



Tropical Timber Trends

The Role of Tropical Softwoods



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INTERNATIONAL TROPICAL TIMBER ORGANIZATION



CONTENT

Tropical timber supply

Tropical timber production and trade

- Primary and SPWPs
- Major trends and issues

Tropical softwoods

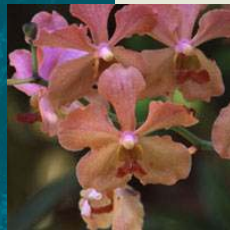
- Relative importance in tropical trade
- Future trends

Conclusions



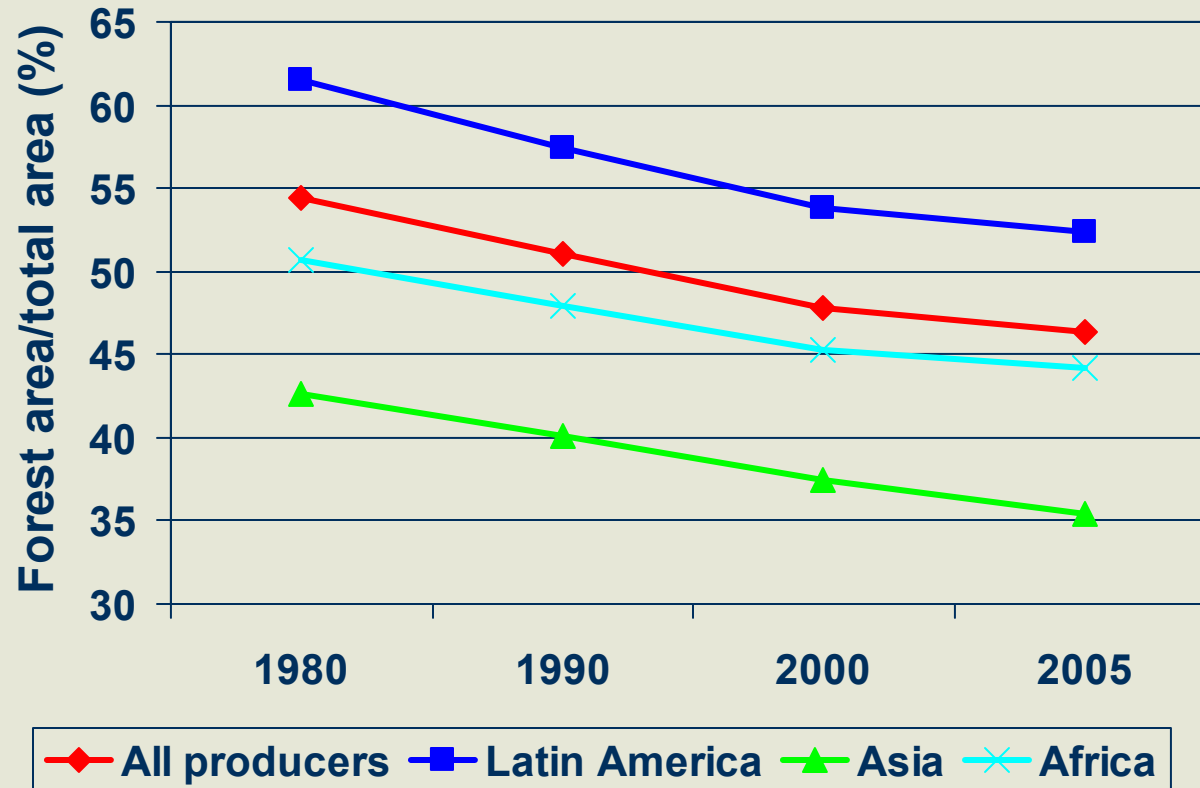


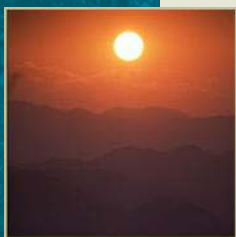
TROPICAL TIMBER SUPPLY





Forest Cover, ITTO Producers, 1980-2005.





