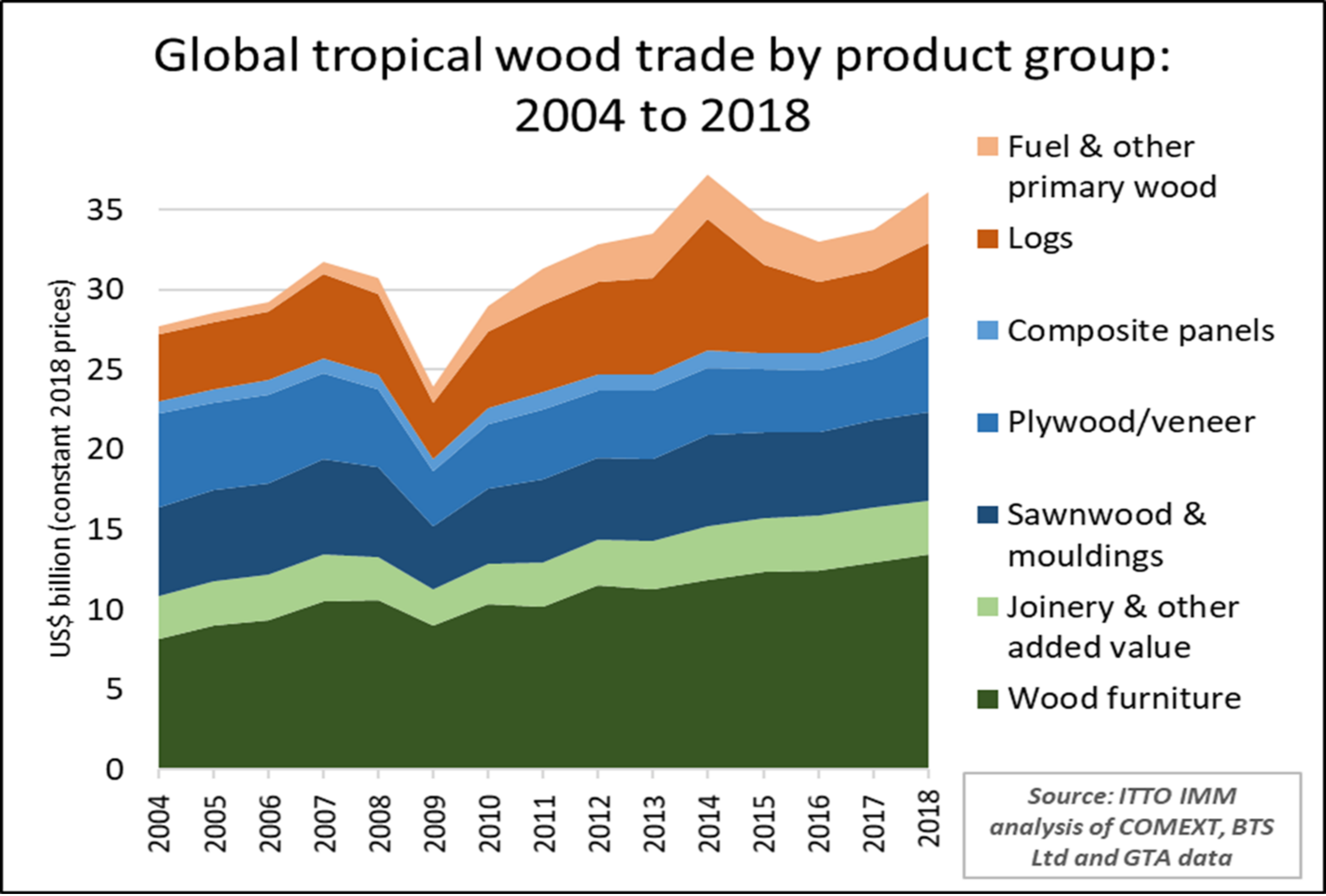
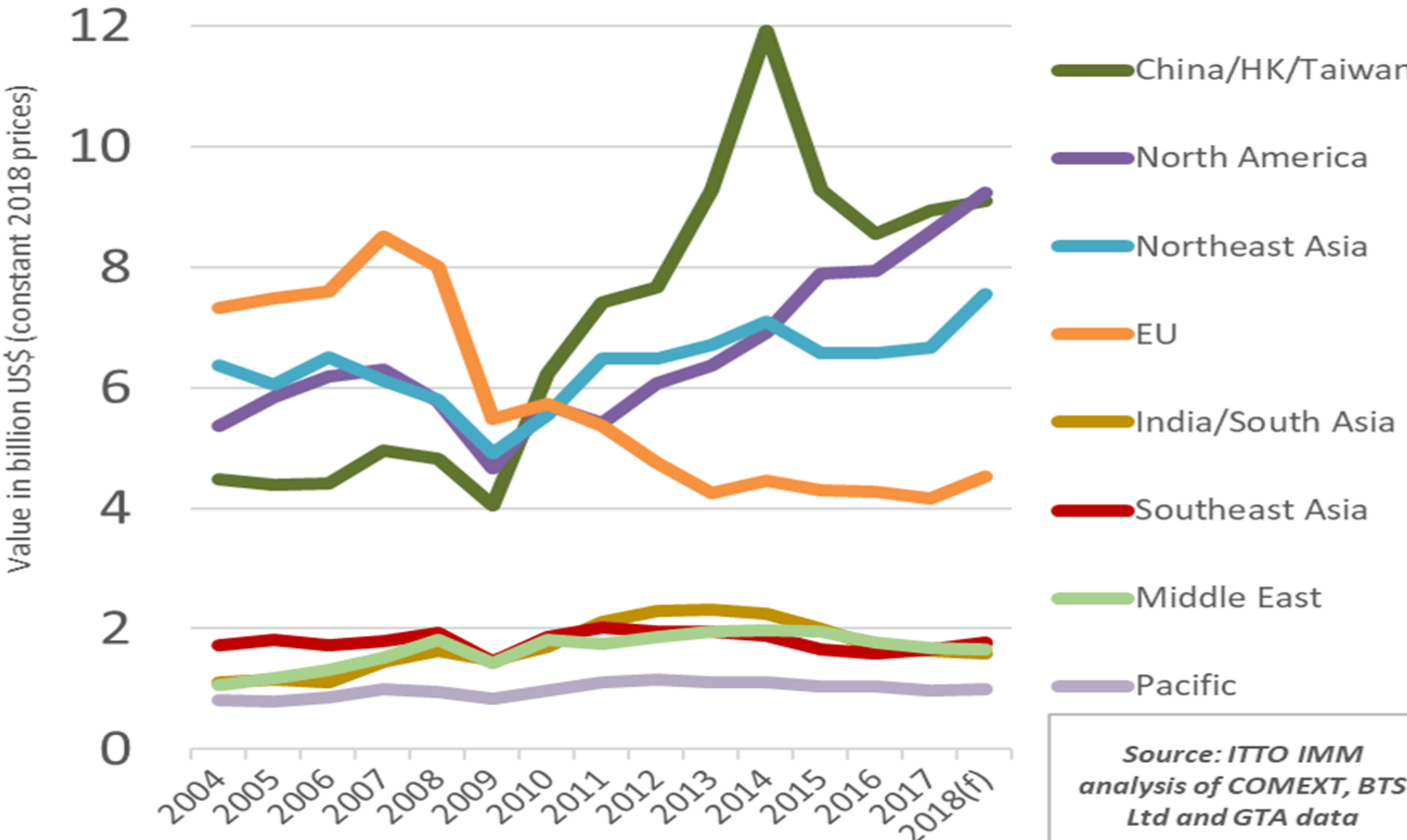
# The EU market for VPA partner wood products

