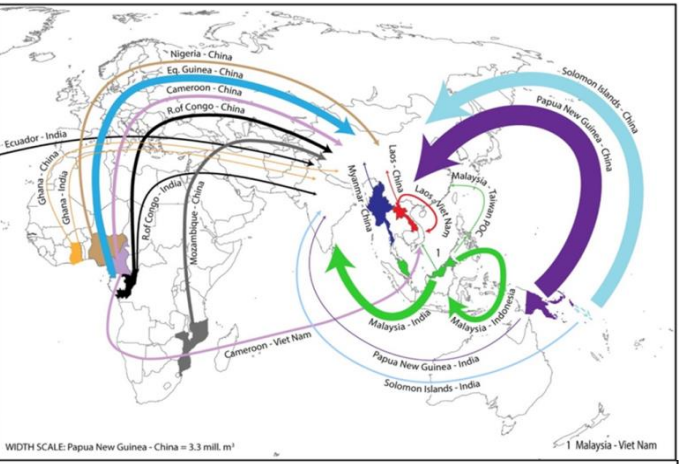
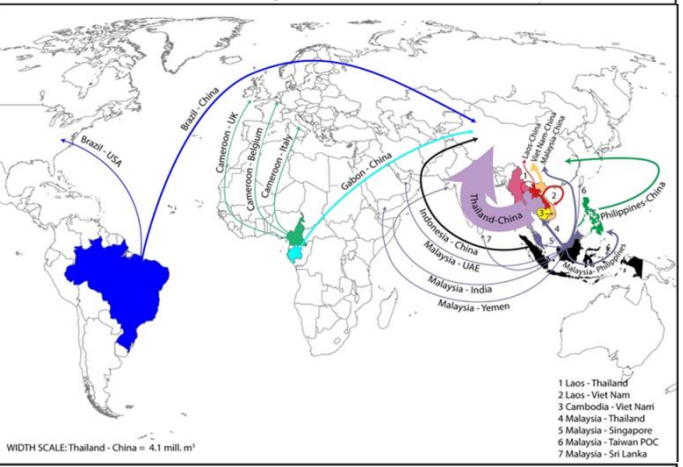
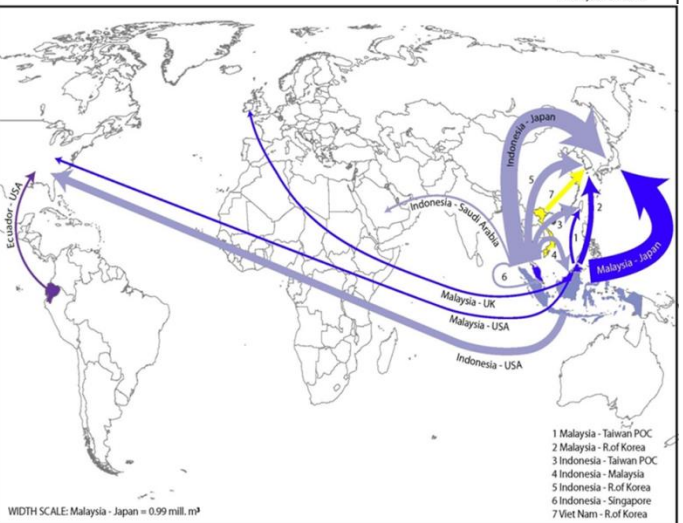



Federal Ministry of Food and Agriculture

# Situation and trends of trade and market access of tropical timber and timber products

1st Regional Workshop, Teak-Mekong
Yangon, 24 to 27 September 2019.

**Tetra Yanuariadi**
Projects Manager

**INTERNATIONAL TROPICAL TIMBER ORGANIZATION (ITTO)**

**In-house/in-factory training to improve efficiency in wood-based industries**

**(Myanmar, 16-19 August 2010)**

# SOME STARK FACTSs:

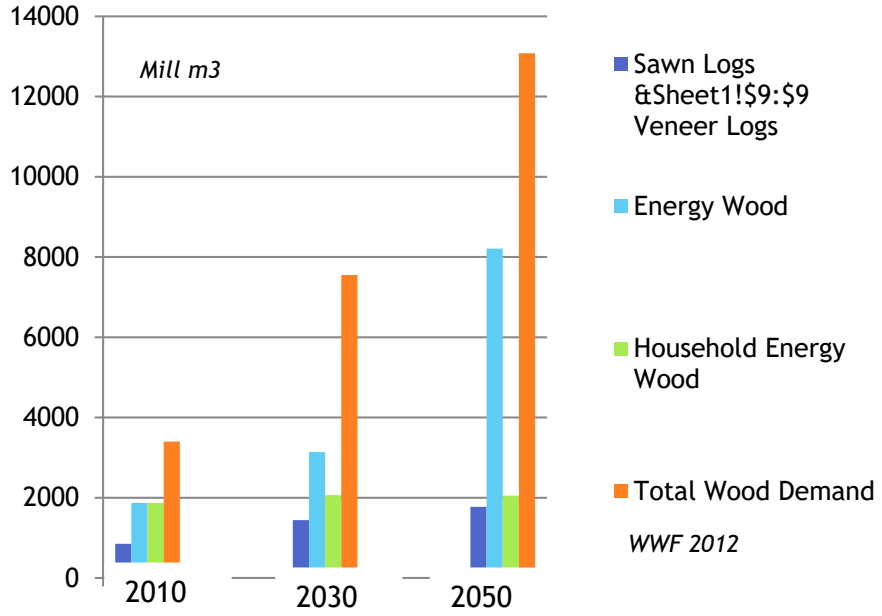
Deforestation reduced to 3.3 million ha in 2015 from 7.3 million ha in 2000

Agriculture still responsible for 80% of forest loss (conversion)

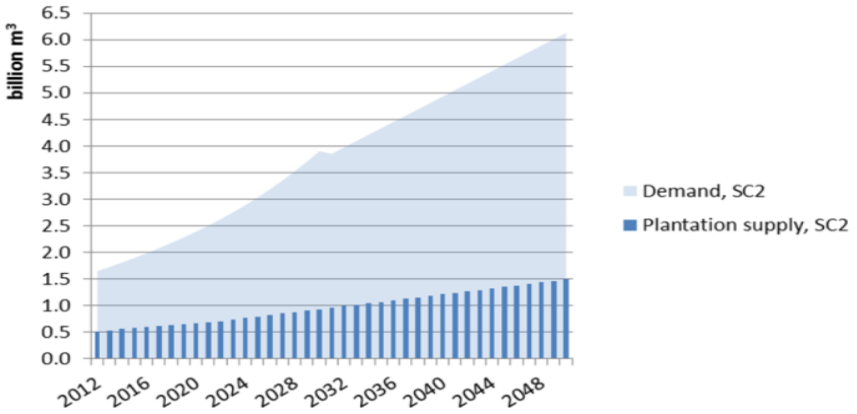
More than 50% of 193 UN member states have less than 20% forest cover