Tropical Forest Plantations

REGION	AREA OF PRODUCTIVE FOREST PLANTATIONS ⁽¹⁾ (000 hectares)	ROUNDWOOD PRODUCTION FROM PLANTATIONS, 2004 ⁽²⁾ (000 m ³)	PLANTATION SHARE OF ROUNDWOOD PRODUCTION ⁽²⁾ (%)
Asia-Pacific	26 640	66 800	46.1
Africa	3 528	3 580	8.0
Latin America & Caribbean	8 036	84 900	63.4
TOTAL	36 136	155 280	47.9

(1) Source: FAO 2005 adapted by STCP

(2) Source: STCP fieldwork

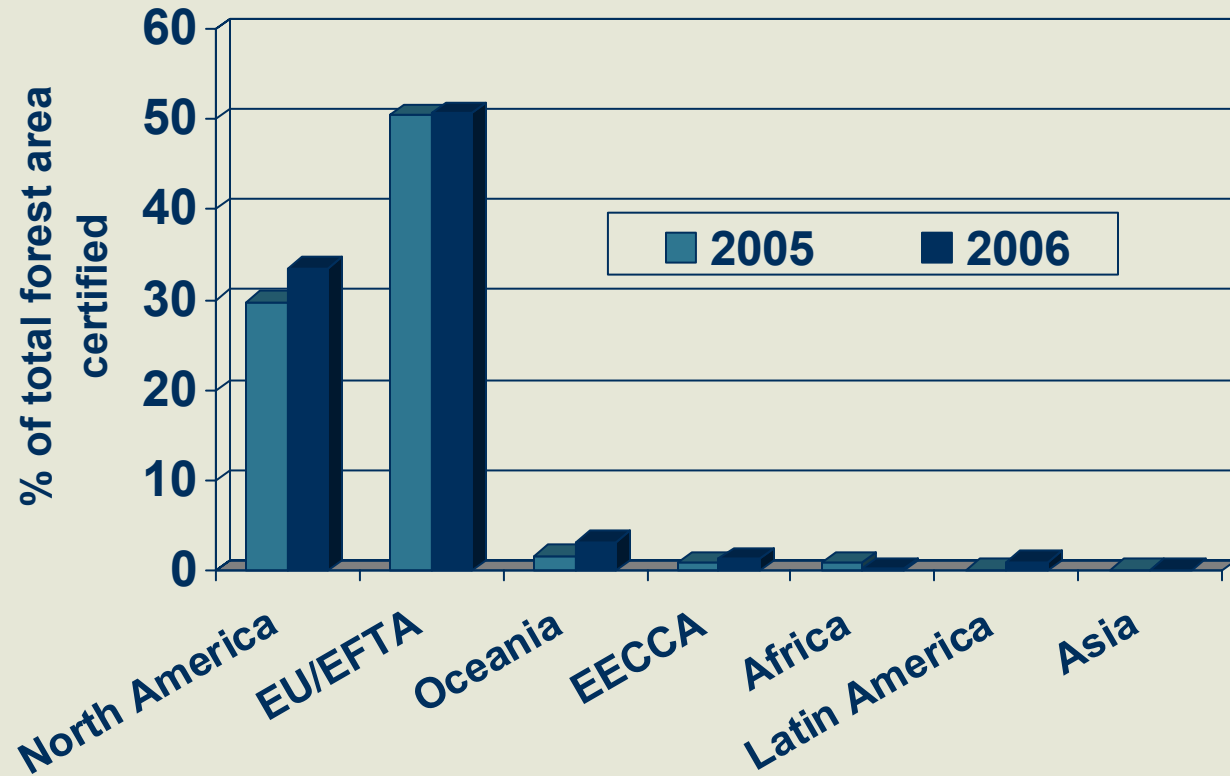


Supply - Policy Issues

- **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**



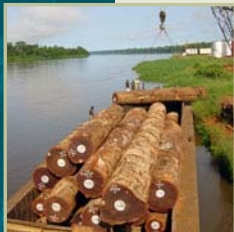
Certified Forest as a Percentage of Total Forest Area by Region, 2005-2006