**Introduction to discussion at Barcelona Trade Consultation, 7 October 2019**
**Rupert Oliver, IMM Trade Analyst**

Independent Market Monitoring of FLEGT-Licensed Timber


Global tropical wood trade by product group: 2004 to 2018
Fuel & other primary wood
Logs
Composite panels
Plywood/veneer
Sawnwood & mouldings
Joinery & other added value
Wood furniture
US$ billion (constant 2018 prices)
0
5
10
15
20
25
30
35
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Source: ITTO IMM analysis of COMEXT, BTS Ltd and GTA data

# Tropical wood product imports by global region 2004 to 2018




***Source: ITTO IMM analysis of COMEXT, BTS Ltd and GTA data***

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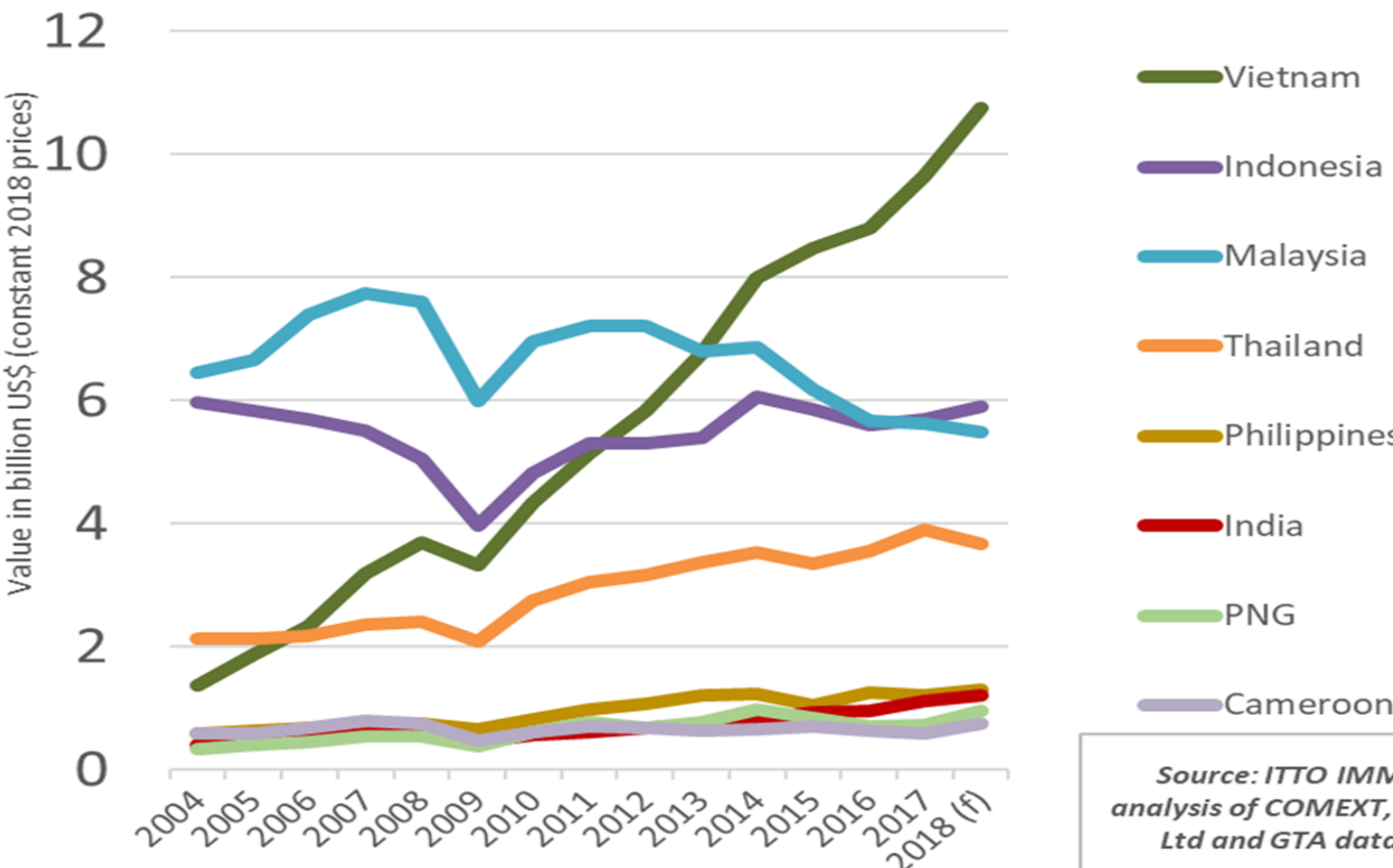
# Tropical wood product trade by main supply countries - 2004 to 2018