Global population ≥ 9 BLN 2050, = ↑ food, wood products, woodfuel, income

# Increasing Global Wood Demand



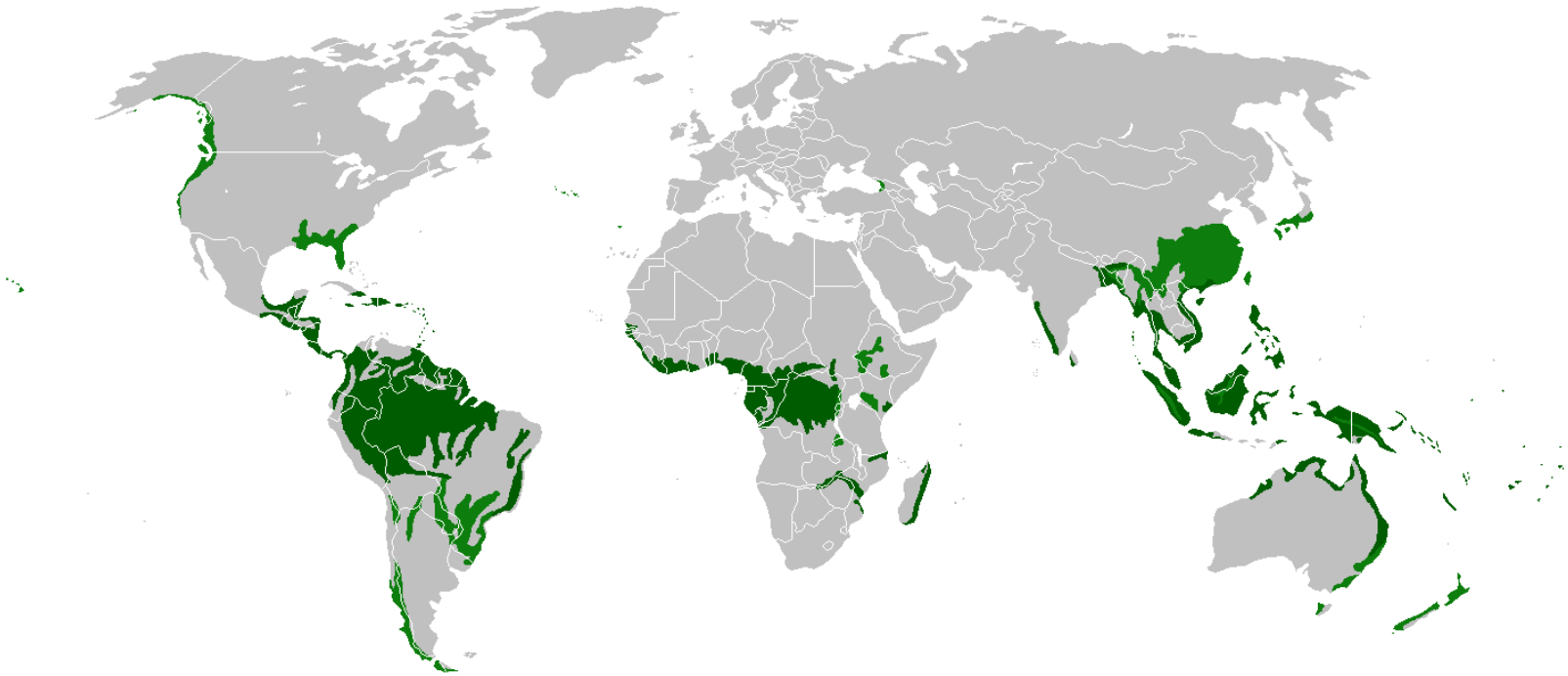

## Increasing Gap for Industrial Roundwood




**Demand in woodfuel and charcoal continues to increase**

- **2.8 billion people will depend on TRADITIONAL FUELS in 2030**
- **Massive increase in demand for wood energy in industrialized countries**

# Tropical forests



**Tropical forests account for 1.66 billion ha (13%) of the total area on earth. Tropical forest by regions: LAC (907m ha.); Africa (440m ha.); Aspac (317m ha).**

**>> 85% is in ITTO member countries**

# Tropical forests

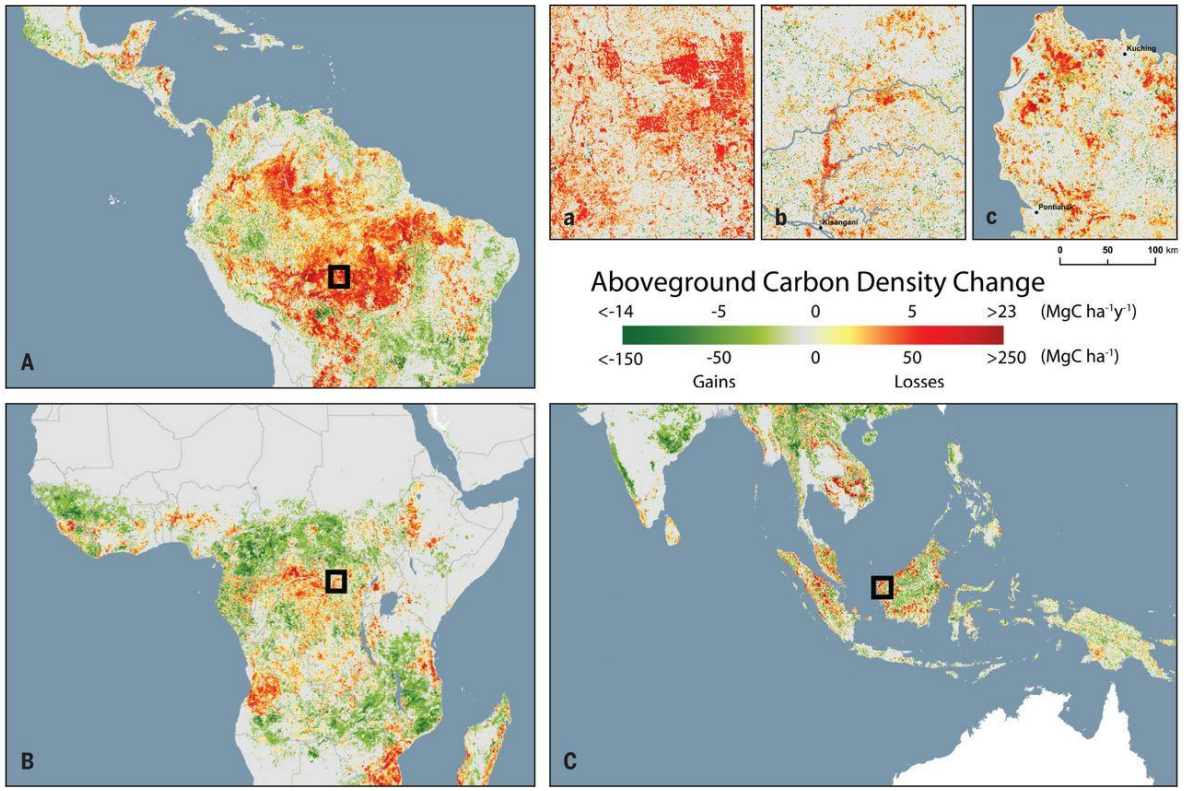
**Commodities produced in tropical countries are not always viewed in a positive light → associated with deforestation, forest degradation, illegality, etc.**

**Degraded forests will reduce their capacity to supply local, national and global market with essential forest products**

**Demand for harvested wood and other products are increasing.**

# Tropical forest degradation: geography of carbon density change

- Tropical forests are **a net release of carbon of 425.2 ± 92.0 Tg C yr-1** (losses of 861.7 ± 80.2 Tg C yr–1 and gains of 436.5 ± 31.0 Tg C yr–1 from forest growth)
- **Losses result from (i) deforestation and (ii) reductions in carbon density within standing forests (degradation) accounting for 68.9% of overall losses**




A. Baccini et al. Science 2017;science.aam5962

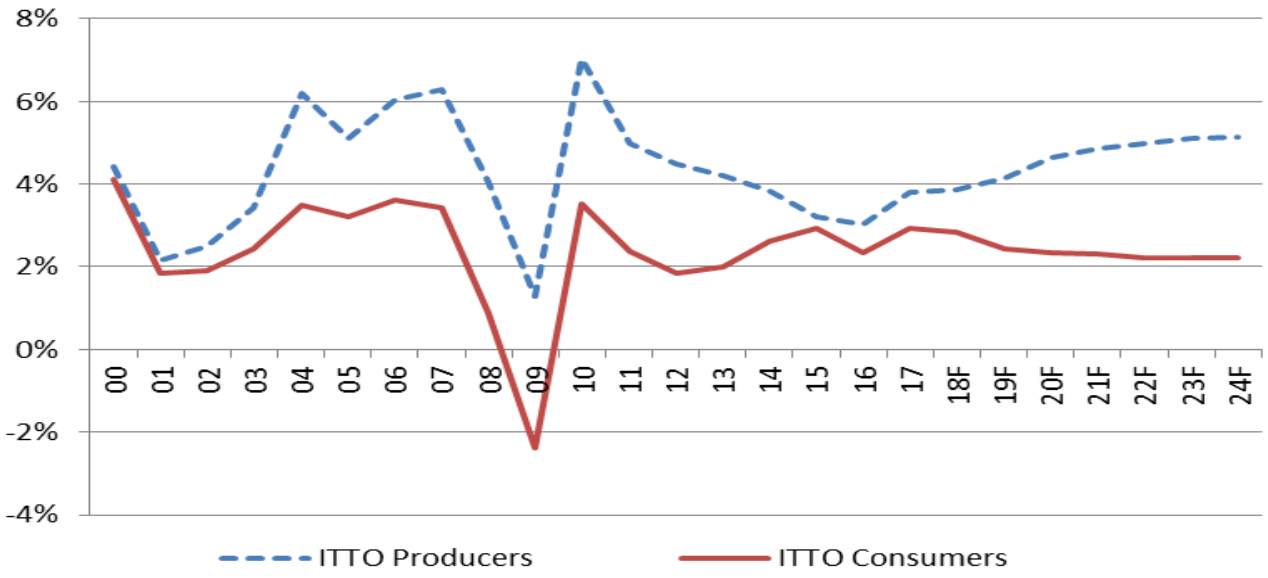
# Market developments of tropical timber and timber products

## 3 important factors:

Economic trends, Building and construction indicators, and Market policy trends and access

## Economic trends: major indicator of indicator of demand for tropical wood; GDP is an important measure of a country's economic outputs

**2000-2024**



# Market developments of tropical timber and timber products

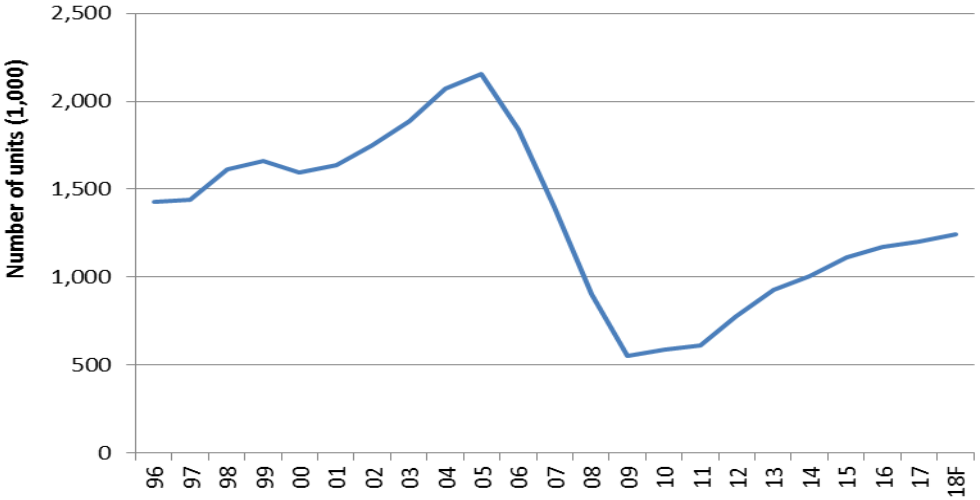
## 3 important factors:

**Economic trends, Building and construction indicators, and**

**Market policy trends and access**

## Building and construction trends

- **Global housing and construction trends are important indicators of tropical wood products demand**
- **Major countries: USA, China, Japan, and EU**



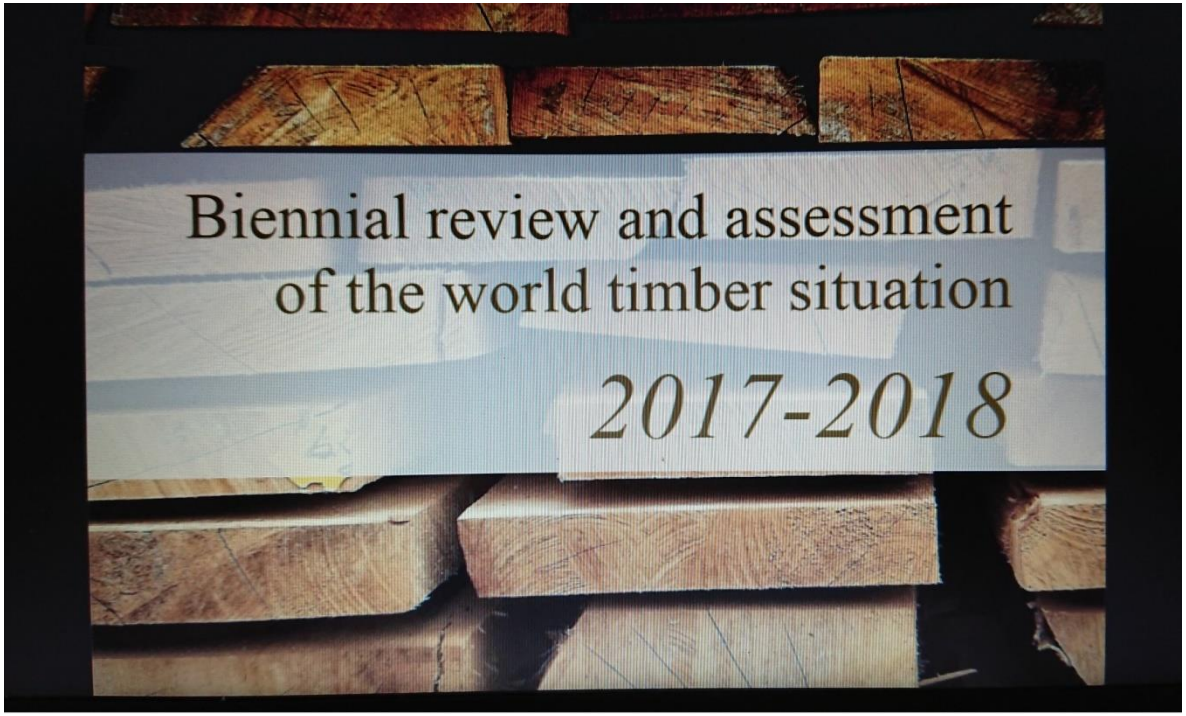

United States Housing Starts, 1996-2018

(1,000 units)

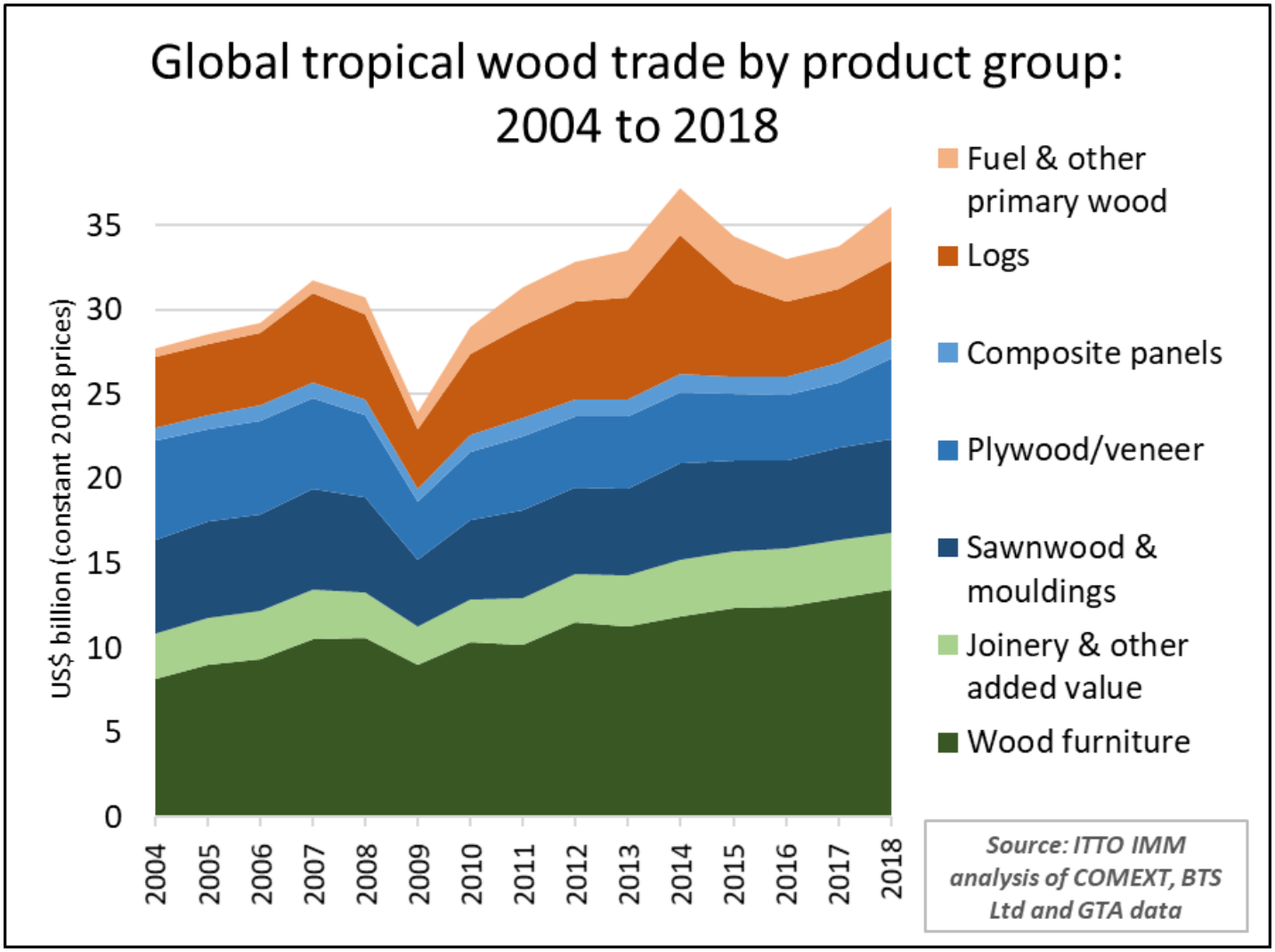
# Market policy trends and access

- Numerous policy measures are now being implemented to improve forest law enforcement and governance and counter the trade in illegally harvested timber: EU Action Plan on FLEGT (VPA, EUTR), US Lacey Act, the Australian Illegal Logging Prohibition Bill 2012
- Certifications, procurement policies , and CITES species protection