Source: UNECE 2006

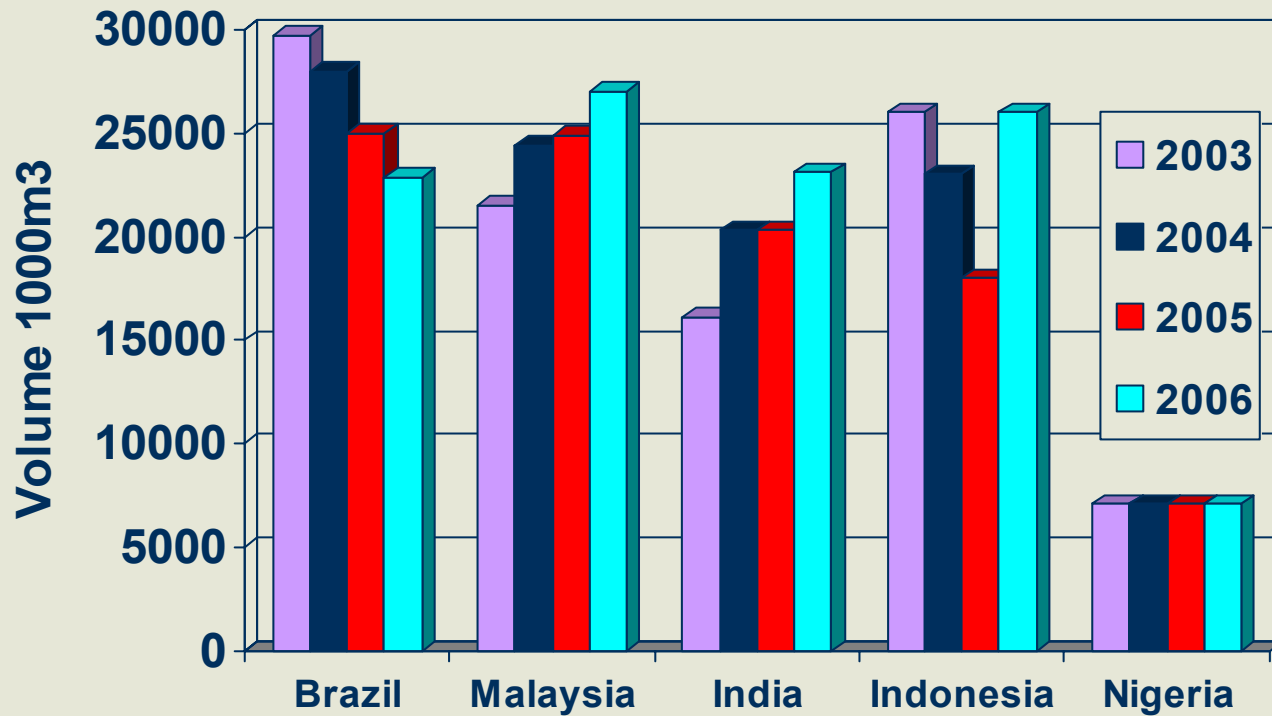


TROPICAL TIMBER PRODUCTION AND TRADE



