Tropical timber supply

Tropical timber production and trade
  • Primary and SPWPs
  • Major trends and issues

Tropical softwoods
  • Relative importance in tropical trade
  • Future trends

Conclusions
### Tropical Forest Plantations

<table>
<thead>
<tr>
<th>REGION</th>
<th>AREA OF PRODUCTIVE FOREST PLANTATIONS(^{(1)}) (000 hectares)</th>
<th>RNDWOOD PRODUCTION FROM PLANTATIONS, 2004(^{(2)}) (000 m(^3))</th>
<th>PLANTATION SHARE OF RNDWOOD PRODUCTION(^{(2)}) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asia-Pacific</td>
<td>26 640</td>
<td>66 800</td>
<td>46.1</td>
</tr>
<tr>
<td>Africa</td>
<td>3 528</td>
<td>3 580</td>
<td>8.0</td>
</tr>
<tr>
<td>Latin America &amp; Caribbean</td>
<td>8 036</td>
<td>84 900</td>
<td>63.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>36 136</td>
<td>155 280</td>
<td>47.9</td>
</tr>
</tbody>
</table>

(1) Source: FAO 2005 adapted by STCP  
(2) Source: STCP fieldwork
Supply - Policy Issues

• Deforestation and forest degradation of natural forests
• Legality: wood supply, industry and trade
• Climate change
• International, government and consumer responses
  • CITES listings
  • Responsible purchasing - Government procurement policies; EU TTAP
  • CSR policies
  • EU FLEGT measures
• Certification and SFM
Certified Forest as a Percentage of Total Forest Area by Region, 2005-2006

Source: UNECE 2006
TROPICAL TIMBER PRODUCTION AND TRADE
Tropical Log Production, Major Countries 2003-2006

<table>
<thead>
<tr>
<th>Country</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>29000</td>
<td>28000</td>
<td>27000</td>
<td>26000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>26000</td>
<td>25000</td>
<td>24000</td>
<td>23000</td>
</tr>
<tr>
<td>India</td>
<td>22000</td>
<td>21000</td>
<td>20000</td>
<td>19000</td>
</tr>
<tr>
<td>Indonesia</td>
<td>20000</td>
<td>19000</td>
<td>18000</td>
<td>17000</td>
</tr>
<tr>
<td>Nigeria</td>
<td>15000</td>
<td>14000</td>
<td>13000</td>
<td>12000</td>
</tr>
</tbody>
</table>
Tropical Log Imports, Major Countries 1996-2006
Tropical Log Price Trends
Jan 2004 - Sep 2007

Price index (Jan 1997=100)

- Meranti SQ & Up
- Keruing SQ & Up
- African Mahogany L-MC
- Obeche L-MC
- Sapele L-MC
- Iroko L-MC

Source: ITTO Market Intelligence Service
Tropical Sawntimber Production, Major Countries 2003-2006

Volume 1000m³

Brazil, Malaysia, India, Indonesia, Thailand

Tropical Sawnwood Price Trends, Jan 2004 - Sep 2007

Price index (Jan 1997=100)

- Meranti
- Jatoba/Courbaril
- Sapele
- Iroko
- Khaya

Source: ITTO Market Intelligence Service

Value (US$ billion)

- **Primary**
- **Secondary**

Years: 1991 to 2006

- The value of primary imports generally decreases from 1991 to 1997, then fluctuates until 2006.
- The value of secondary imports increases steadily from 1991 to 2006.
China Exports of SPWPs, 2000-2006

Source: COMTRADE
Imports of Wood Furniture and Parts from ITTO Producers, by Major Importers, 2005

Value US$ million

- EU Total
- Japan
- USA
- Netherlands
- UK
- France

0 500 1000 1500 2000 2500 3000 3500 EU Total

Values are shown in millions of US dollars.
Imports of SPWPs from ITTO Producers, by Major Importers, 2005

- USA
- Japan
- UK
- Germany
- France
- Belgium
- Canada

Value US$ million

- Builders woodwork
- Other SPWP
- Mouldings
Trade Issues

• US economic downturn; Japan declining market; rapidly growing Chinese and Indian economies

• Market access: public procurement, certification

• China remains a formidable competitor for SPWP\s

• Tropical producer SPWP trade well below potential

• Statistical discrepancies
TROPICAL SOFTWOODS
## Tropical Coniferous Natural Forest Area

<table>
<thead>
<tr>
<th>REGION</th>
<th>FOREST AREA (million ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tropical Asia-Pacific</td>
<td>1.3</td>
</tr>
<tr>
<td>Mexico</td>
<td>16.5</td>
</tr>
<tr>
<td>Other Central America &amp; Caribbean</td>
<td>4.6</td>
</tr>
<tr>
<td>South America</td>
<td>0.3</td>
</tr>
<tr>
<td>Tropical Africa</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>23.2</strong></td>
</tr>
</tbody>
</table>

Source: ITTO estimate 2002
Major Commercial Tropical Softwood Species, Location

Natural forests

• *Pinus spp* (Mexico - 55 endemic species, Honduras, Guatemala, Caribbean countries)

• *Agathis-araucaria-podocarps* (PNG, Fiji Islands, Indonesia, Myanmar, Malaysia, Southern Indo-China, Philippines)

Plantations

• Brazilian pine plantations predominantly in temperate regions.

• *Pinus taeda, Pinus elliottii* (Brazil)

• *Pinus caribaea* (Fiji Islands, Malaysia)

• *Pinus merkusii* (Indonesia)  *Araucaria* (PNG)
Log Production, ITTO Producers, 2006

Production (million m³)

- Africa
- Asia-Pacific
- Latin America & Caribbean

Coniferous
Non-coniferous
Sawn Production, ITTO Producers, 2006

Production (1000 m³)

Africa | Asia-Pacific | Latin America/Caribbean

- Coniferous
- Non-coniferous
Plywood Production, ITTO Producers, 2006

Production (1000 m³)

Africa | Asia-Pacific | Latin America/Caribbean

Coniferous | Non-coniferous
CONCLUSIONS

- Forest coverage declining in ITTO producer countries; pressure will continue to restrict supply from natural forests; role of plantations in supply will increase.

- China’s role in tropical trade is both as main market for primary products and formidable competitor in SPWP markets. Demographic changes will impact on future tropical trade. Public concerns about legality, climate change and deforestation will continue to intensify.

- Tropical product prices stable or rising reflecting greater demand, disruptions in log supply, export restrictions.

- Softwood exports from tropical countries insignificant in global and EU trade. Softwood plantations will expand although limited impact on EU markets expected.