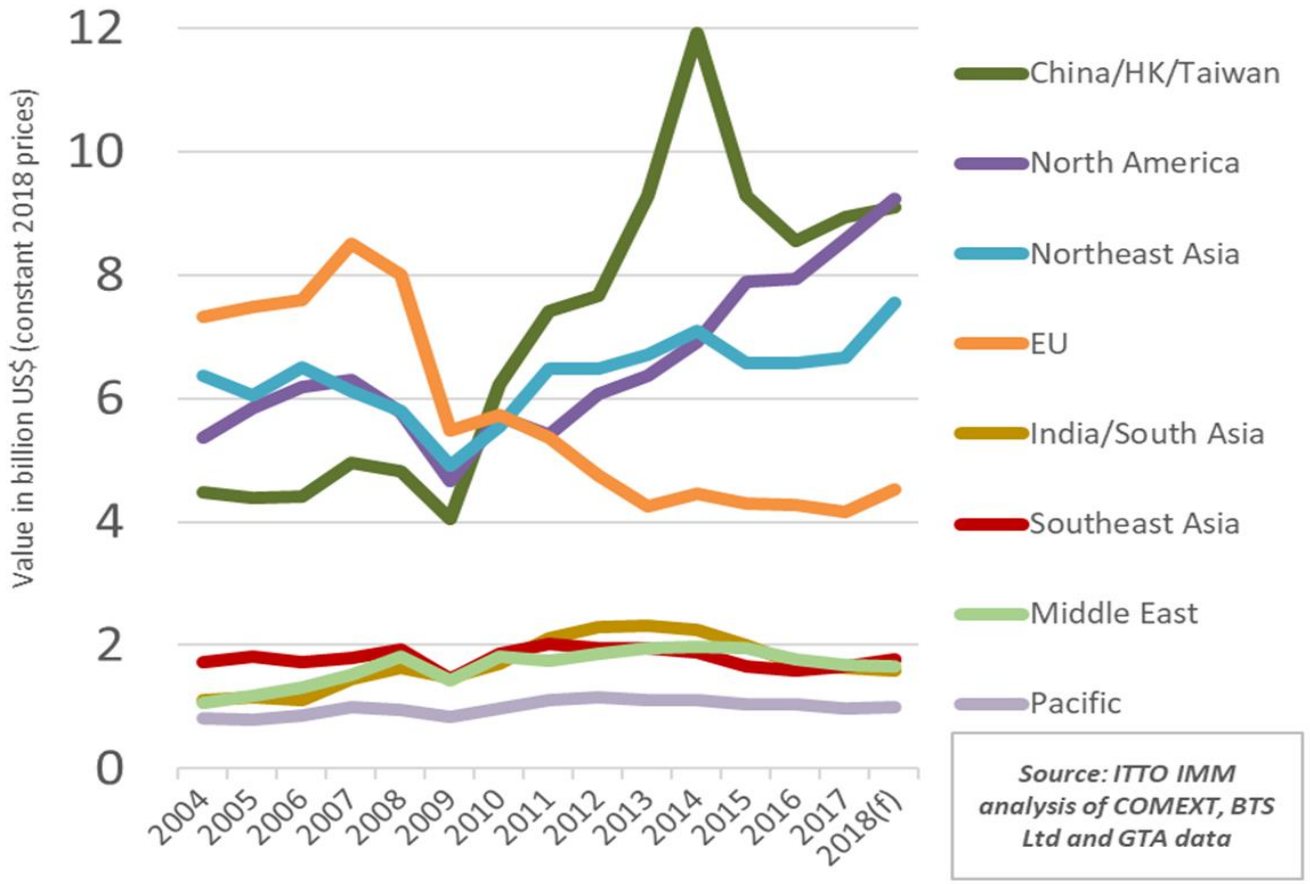
# Trends: tropical timber industry and trade

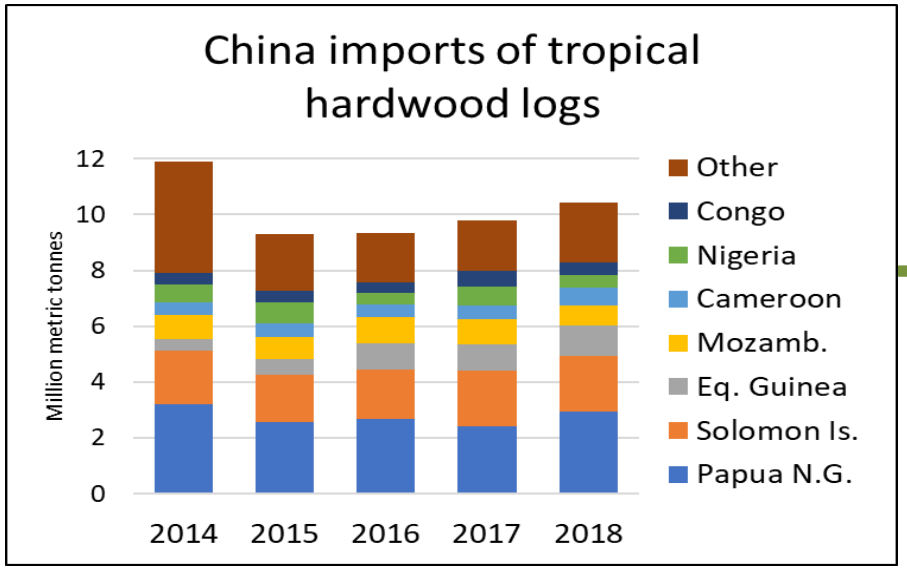


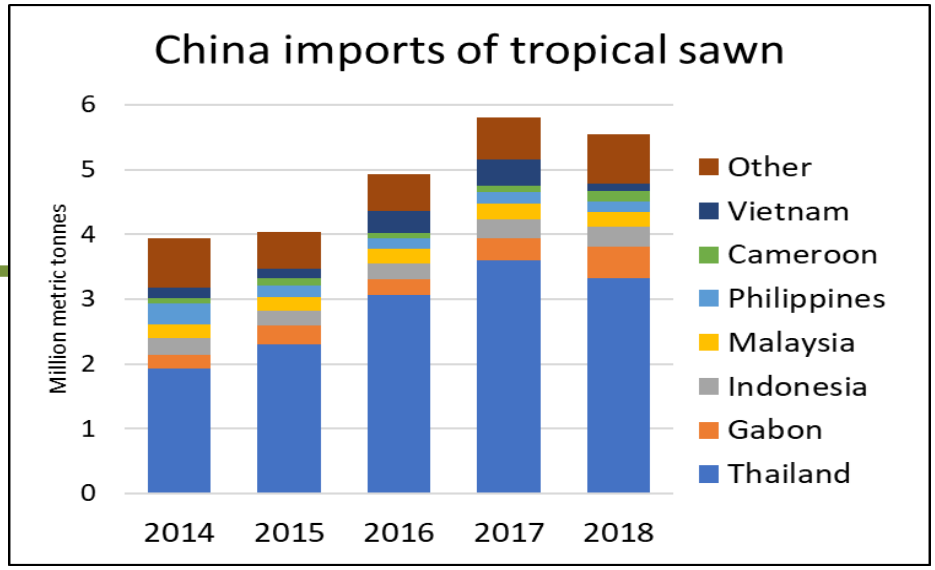

www.itto.int

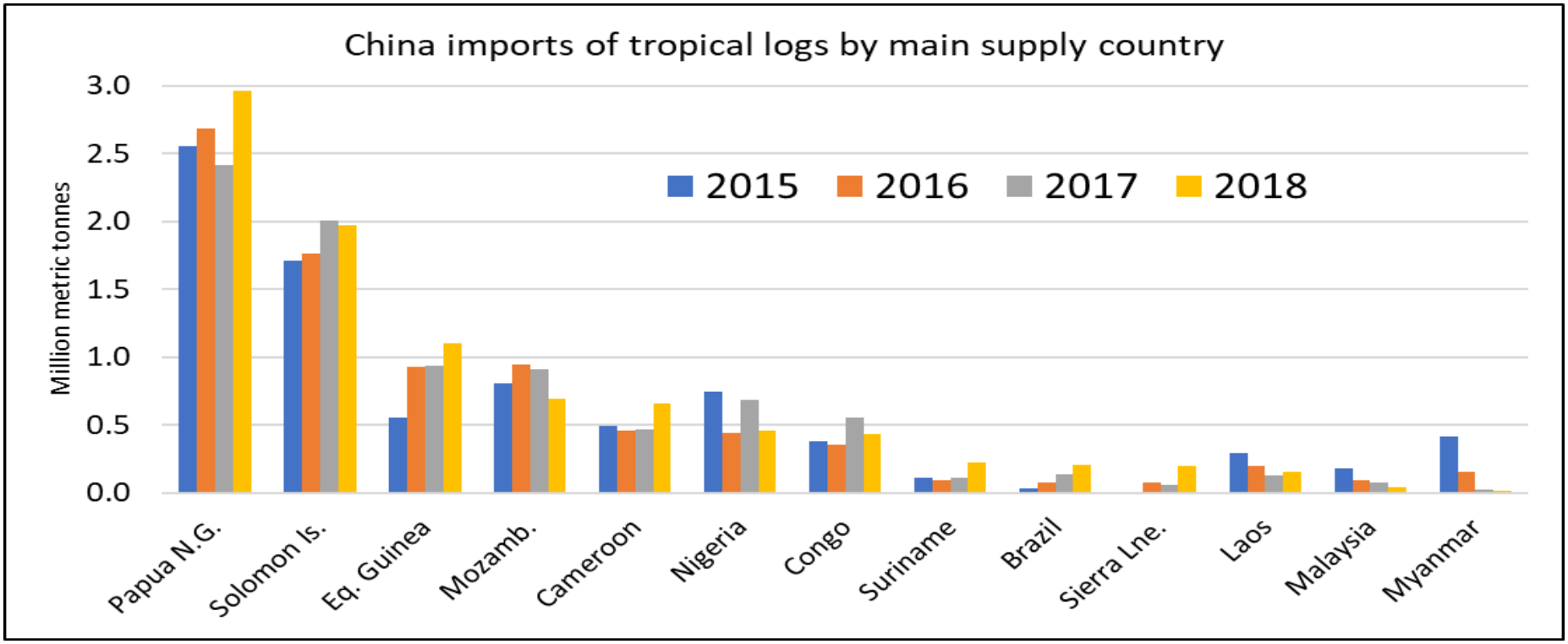

Global tropical wood trade by product group: 2004 to 2018
US$ billion (constant 2018 prices)
0
5
10
15
20
25
30
35
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Fuel & other primary wood
Logs
Composite panels
Plywood/veneer
Sawnwood & mouldings
Joinery & other added value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