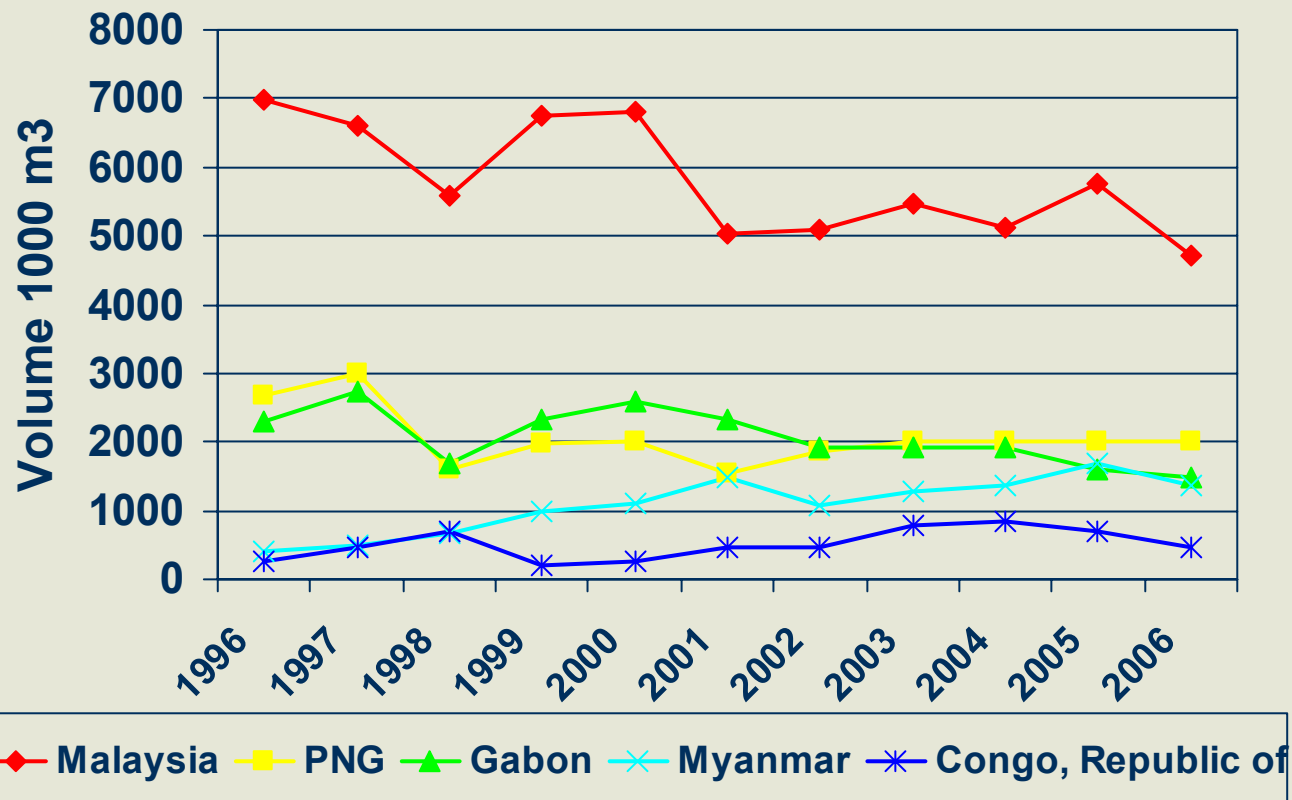


Tropical Log Production, Major Countries 2003-2006



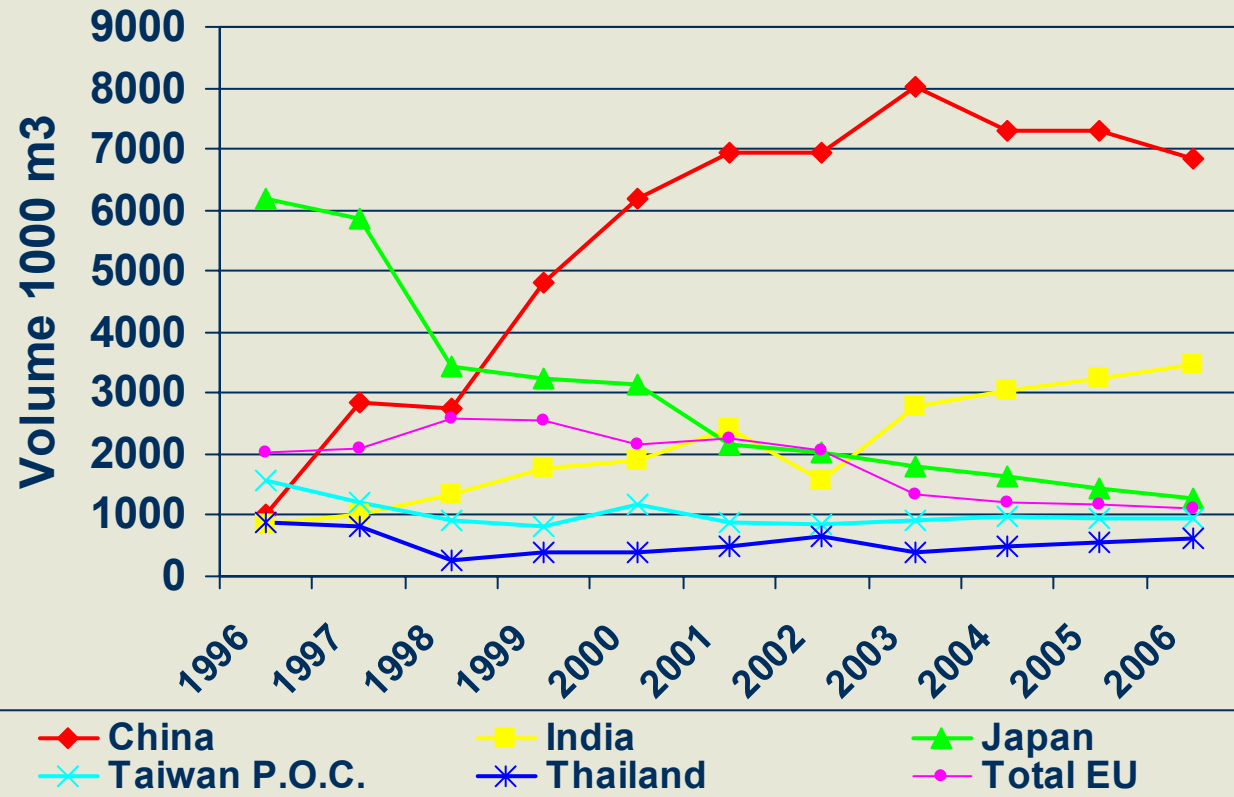


