

The EU market for tropical timber products

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Independent Market Monitoring of FLEGT-Licensed Timber



IMM Background

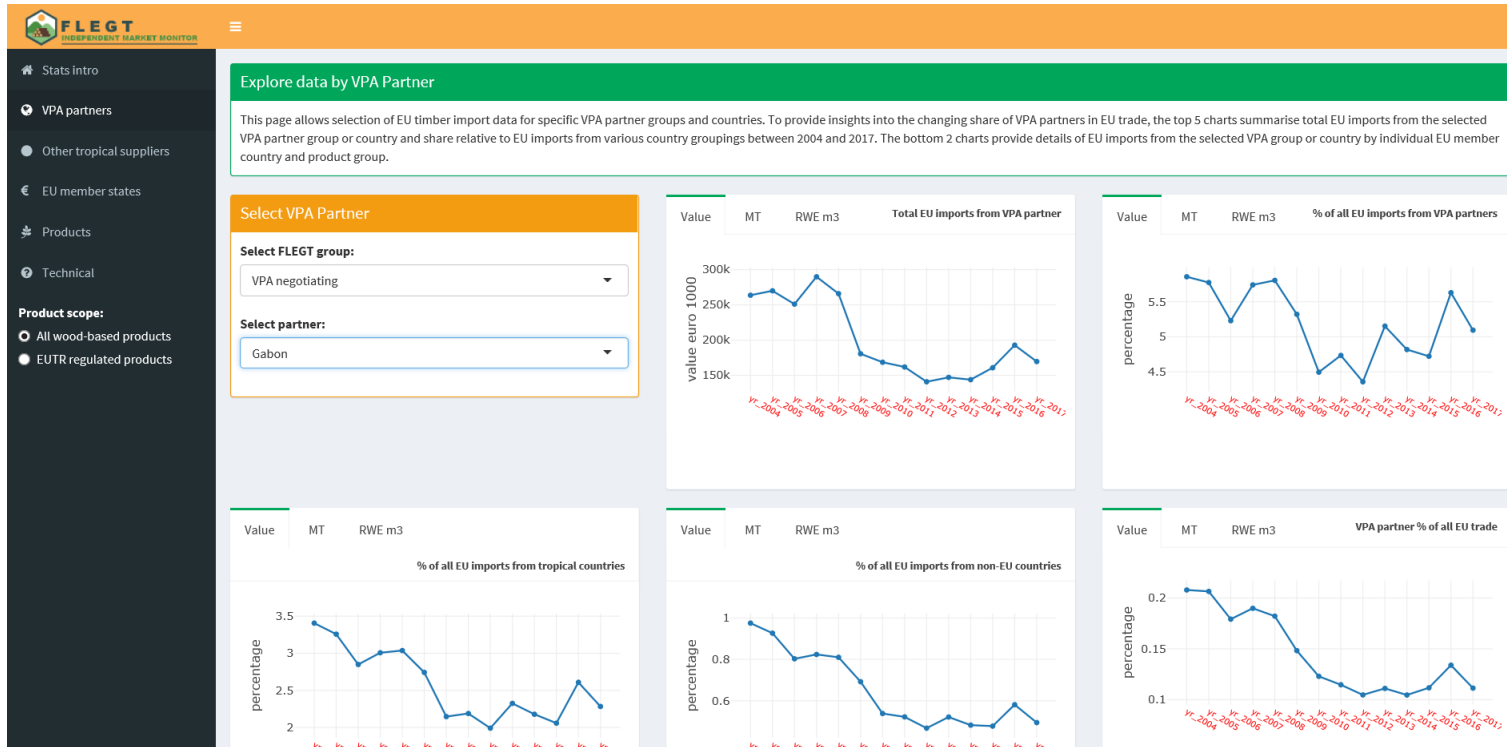


- Mandated by FLEGT VPAs
- Funded by EC
- Managed by ITTO
- Objective:
 - Independently monitor FLEGT VPA market impacts
 - Thereby inform decisions by VPA Joint Implementation Committees
- Analysis of trade flow data
- Surveys by country correspondents
 - Ghana, Indonesia
 - 7 EU countries accounting for > 90% tropical imports (Belg, France, Germany, Italy, Spain, NL, UK)