# Tropical wood product imports by global region 2004 to 2018



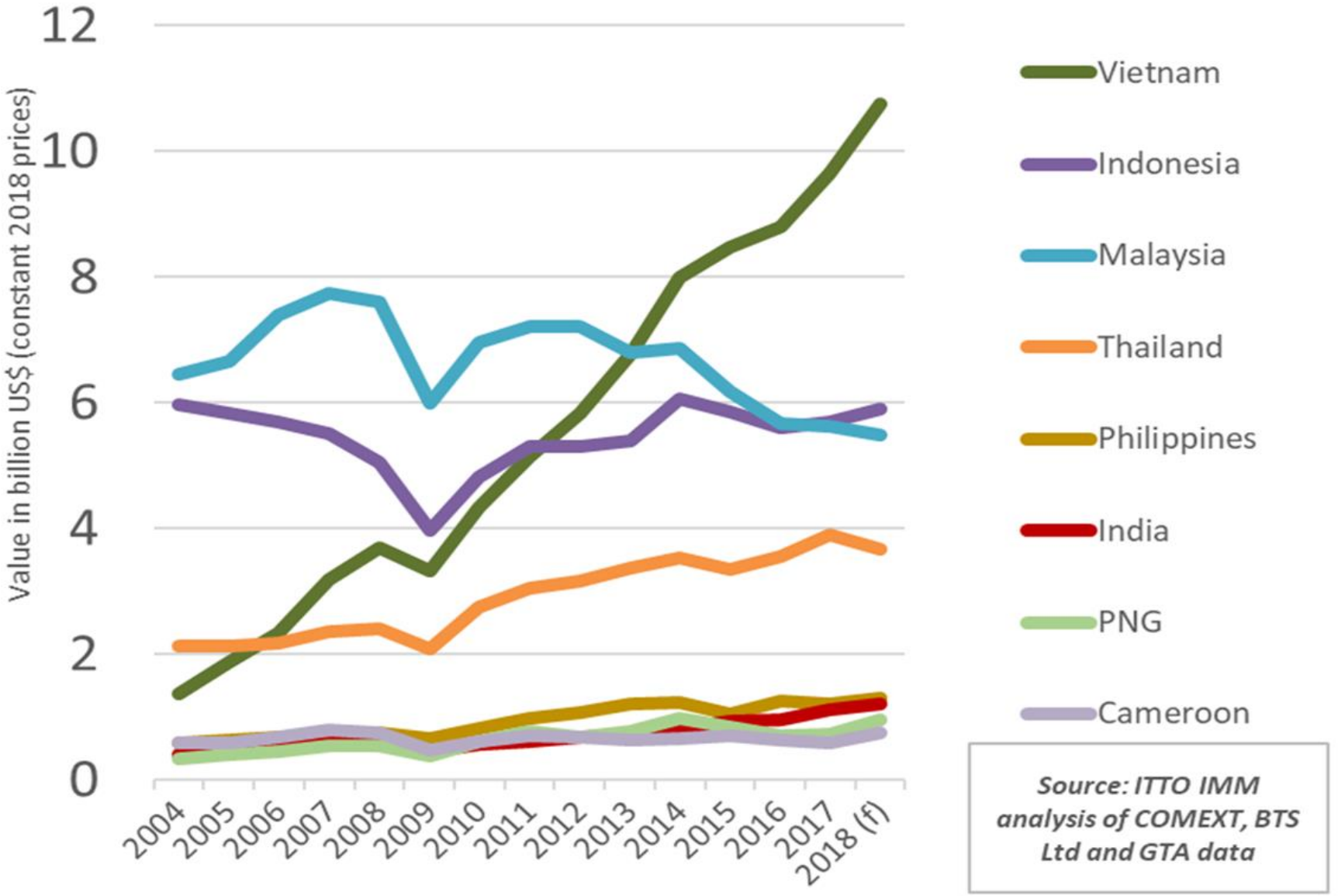



*Source: IMM analysis of China export data from BTS Ltd*

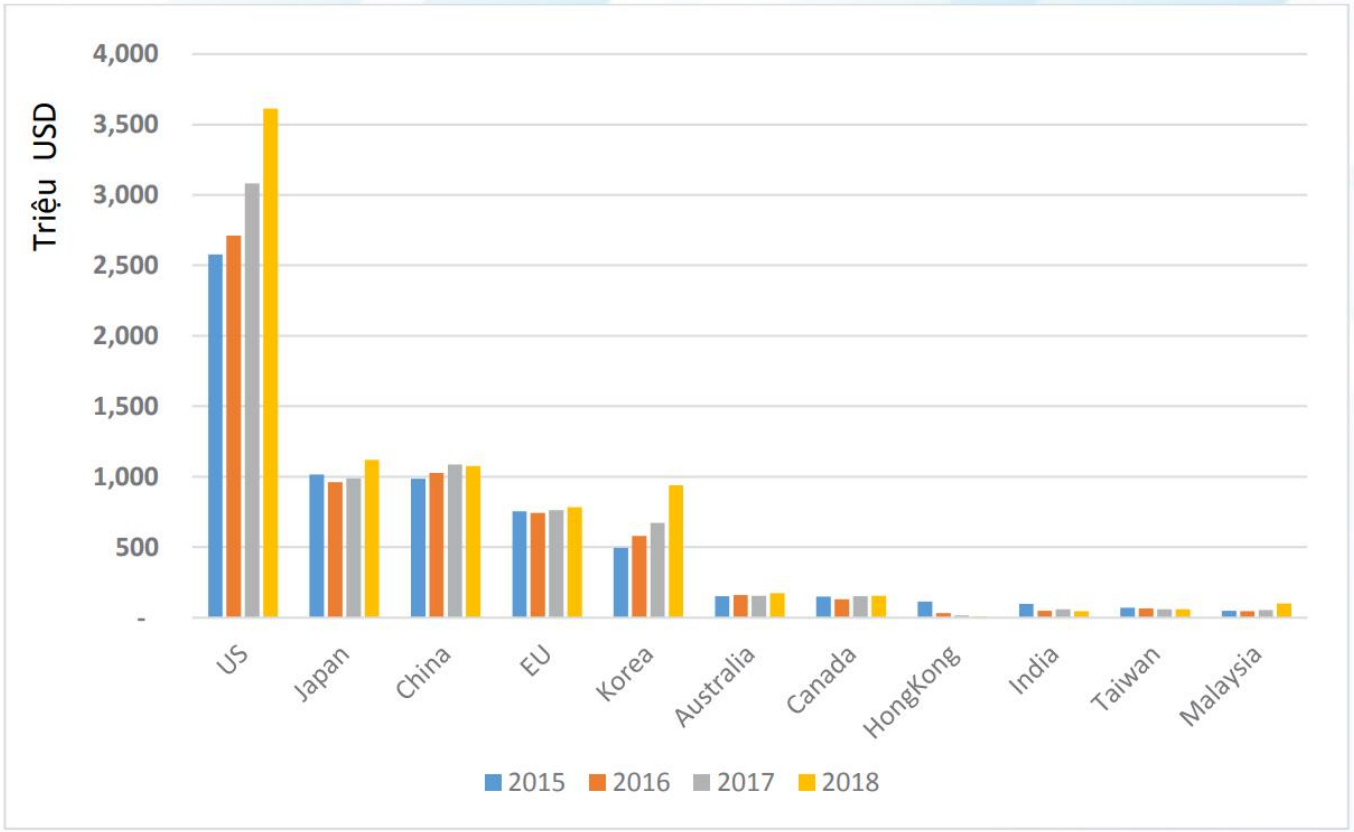
# Tropical wood product trade by main supply countries - 2004 to 2018