Tropical Log Exports, Major Countries 1996-2006



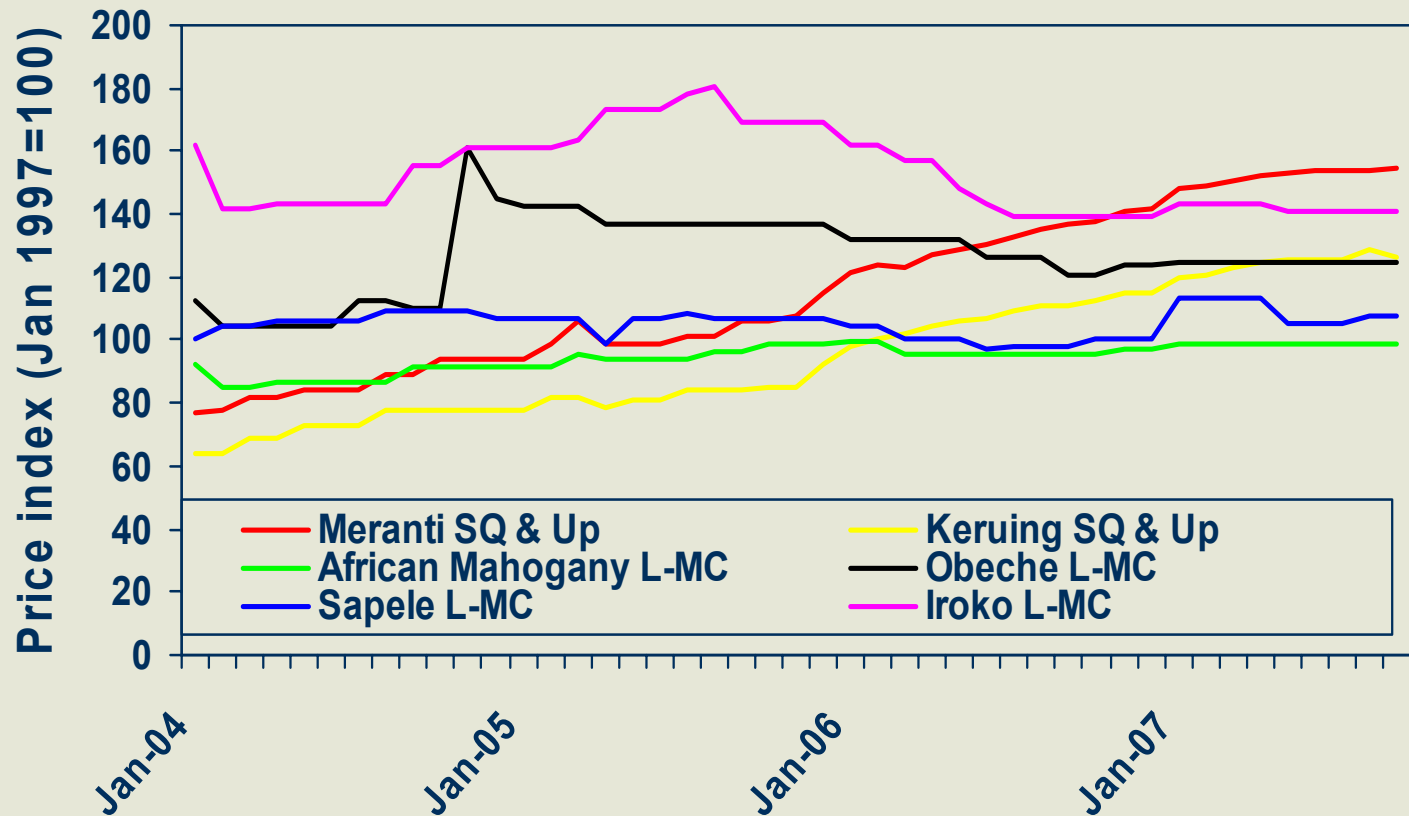


Tropical Log Imports, Major