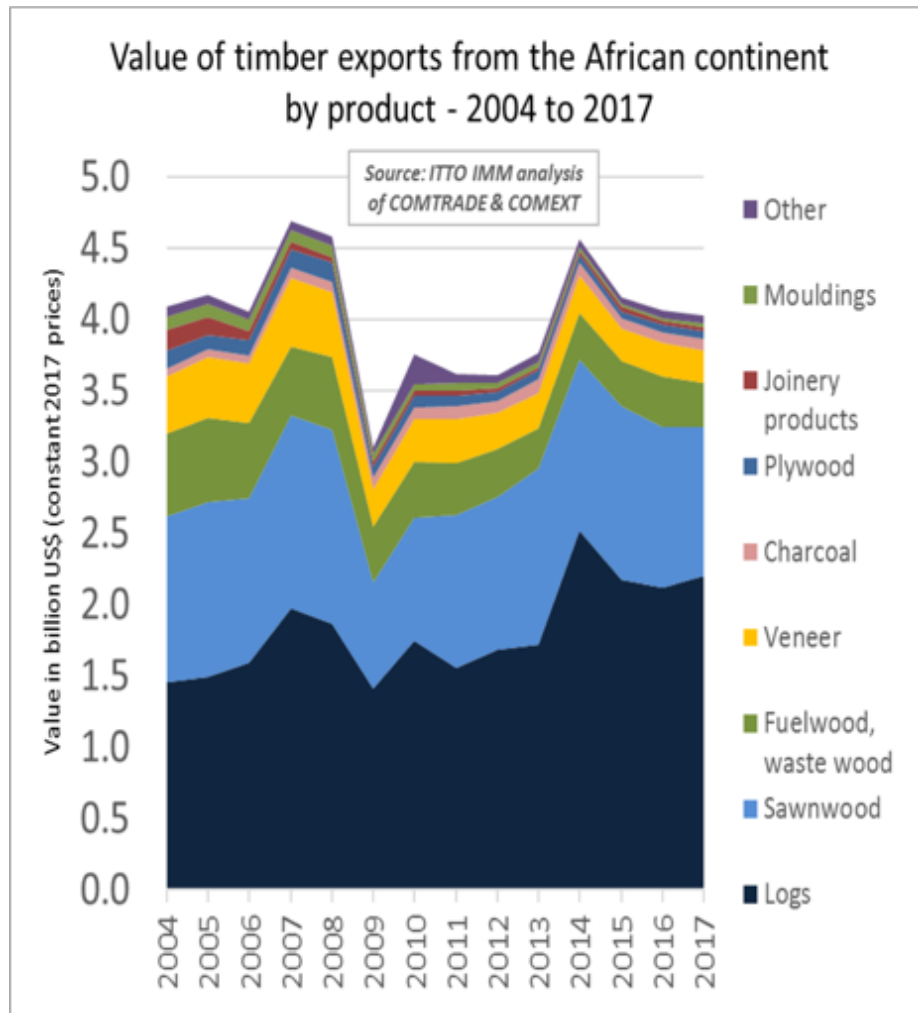
Tropical wood product imports by global region 2004 to 2018