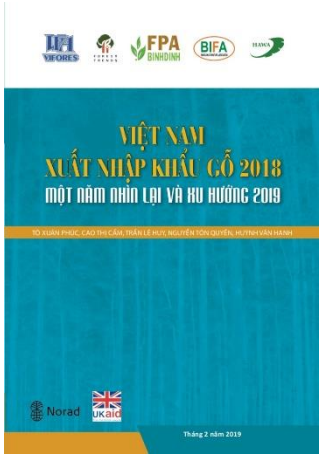

*Source: ITTO IMM analysis of COMEXT, BTS Ltd and GTA data*

# Vietnam wood export destinations

**Hình 2.** Thay đổi kim ngạch xuất khẩu các mặt hàng gỗ của Việt Nam ở các thị trường chính

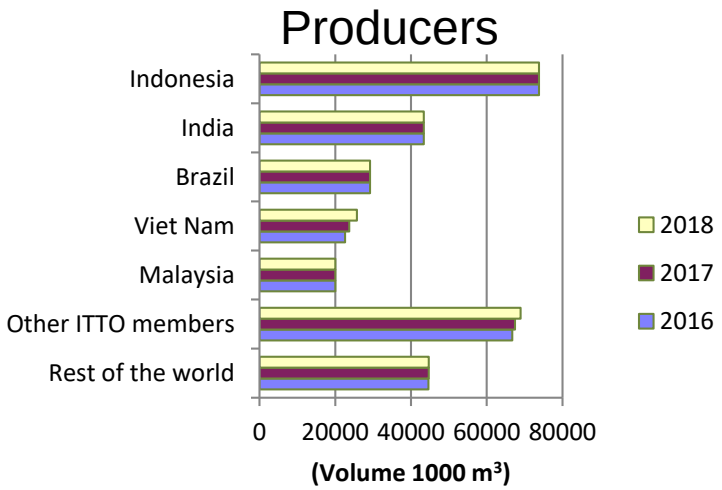


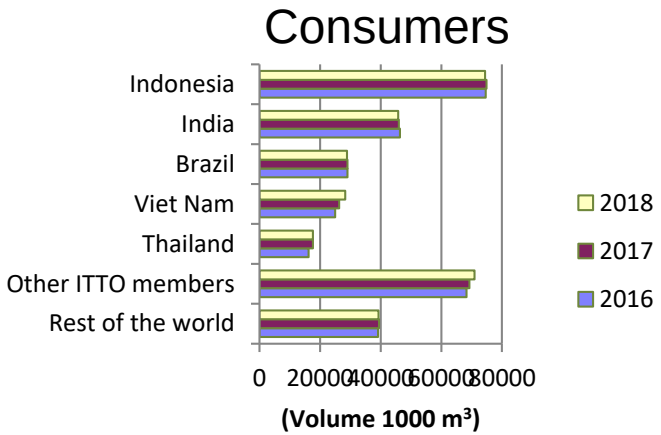

*Nguồn: Tính toán của VIFORES, FPA Bình Định, HAWA, BIFA và Forest Trends, dựa trên dữ liệu thống kê của Tổng cục Hải Quan*

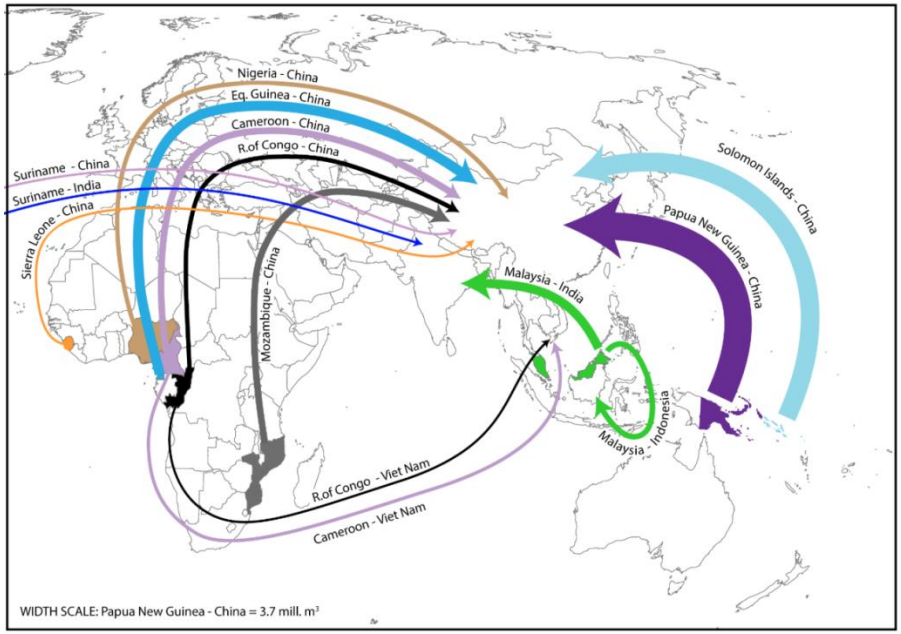



http://goviet.org.vn/upload/aceweb/content/Bao%20cao%20thuong%20nien%20nganh%20go%202018_21.2.2019.pdf

# Tropical Log



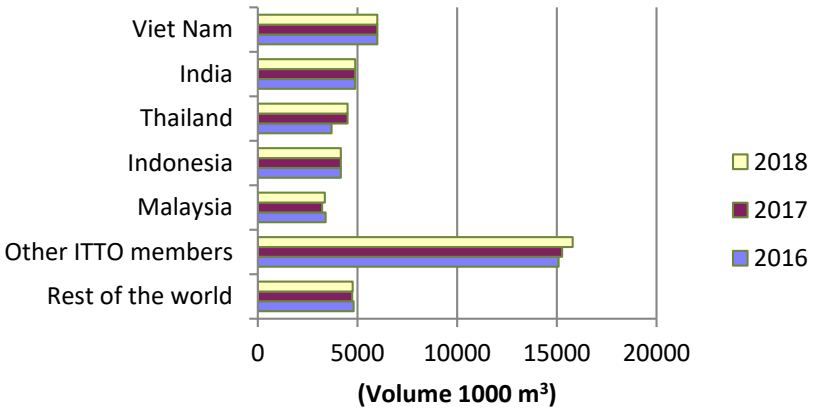



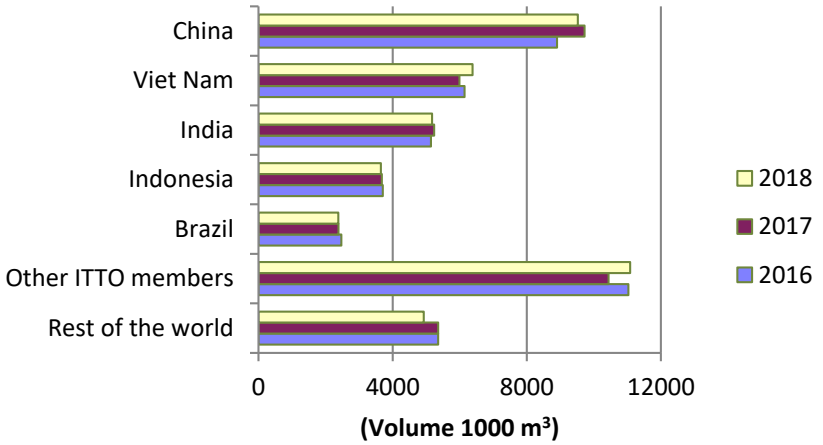

Tropical log trade flows 2018 (Mio.m3)

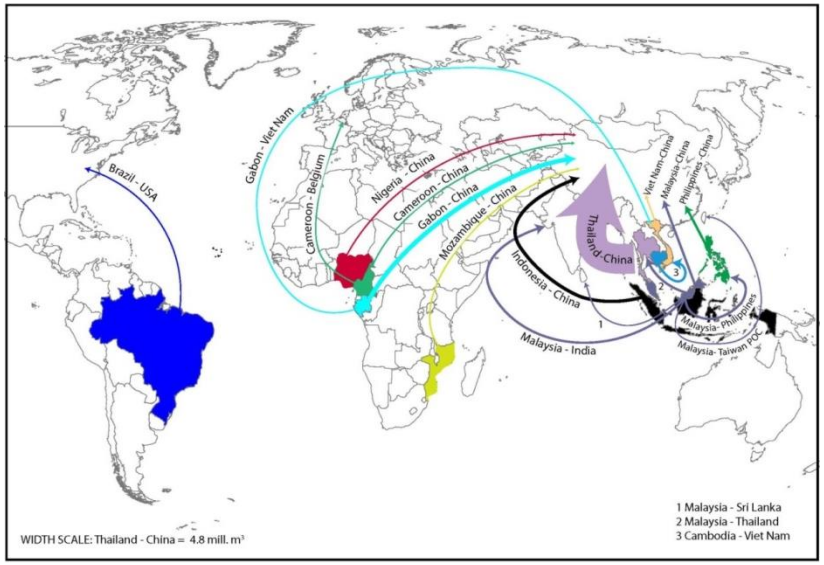
# Tropical Sawnwood

## Producers




## Consumers

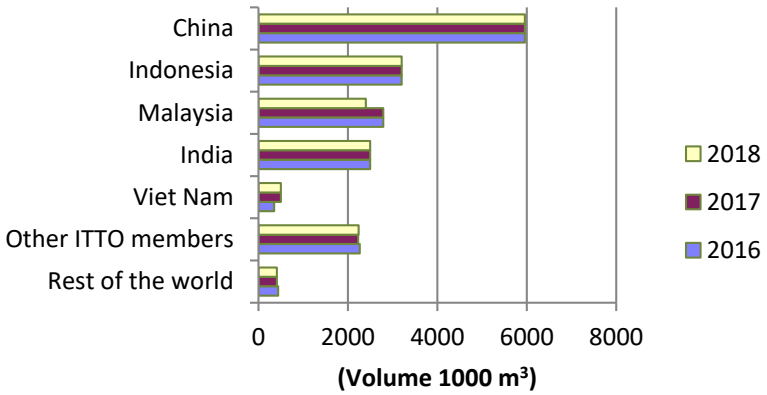


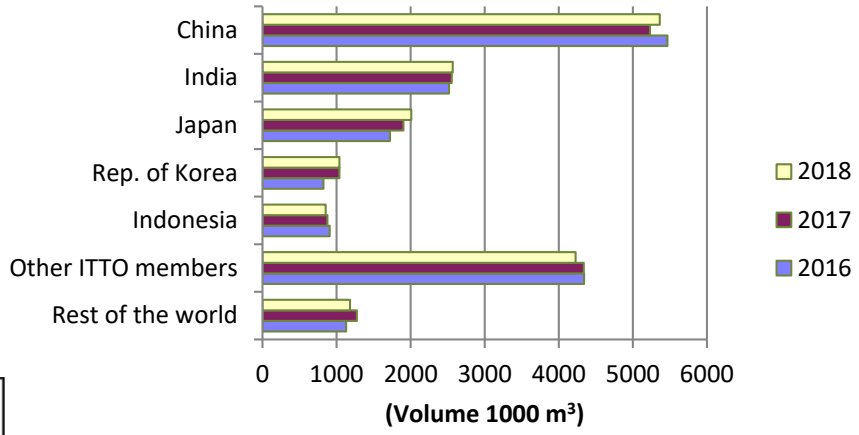

Tropical Sawnwood trades flow 2018 (Mio.m3)