Countries 1996-2006





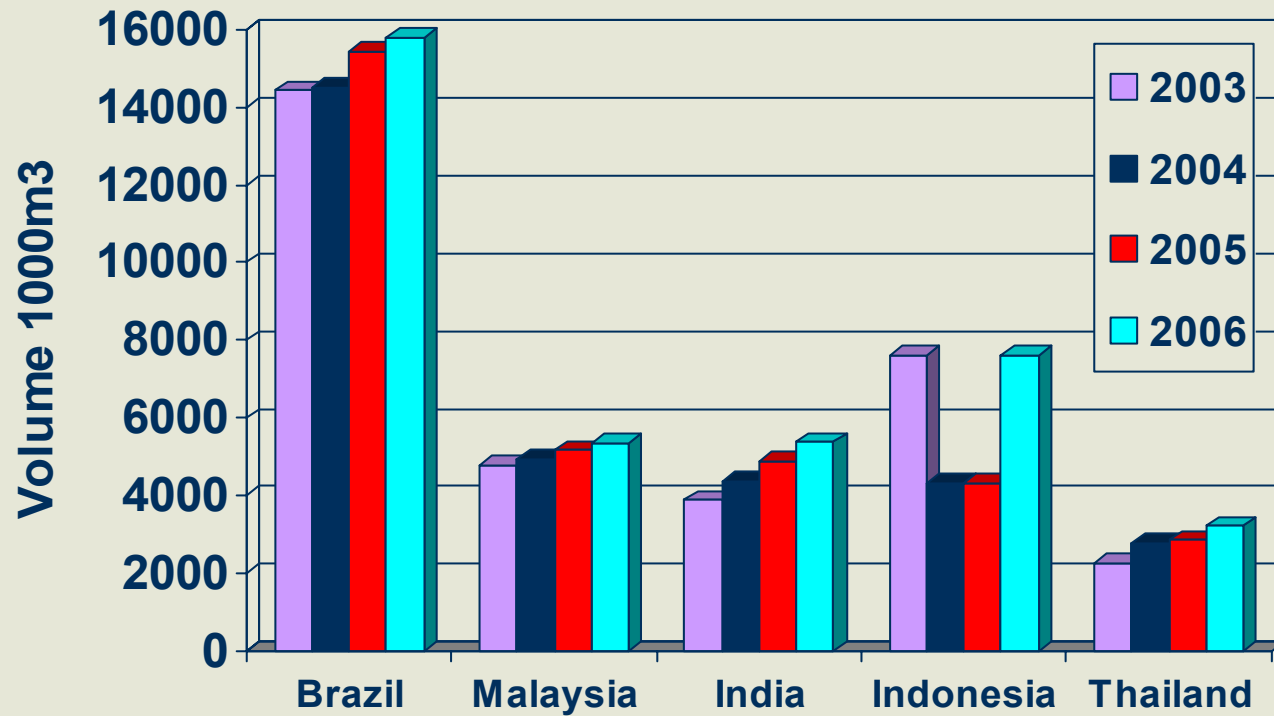
Tropical Log Price Trends Jan 2004- Sep 2007