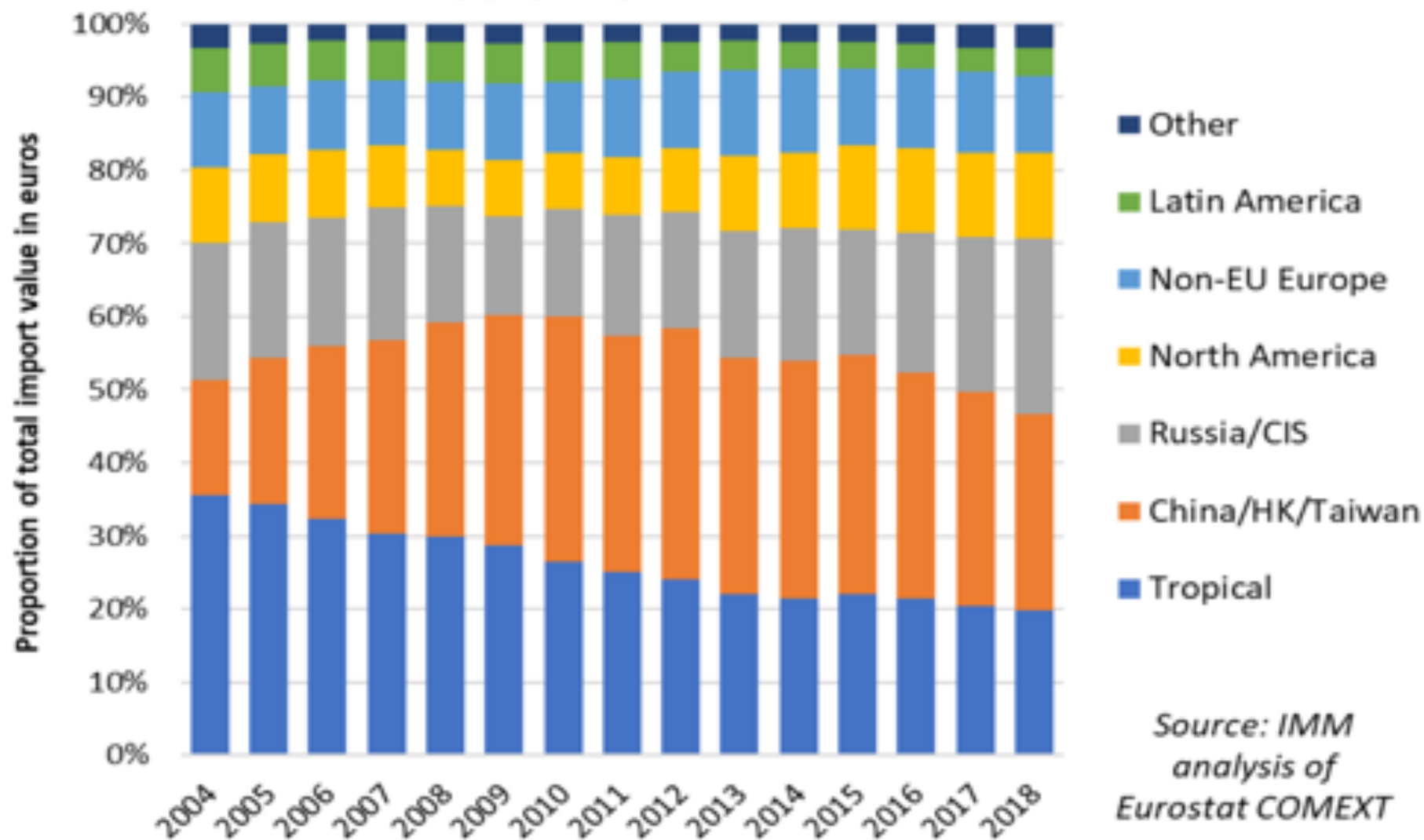
Tropical wood product trade by main supply countries - 2004 to 2018



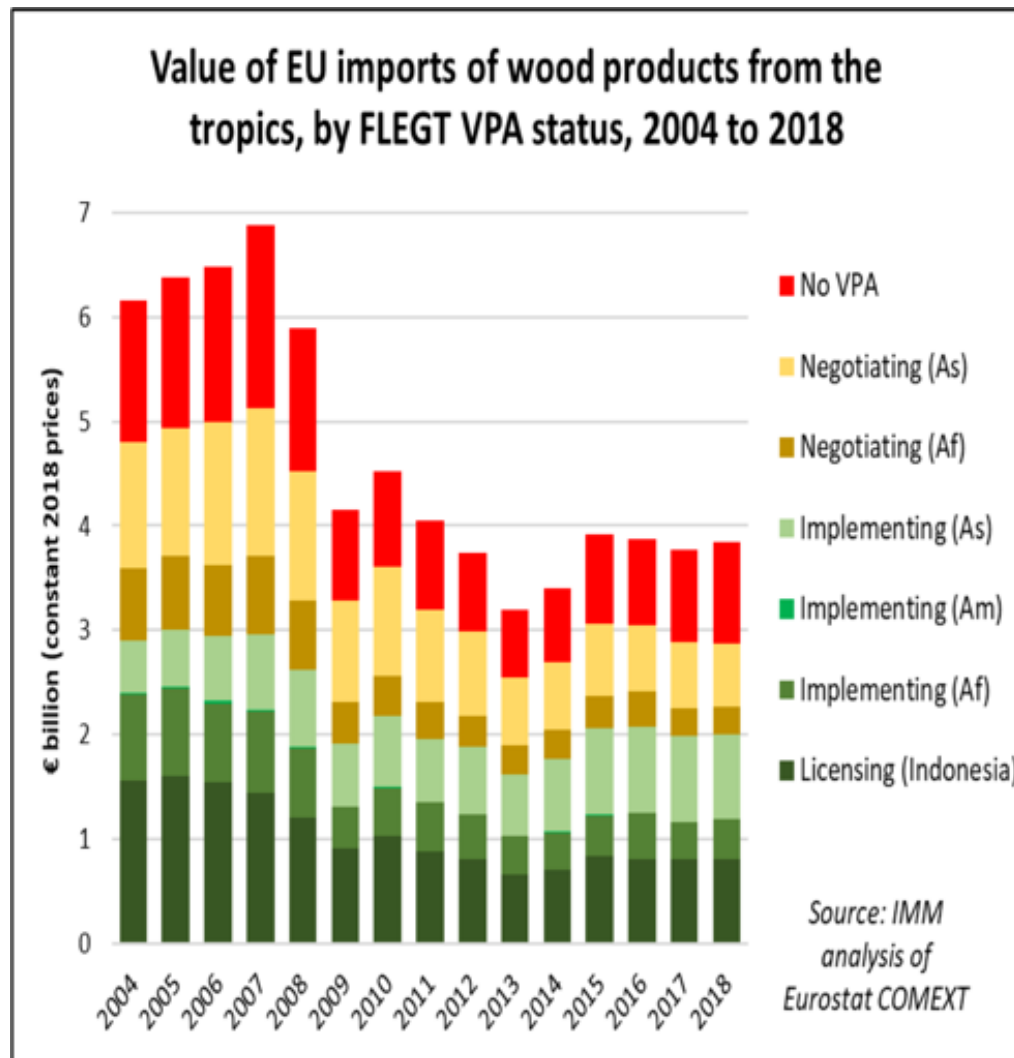
Africa's continuing dependence on primary wood exports