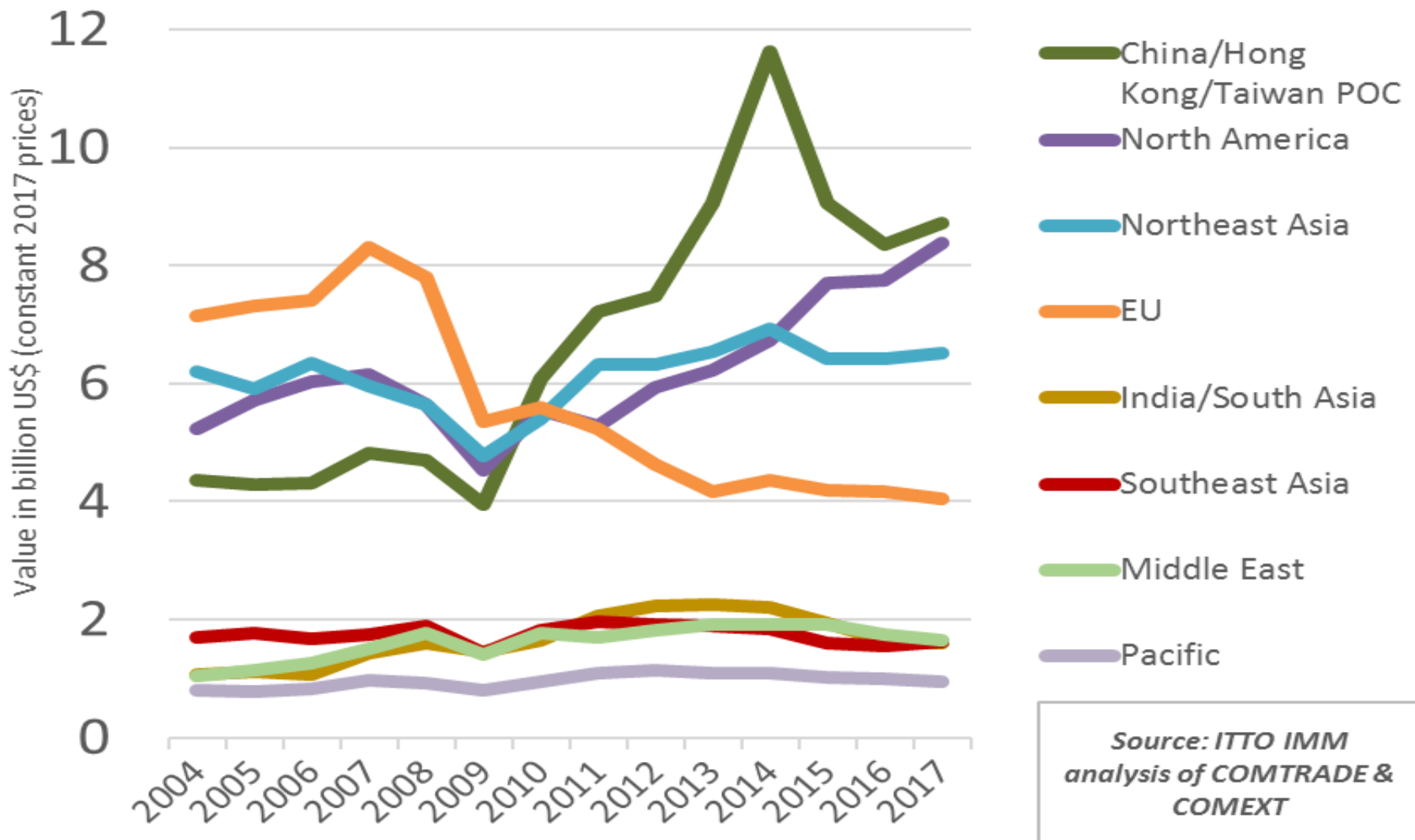
www.flegtimm.eu

Increasing access to data

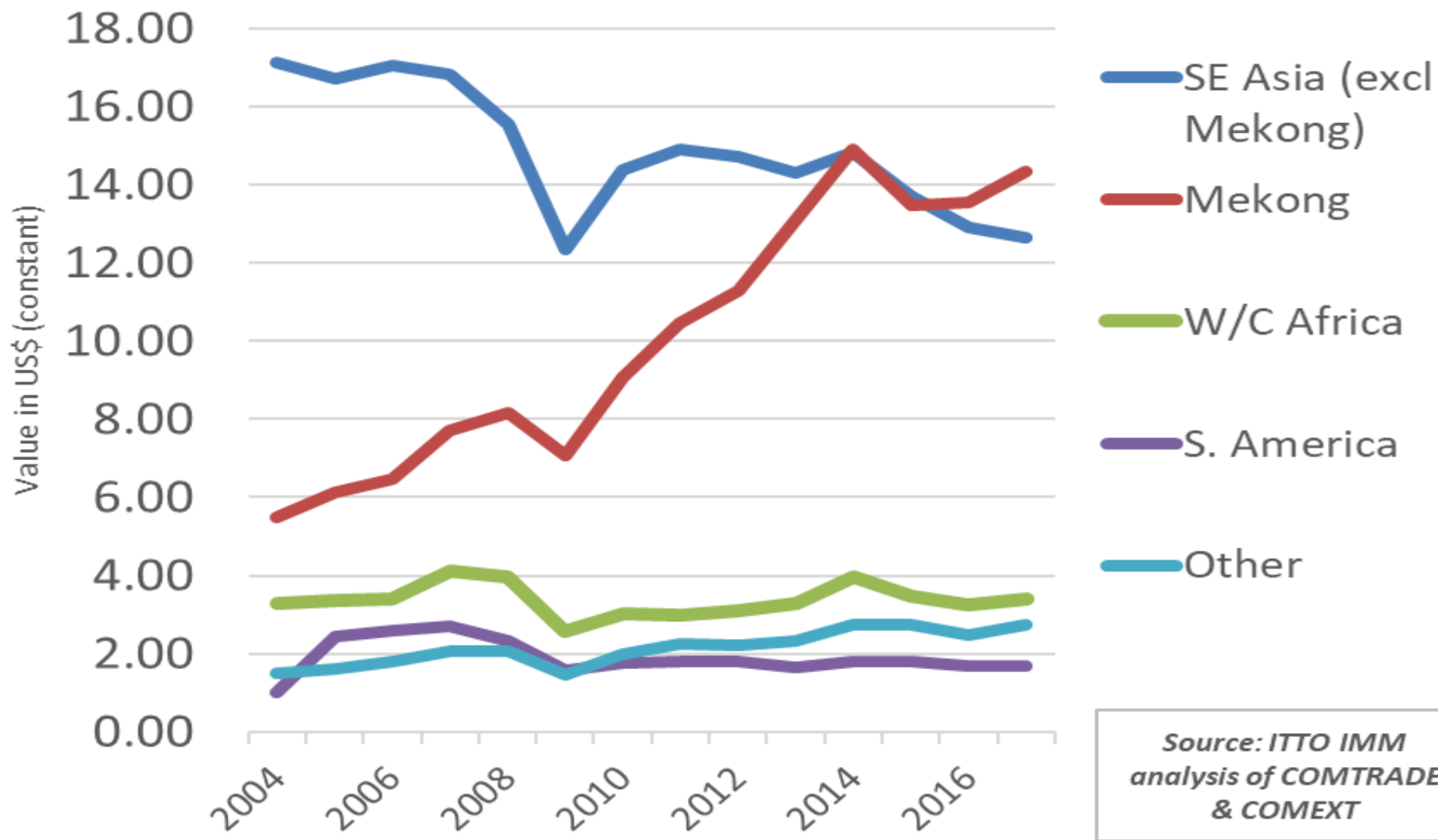


- [FLEGT IMM Data Dashboard - www.stats.flegtimm.eu](http://www.stats.flegtimm.eu)
- Wood trade by FLEGT VPA partner countries
- EU import data from Eurostat COMEXT
- Will include best available export data