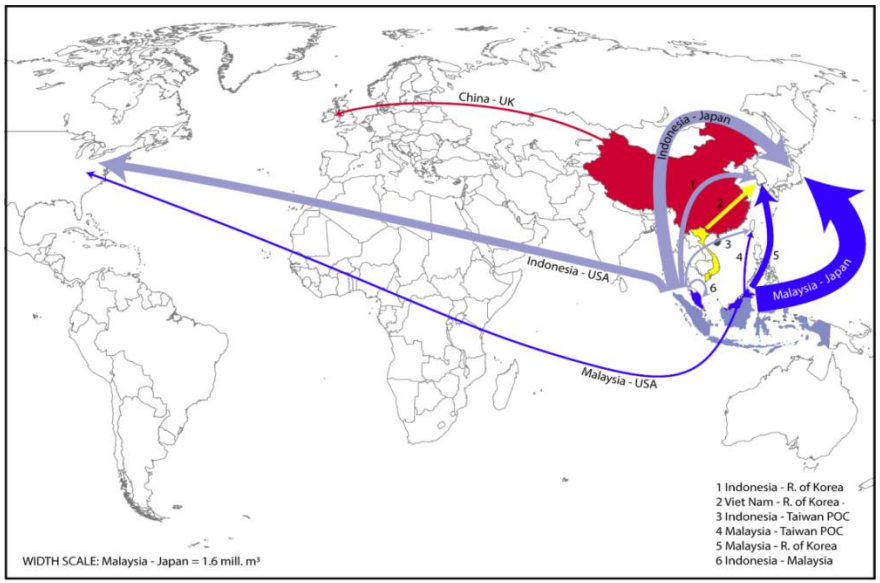
# Tropical Plywood

## Producers



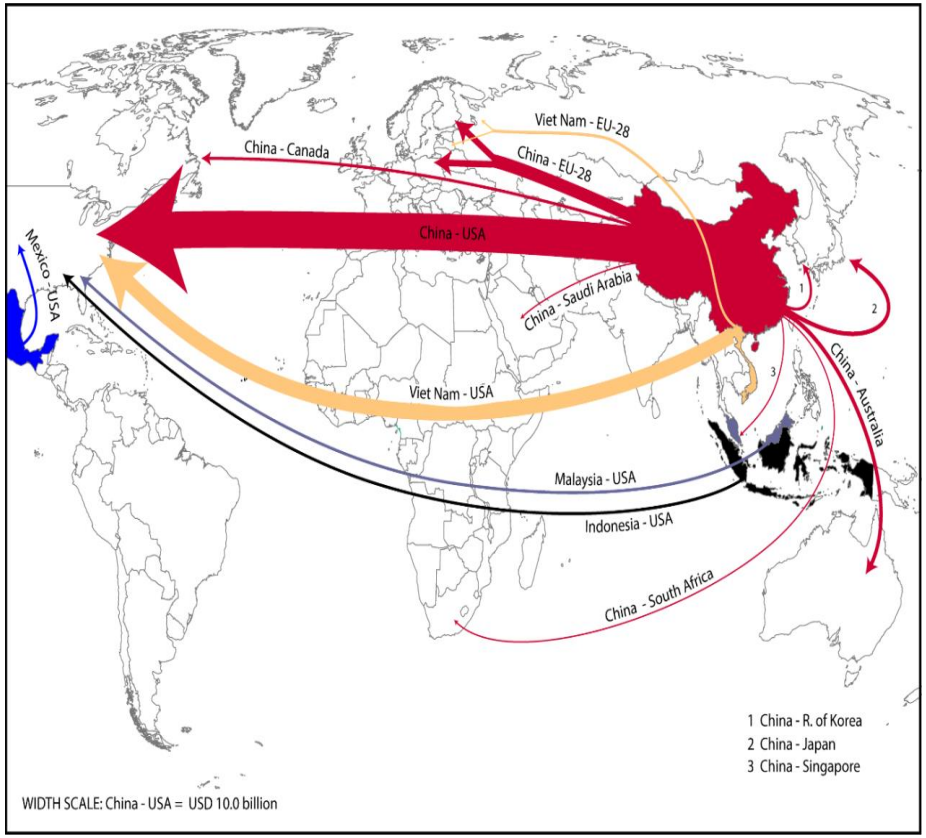

## Consumers




Tropical plywood trade flows 2018 (Mio.m3)

# Wooden Furniture Trade Flows from China and ITTO Producer Countries, 2018 ($ billion)




Major Tropical Exporters of Wooden Furniture and Parts (billion US$)