Share of EU28 wood products import value, by supply region, 2004 to 2018



FLEGT: Platform to help rebuild market share?



- Indonesia (21% of EU tropical imports in 2018): FLEGT Licensing since November 2016
- VPA Implementing Africa (10%): Cameroon, CAR, Ghana, Liberia, Congo
- VPA Implementing S America (negligible): Honduras, Guyana
- VPA Implementing Asia (21%): Vietnam
- VPA negotiating Africa (7%): Côte d'Ivoire, DRC, Gabon
- VPA negotiating Asia (16%): Laos PDR, Malaysia, Thailand
- Tropical non-VPA (25%): notably Brazil (decking), India (furniture), China (tropical plywood)

The EU market for tropical timber products

Workshop slides



Independent Market Monitoring of FLEGT-Licensed Timber

10 drivers of tropical timber's decline in Europe

Ordered by feedback from IMM surveys in 7 EU countries & UK/France consultations

1. Substitution by temperate, chemically and thermally modified wood, composites and non-wood materials
2. Economic downturn 2008-2013 followed by slow economic recovery 2013-2018
3. Diversion of tropical wood supply to other markets
4. Declining wood quality linked to pressure on tropical forest resource
5. Environmental prejudices and uncoordinated marketing
6. Competition from China for wood supply & in markets for finished goods
7. Challenge of obtaining assurances of non-negligible risk for EUTR
8. Import and financial sectors aversion to commercial risk
9. Just-in-time favours more regular & less volatile supply
10. Prefabrication (switch from adaptable utility woods to tightly specified material)

Questions for workshop

- Are there other drivers of tropical wood's decline in the EU that should be included?
- How do you rate the relative importance of the various drivers of tropical wood's decline?
- Can the market for tropical wood products in Belgium/Netherlands and wider EU market be turned around?
- If so, how can the tropical timber market be turned around, and how important do you think FLEGT licensing will be as part of that process?

10 strategies to improve the position of tropical timber in the European market

Unordered list – some strategies are mutually exclusive

- A regulatory approach involving increased supply of FLEGT-licensed tropical timber linked to consistent and effective enforcement of EUTR to remove illegal wood
- Deregulation. i.e. repeal EUTR & FLEGT VPA obligations for mandatory licensing in partner countries
- A voluntary approach involving increased supply of FSC/PEFC certified tropical timber linked to implementation of "responsible procurement policies" (e.g. through STTC) & branding of certified tropical wood (e.g. ATIBT Fair and Precious)
- Recognise FLEGT licensed timber as equivalent to FSC & PEFC in government procurement
- Gather LCA data on tropical timber & promote wider environmental benefits (e.g. carbon)
- Focus on promoting technical qualities of tropical timber to engineers, architects and specifiers, including preparation of technical data on commercially available tropical timber species (incl. LKS)
- Pro-active steps to build B-to-B relationships between tropical exporters and EU distributors and manufacturers, for example through trade missions, sponsorship for participation at trade shows.
- Research work to match specific tropical timbers to end-user applications in EU
- Encourage/support greater engagement of tropical wood industry in technical standards-setting bodies in the EU
- Move up the value chain to produce more secondary, tertiary and engineered products