Tropical wood product imports by global region 2004 to 2017

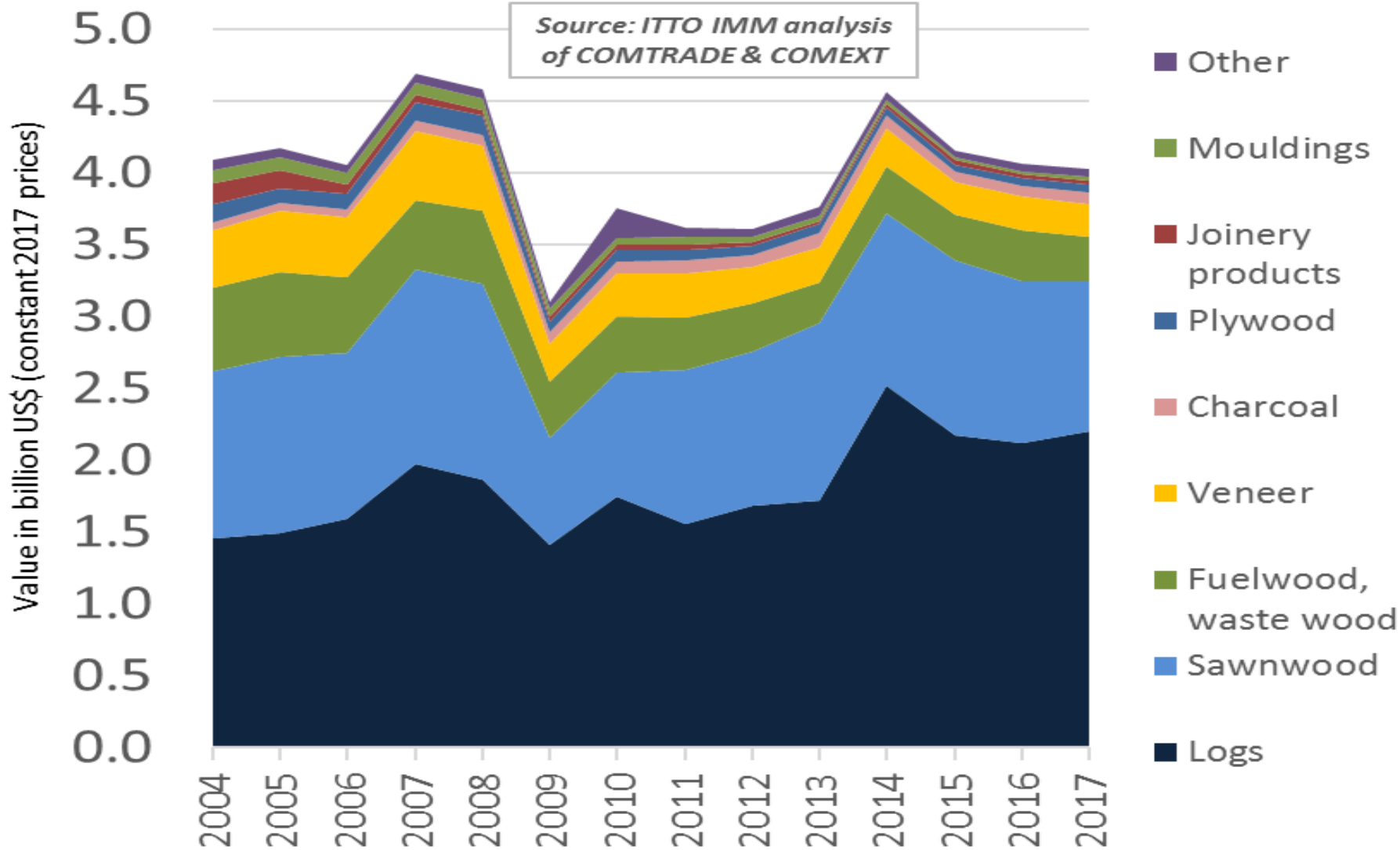


Global tropical wood trade by region of origin: 2004 to 2017

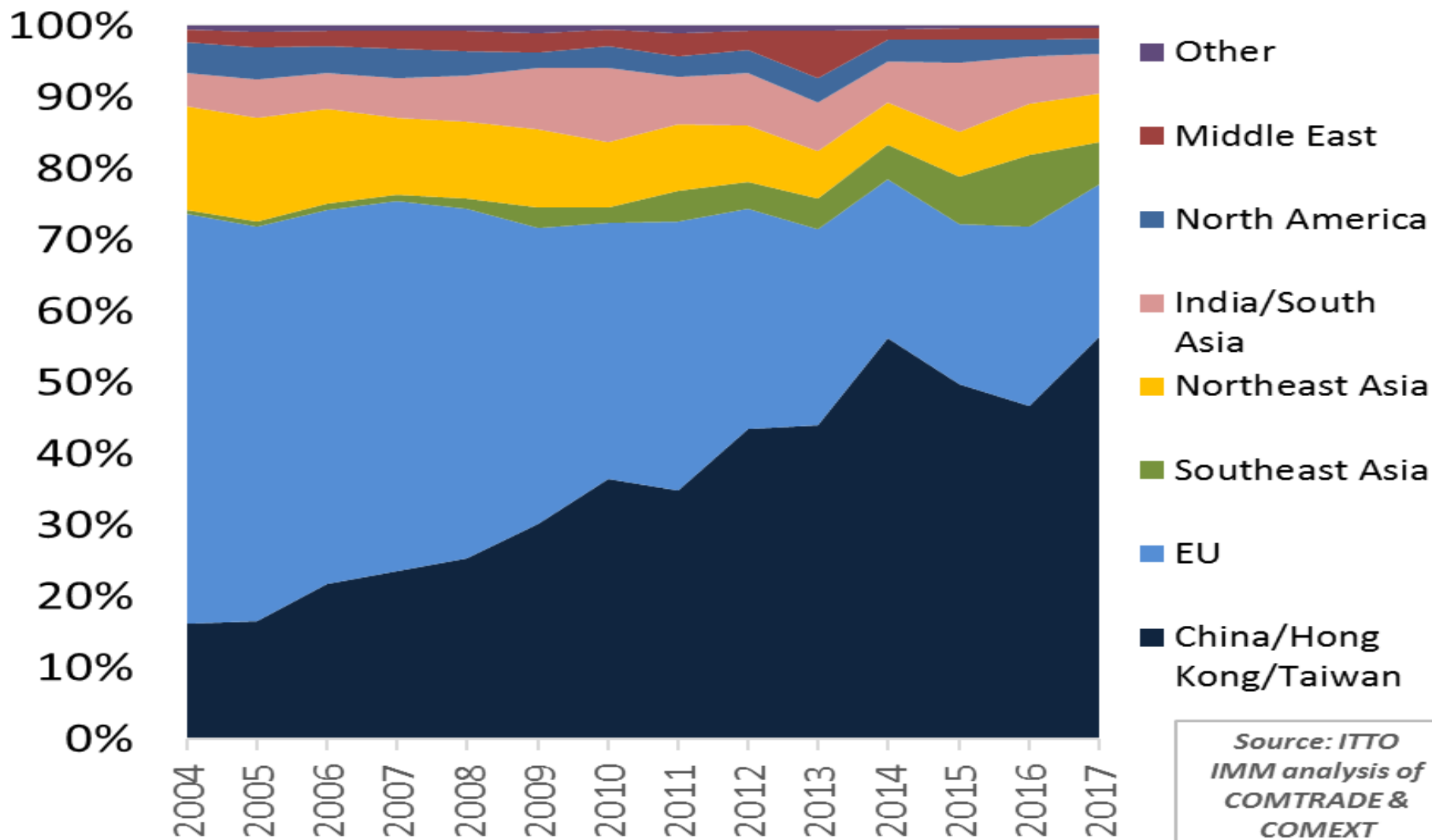


Value of timber exports from the African continent by product - 2004 to 2017

Source: ITTO IMM analysis of COMTRADE & COMEXT



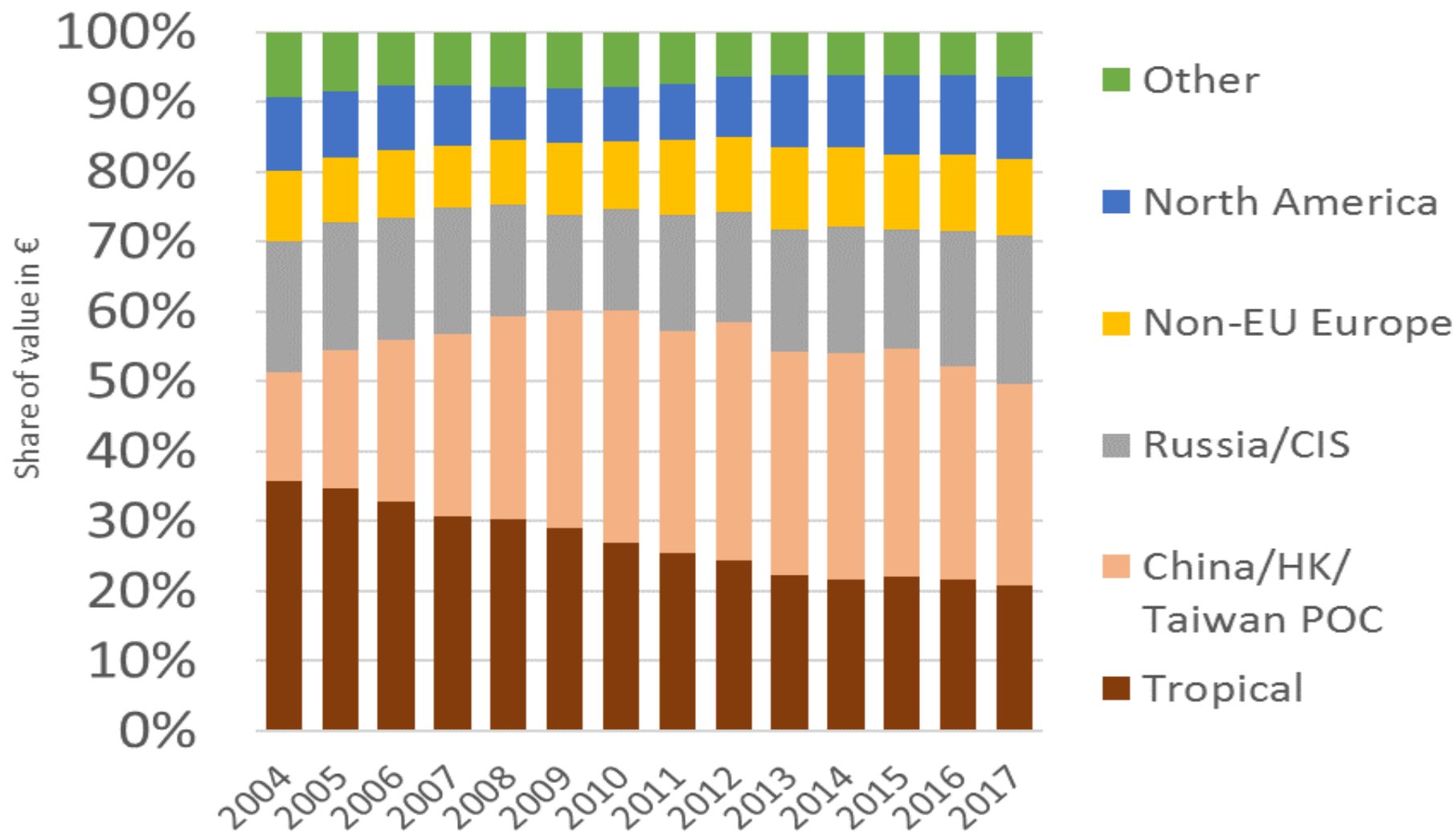
Share of timber US\$ export value from the African continent by destination - 2004 to 2017



Source: ITTO
IMM analysis of
COMTRADE &
COMEXT



Share of EU wood imports by supply region 2004 to 2017



Source: ITTO IMM analysis of Eurostat COMEXT

A perfect storm

Drivers of tropical timber's decline in Europe

Economic downturn
2008 to 2013

Diversion of supply to
other markets

Erosion of
infrastructure for EU
supply

Importers & bankers
increased aversion to
commercial risk

Just-in-time favours
more regular less
volatile supply

Substitution by
temperate wood &
composites

Prefabrication: Switch
from adaptable utility
woods to tightly
specified materials

Competition from
China for material
access and in markets
for finished goods

Environmental
prejudices &
uncoordinated
marketing

FLEGT: Platform to help rebuild market share?

