FAO/UNECE Working Party on Forest Economics and Statistics

Item 8. Certified forest products statistics and information
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I have however read the excellent papers you have sent with great interest. I agree entirely with the sentiments expressed. The papers seem to have identified very well the current data needs. I would only add my view that until now there has not been a sufficient focus on the commercial realities of the certified wood products trade – what certification actually means in terms of operational costs, pricing and real demand for wood products. In the UK, this is an issue just beginning to be addressed in a project I am currently undertaking with the TTF and DFID which is monitoring emerging demand for certified wood products. It looks particularly at the implications for the price of wood products in the UK, and the commercial constraints. I attach the three reports that have so far been produced for this project. I am now in the process of putting together a proposal for TTF to expand and deepen this work to encompass a wider range of sectors and products, possibly a also wider range of countries.

As you know, I have also been critical in the past of the level and quality of information available on wood production – this creates a huge problem in the industry contributing to volatile pricing and great uncertainty over the relative levels of legitimate and illegitimate harvesting. This was never meant as a criticism of the sterling work carried out by bodies like the Timber Committee and ITTO. Instead it reflects frustration at the apparent lack of priority previously attached in this crucial area by national governments. It seems to me that the high political priority now attached to illegal logging is a tremendous opportunity to tackle this problem – so I am very encouraged that you are now focusing on this very issue and would be happy to promote your efforts in any way I can. The widespread uptake of certification also seems to me to offer a great opportunity to improve the situation, since it I expect production from certified forests may be easier to monitor than overall levels of (often unregulated) production.

It would also be a great help if certified forest products were identified separately at point of export/import under the HS codes - but I can also understand there may be obstacles. There is a link here with the concerns of those traders marketing certified products in Europe that believe they should be subject to reduced import taxes as a means of encouraging uptake. For example, there are agents in the UK trying to market FSC certified products from Indonesia but are finding it almost impossible – not only do they have to compete against extremely cheap uncertified Chinese alternatives, but are also subject to the same 7% levy imposed on uncertified Indonesian products. In contrast, uncertified Malaysian plywood is subject, I believe, only to 3% levy. New levy systems designed to encourage a move to certified products would presumably be facilitated through amendments to the system of HS codes separating out certified from uncertified material.

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