*Source: ITTO IMM analysis of COMEXT, BTS Ltd and GTA data*

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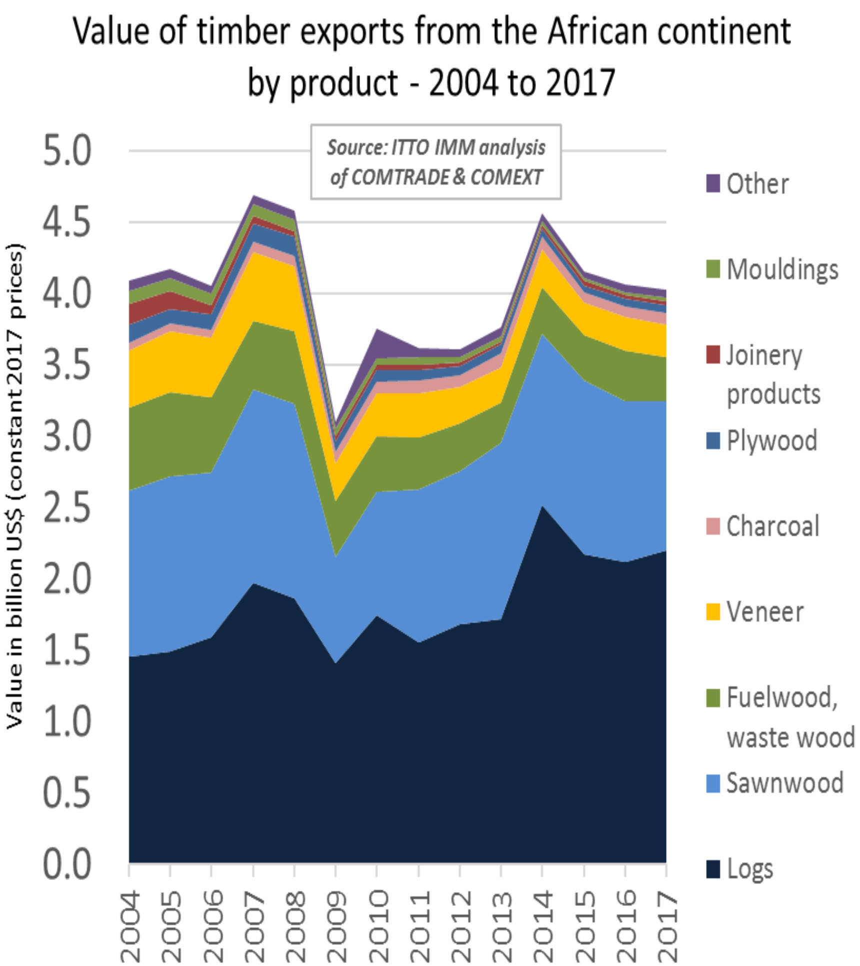