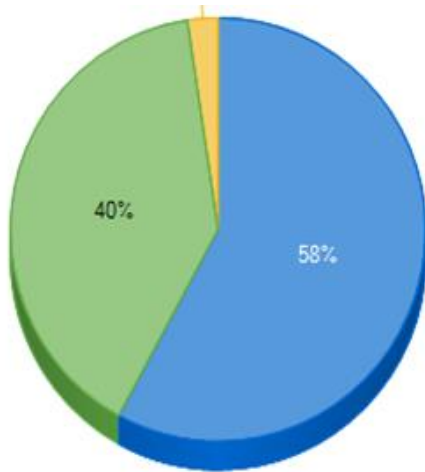


- Indonesia (21% of EU tropical imports in 2017): FLEGT Licensing since November 2016
- VPA Implementing (9%): Cameroon, CAR, Ghana, Liberia, Congo
- VPA negotiating (45%): Côte d'Ivoire, DRC, Gabon, Guyana, Honduras, Laos PDR, Malaysia, Thailand, & Vietnam
- Tropical non-VPA (25%): notably Brazil (decking), India (furniture), China (tropical plywood)

IMM 2017 survey

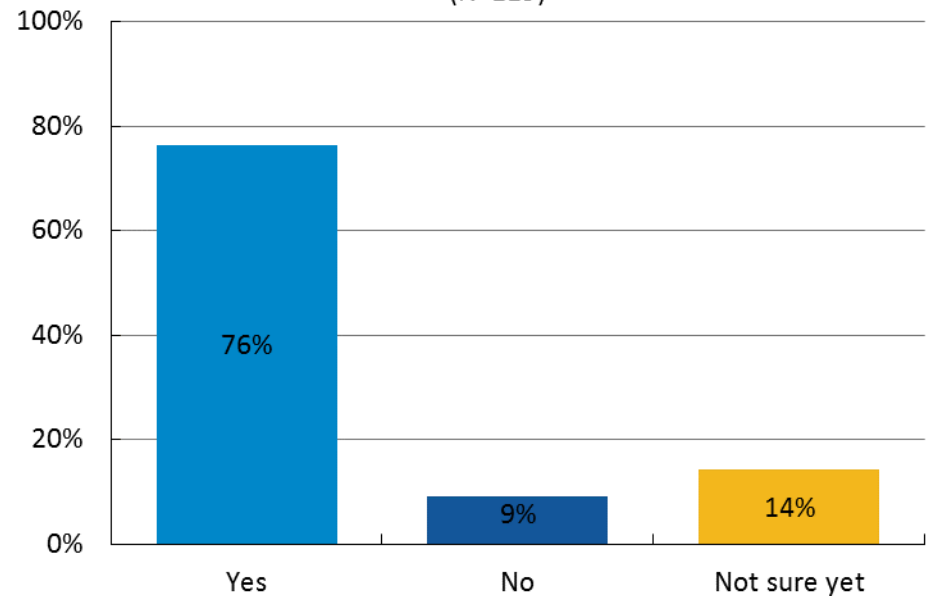
- 126 companies interviewed in 7 EU countries

How aware are you of the FLEGT VPA Process and what it involves?



Would your organisation give preference to FLEGT-licensed timber over unlicensed timber from competing sources?

(N=119)



“Very aware”: 92% in UK - > 37% in Italy



IMM 2016 report recommendations

- FLEGT licence can underpin market development for tropical products in the EU, but this is a long-term process
- Consistent enforcement of EU Timber Regulation most effective way to assure market advantage for FLEGT licensed timber
- Improve communication and raise awareness of steps required to implement FLEGT licensing system

IMM 2016 report recommendations (cont.)

- Consider how FLEGT licenses fit within FLEGT partners' broader timber industry and export development strategy
- Private sector must be engaged in positive marketing of FLEGT licensed timber, not treated as passive actor responding to regulatory signals
- Encouraging recognition for licensed timber in DD legislation and public & corporate procurement in other large markets should be an EU priority

Thank you

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