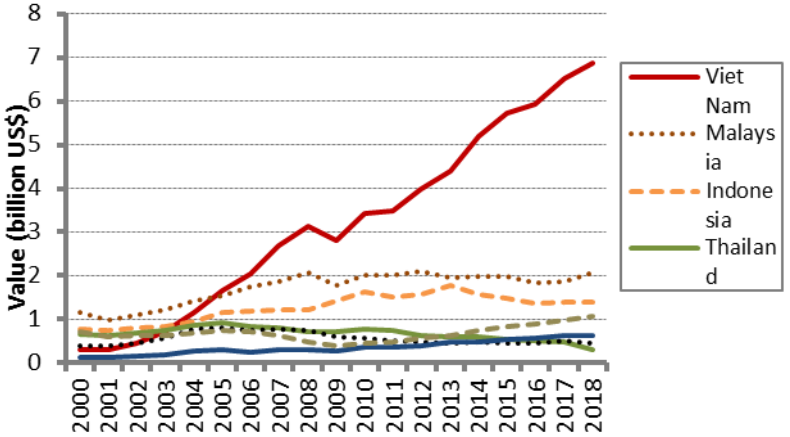
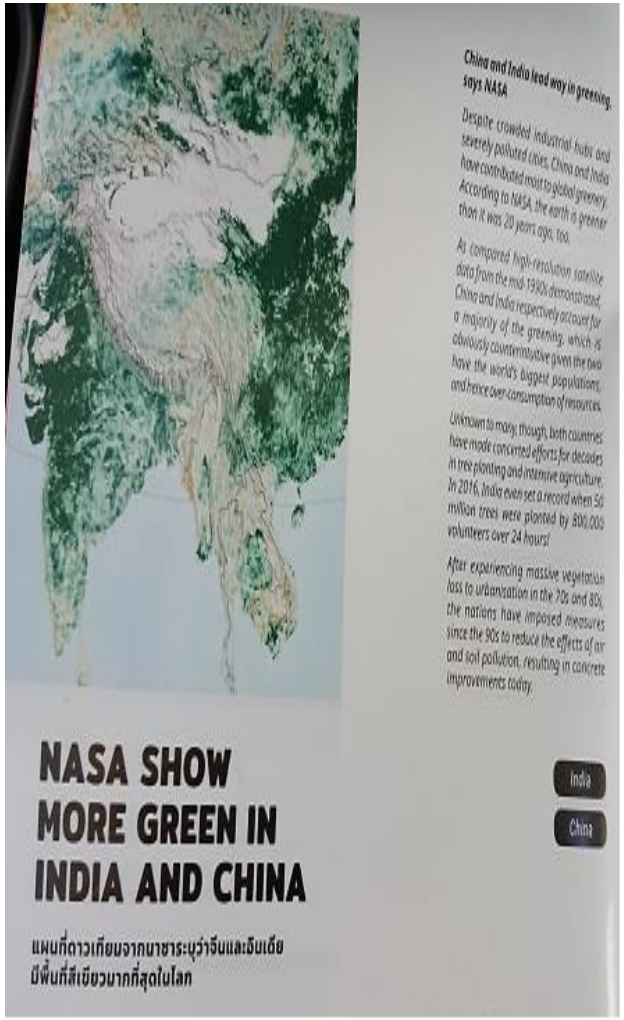
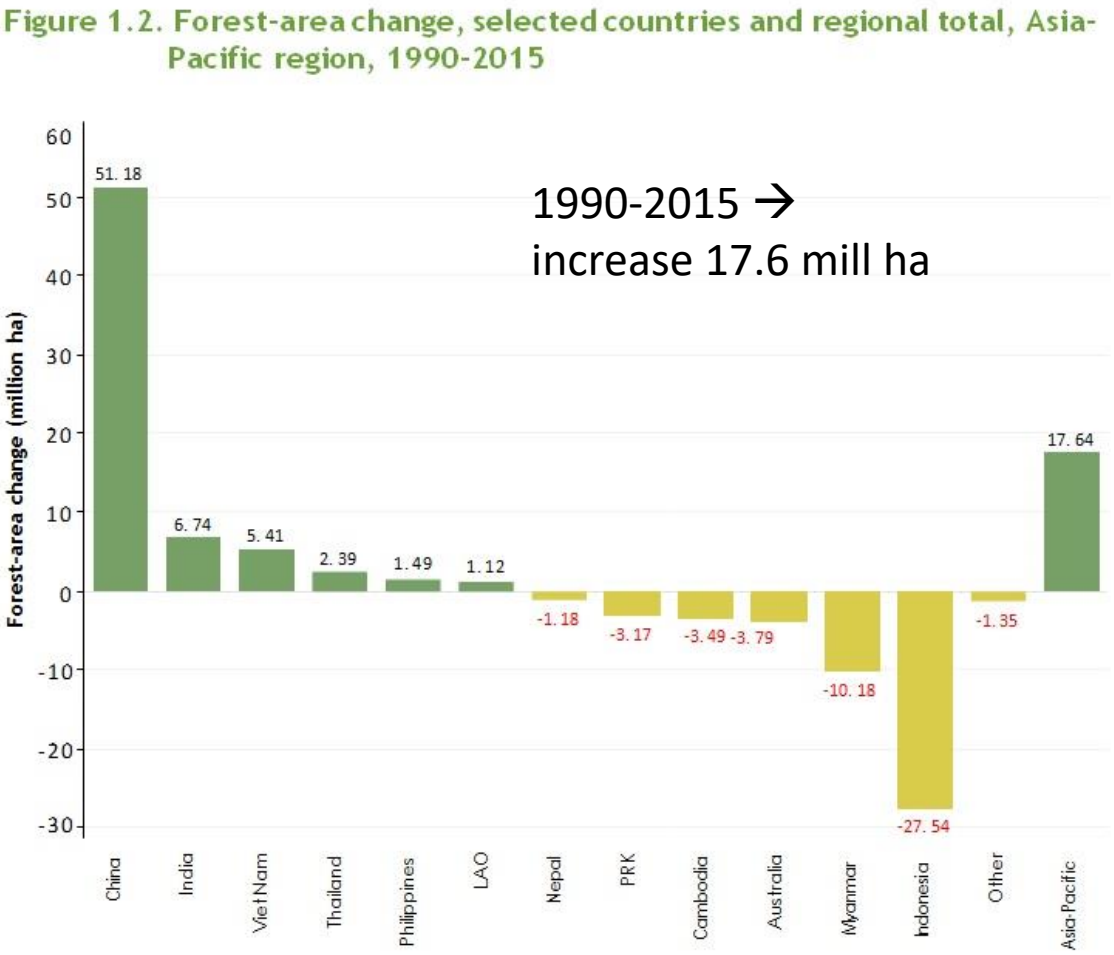


**Table 1: Consumer–producer dynamics in the trade of tropical wood**

| Consumers | Producers |
|---|---|
| • Public and political acceptance of tropical wood has declined substantially (illegal practices, deforestation, etc.) | • Tropical wood producers find it difficult to compete with illegal, unsustainable operators |
| • Consumer countries (e.g. Australia, European Union member states, Japan, New Zealand, the Republic of Korea and the United States of America) have toughened their legality requirements | • The European Union Timber Regulation and the United States of America's Lacey Act are having an effect, and tropical timber has less access to Western markets |
| • Proof of legality and sustainability is becoming the norm in a growing number of consumer countries | • China's Green Supply Chain Initiative has further reinforced legality and sustainability requirements |
| • The wood industry is increasingly shifting investments to "safe" tropical countries to meet legality and sustainability requirements | • Balance-of-trade deficits are increasing due to bigger imports to meet demand for wood in tropical countries |
| • Major consumer countries (e.g. China and India) are seeking self-sufficiency by investing in their own forest resources | • Countries are shifting towards the use of non-renewable resources as forests are depleted |
| • Demand for tropical hardwoods has declined due to improved mechanical and chemical wood-processing technologies for non-tropical softwoods | • Pressure on forests is increasing from local communities |
| • Private-sector initiatives for deforestation-free supply chains are putting tropical producers under pressure | • Conflicts and migration flows are increasing as means to secure access to wood resources |
| | • There is a lack of skilled labour, knowledge and technology |

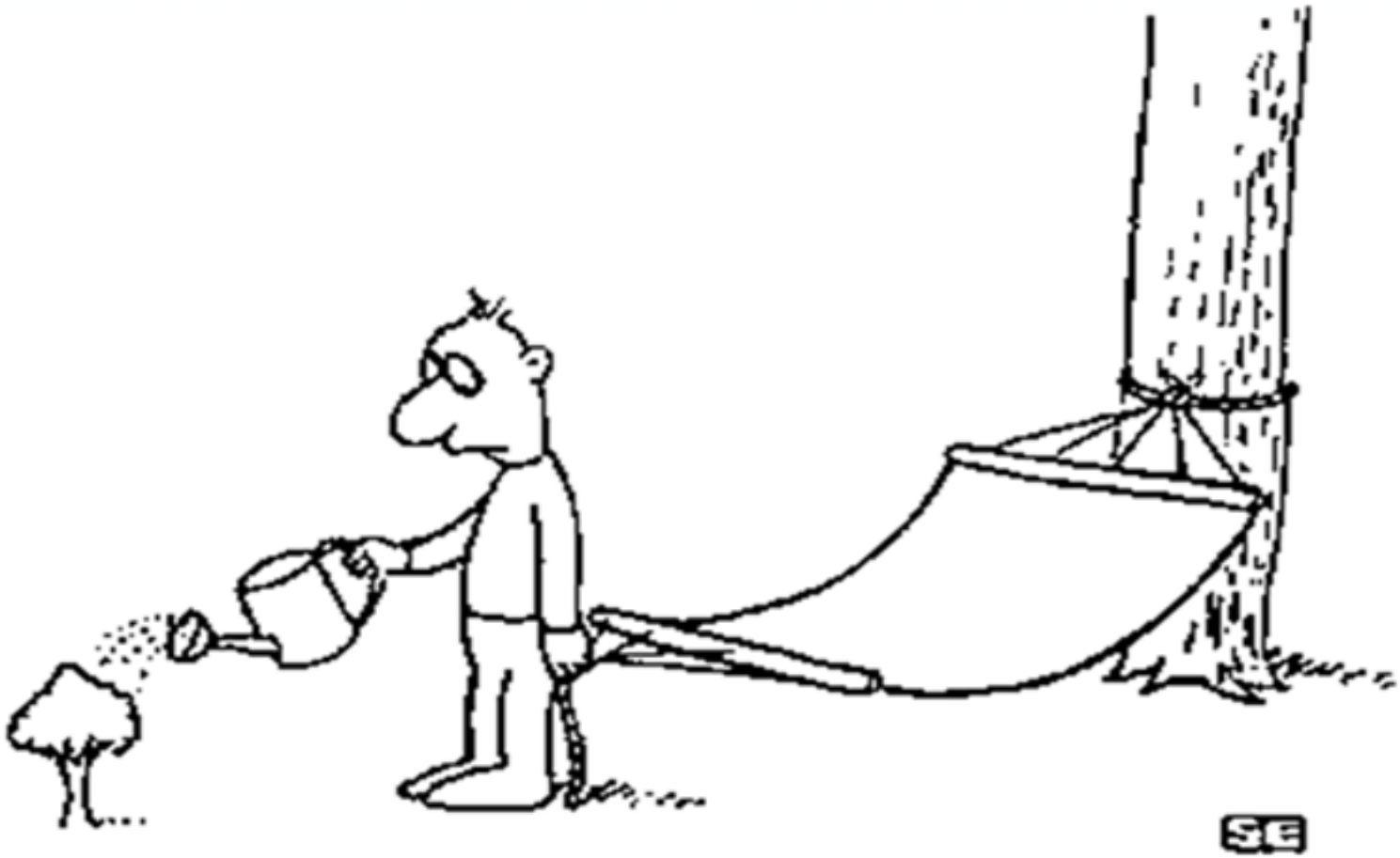
# More green areas




1990-2015 →
increase 17.6 mill ha

# *Happiness grows from a tree!*



# What we need to do for the future we want?

INDEPENDENT

## India plants 66 million trees in 12 hours as part of record-breaking environmental campaign

More than 1.5 million volunteers were involved in the huge operation

**Chris Baynes** | Monday 3 July 2017 09:45 | 66 comments

# What we need to do for the future we want?

2019

# Cezu tin ba deh