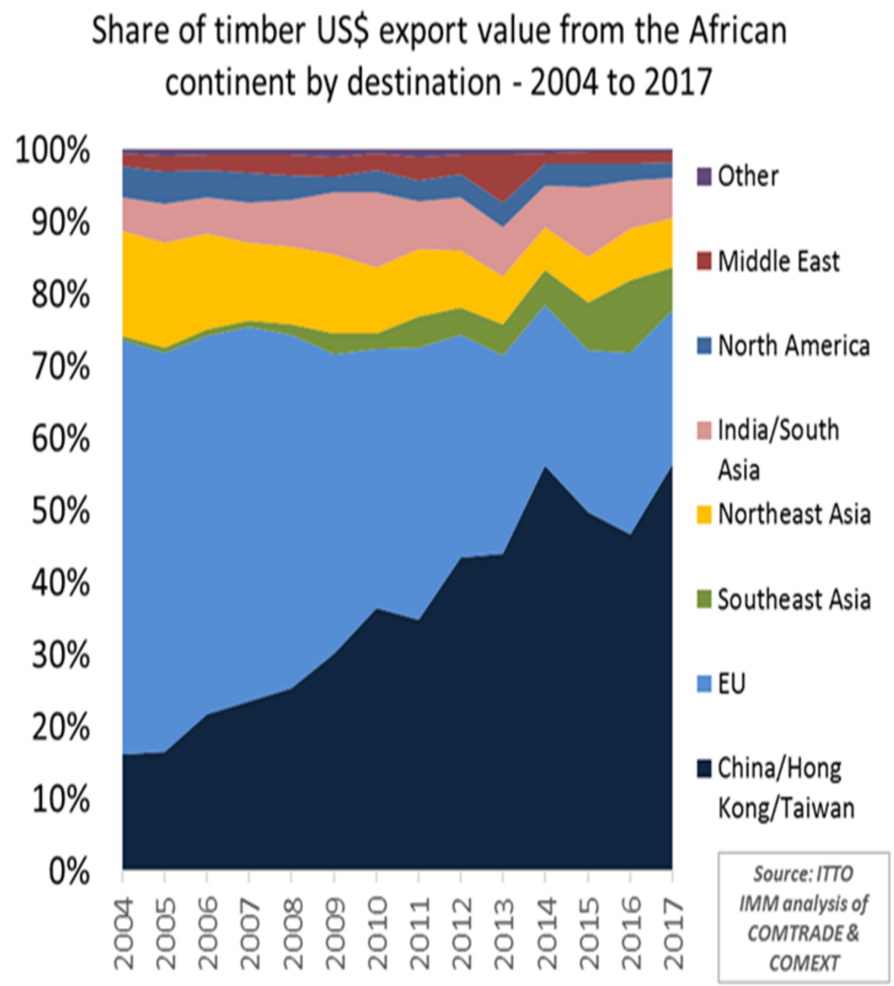
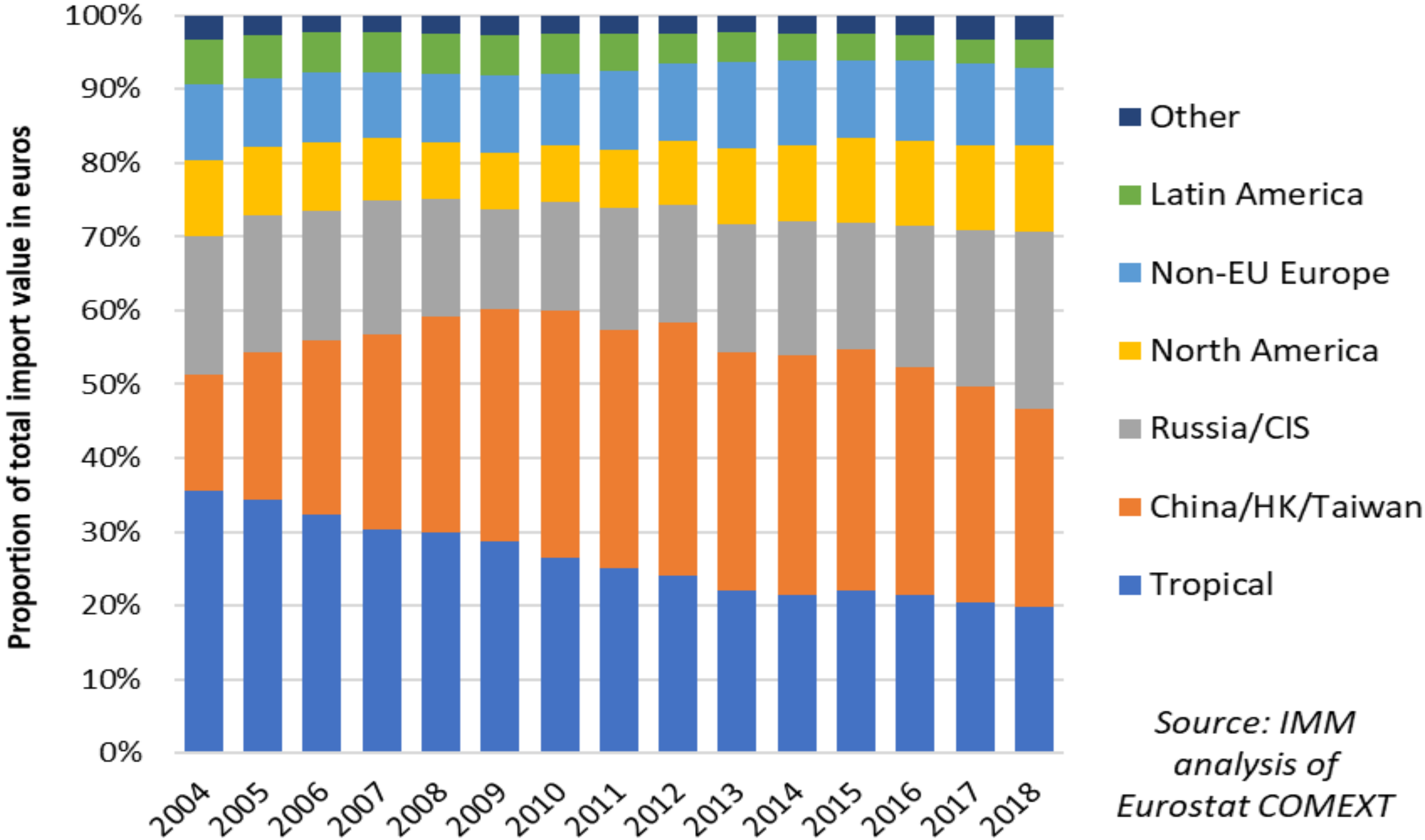
# Africa's continuing dependence on primary wood exports



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




*Source: IMM analysis of Eurostat COMEXT*

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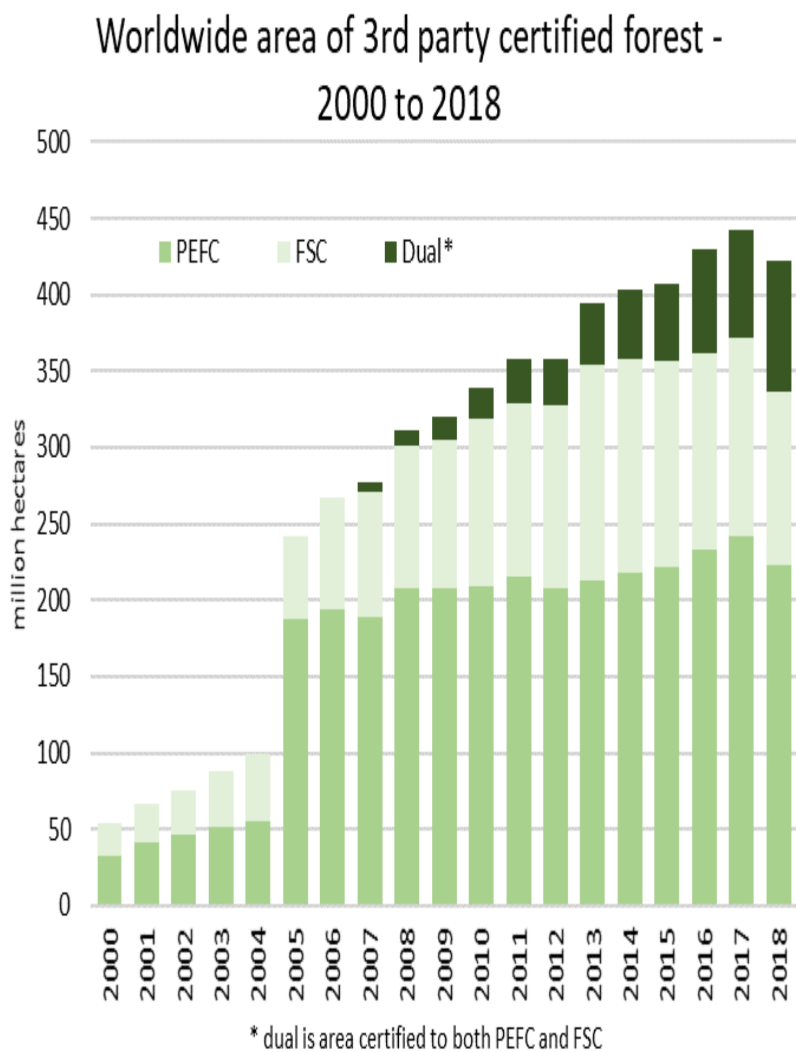
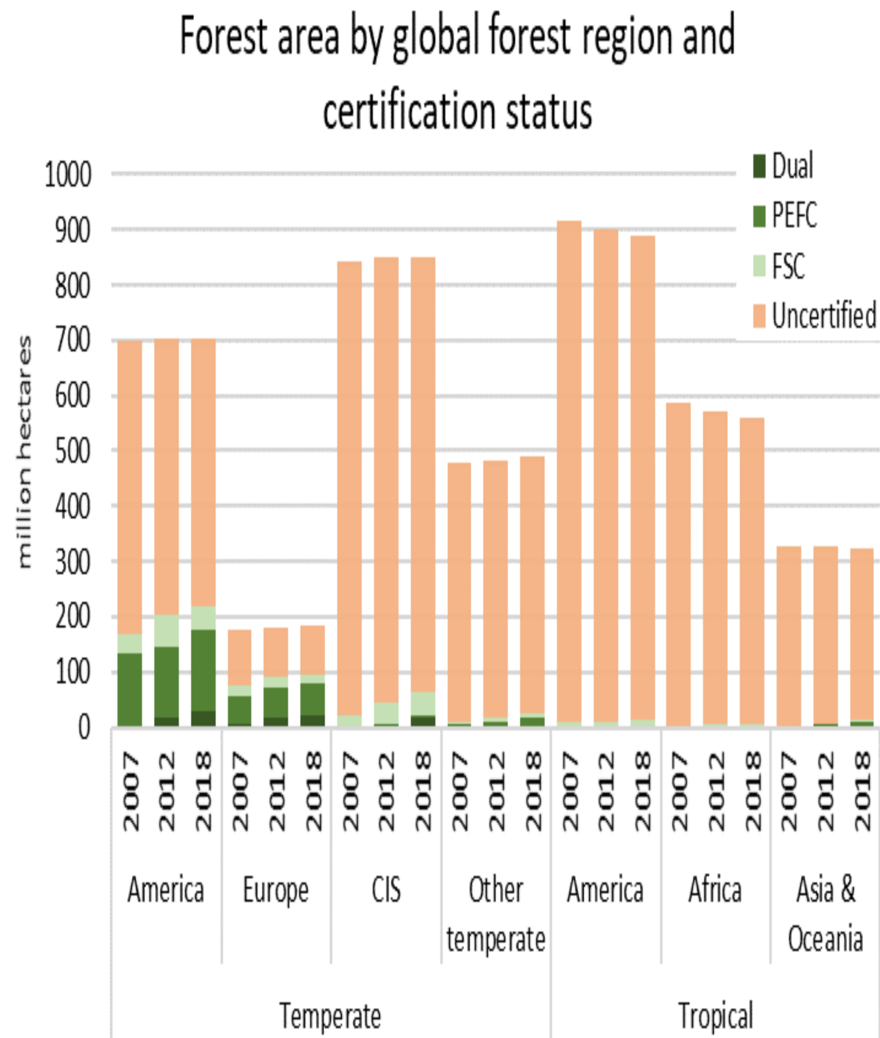
# Uneven growth in forest certification

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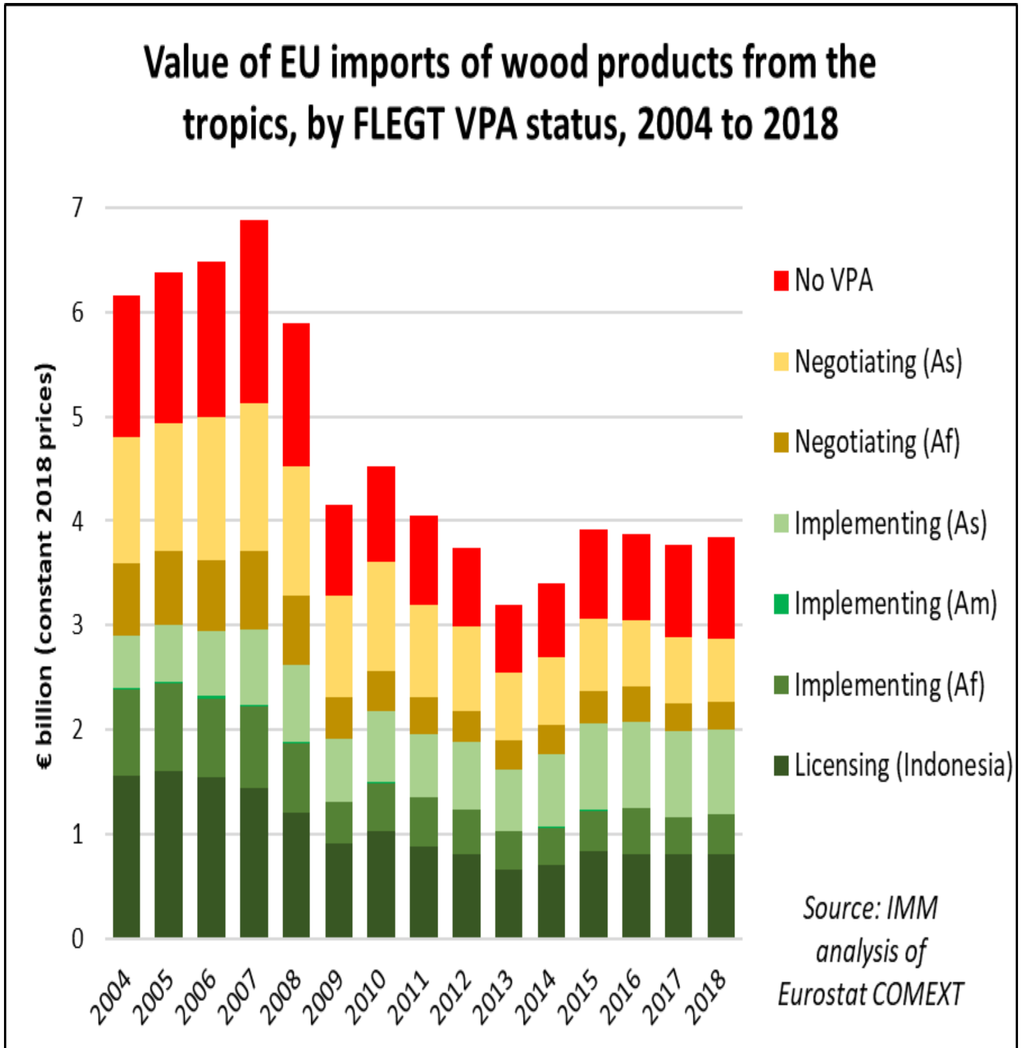
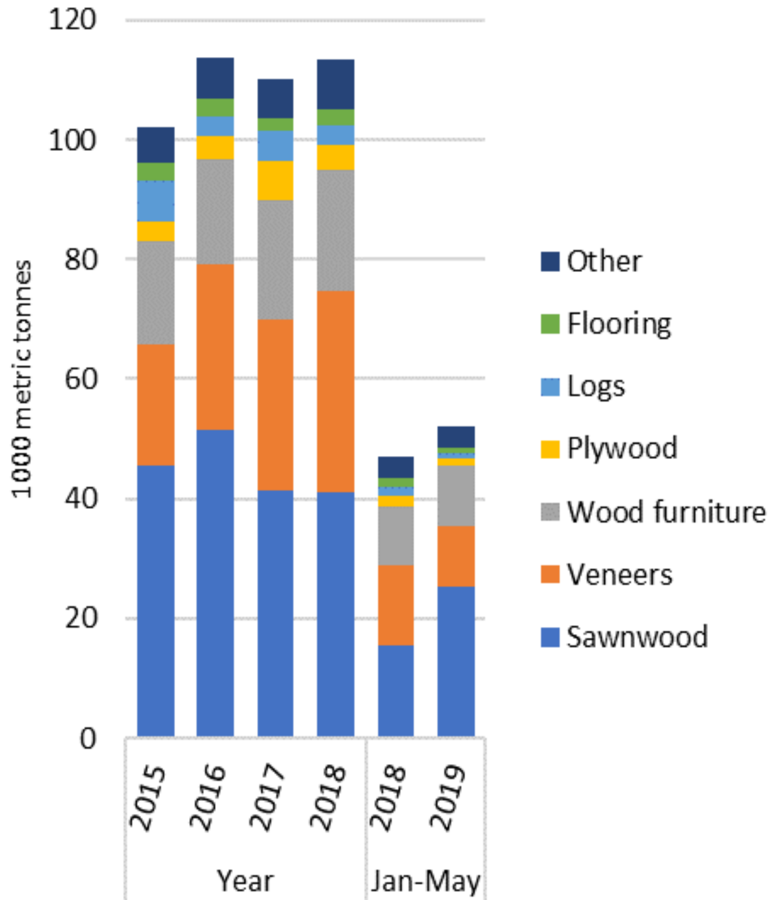
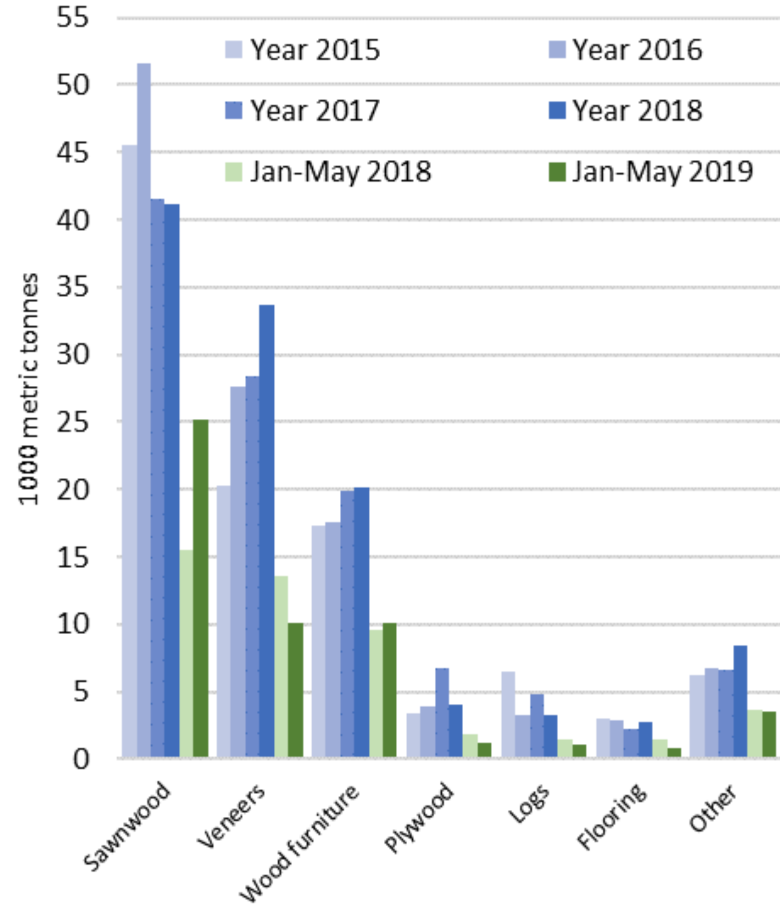
# FLEGT: Platform to help rebuild market share?




- 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)

# Spain tropical wood product* imports
## Years 2015-18, Jan-May 2018-19




** All wood products in HS 44 (wood) and HS 94 (furniture) excluding charcoal and chips*



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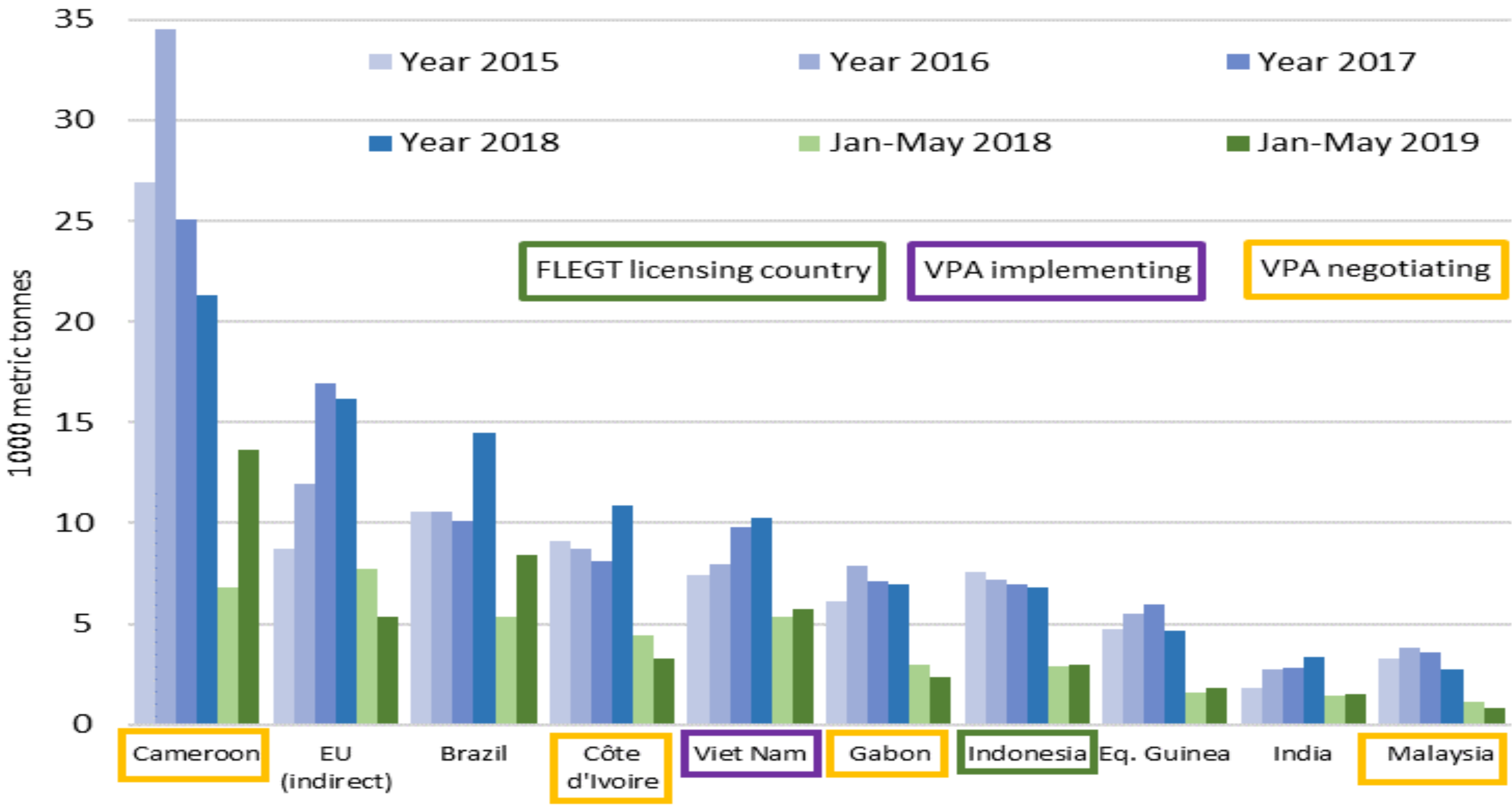
# Spain tropical wood product* imports by main supply country & VPA status




* All wood products in HS 44 (wood) and HS 94 (furniture) excluding charcoal and chips

# The EU market for VPA partner wood products

## Workshop slides

Independent Market Monitoring of FLEGT-Licensed Timber

# 10 constraints to VPA partner wood in the EU

***Ordered by feedback from IMM surveys in 7 EU countries & UK/France/Antwerp 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 VPA partner wood supply to other markets
4. Declining wood quality linked to pressure on tropical forest
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 constraints to VPA partner wood in the EU that should be included?
- How do you rate the relative importance of the various factors constraining VPA partner wood?
- Is there scope to expand the market for VPA partner wood in Spain and wider EU?
- If so, how can the market be developed, and how important do you think FLEGT licensing will be as part of that process?

# 10 strategies to improve the position of VPA partner wood in the European market

***Unordered list – some strategies are mutually exclusive***

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