Source: ITTO Market Intelligence Service

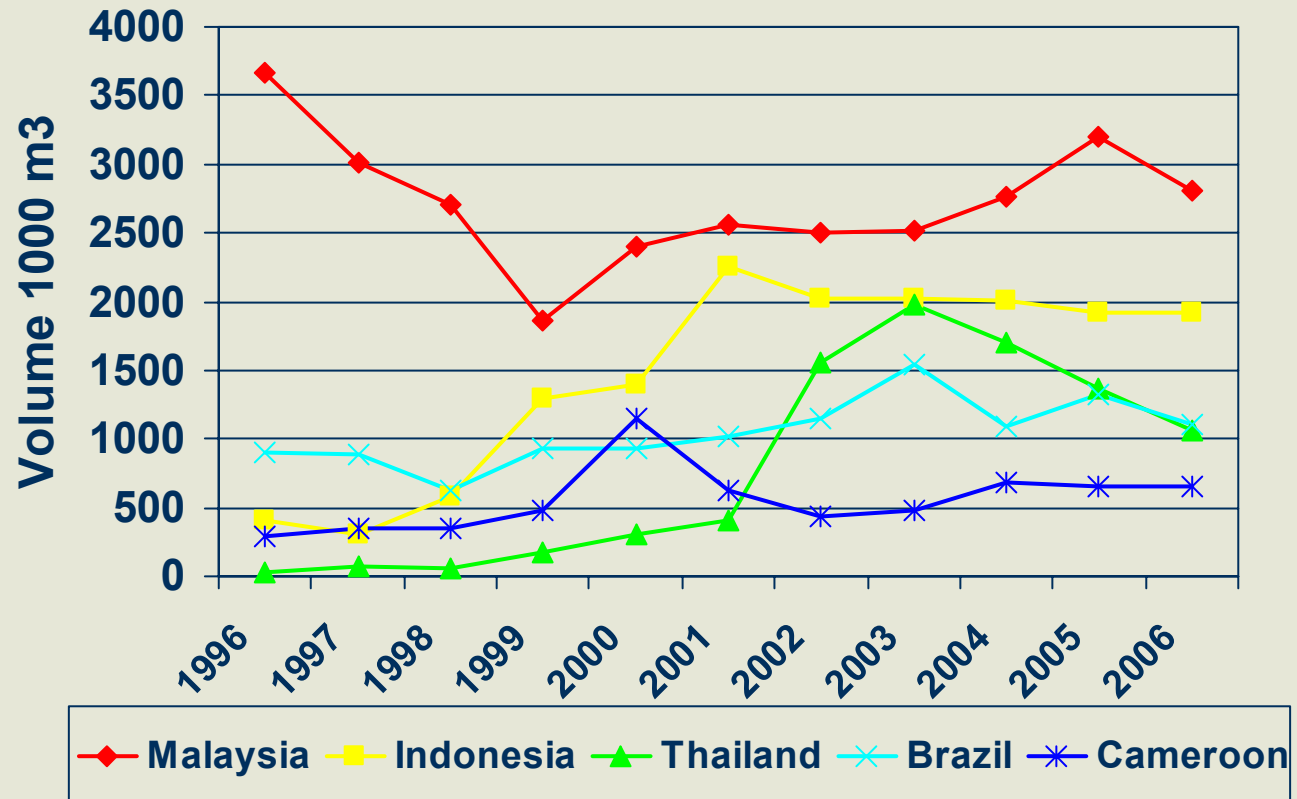


Tropical Sawntimber Production, Major Countries 2003-2006



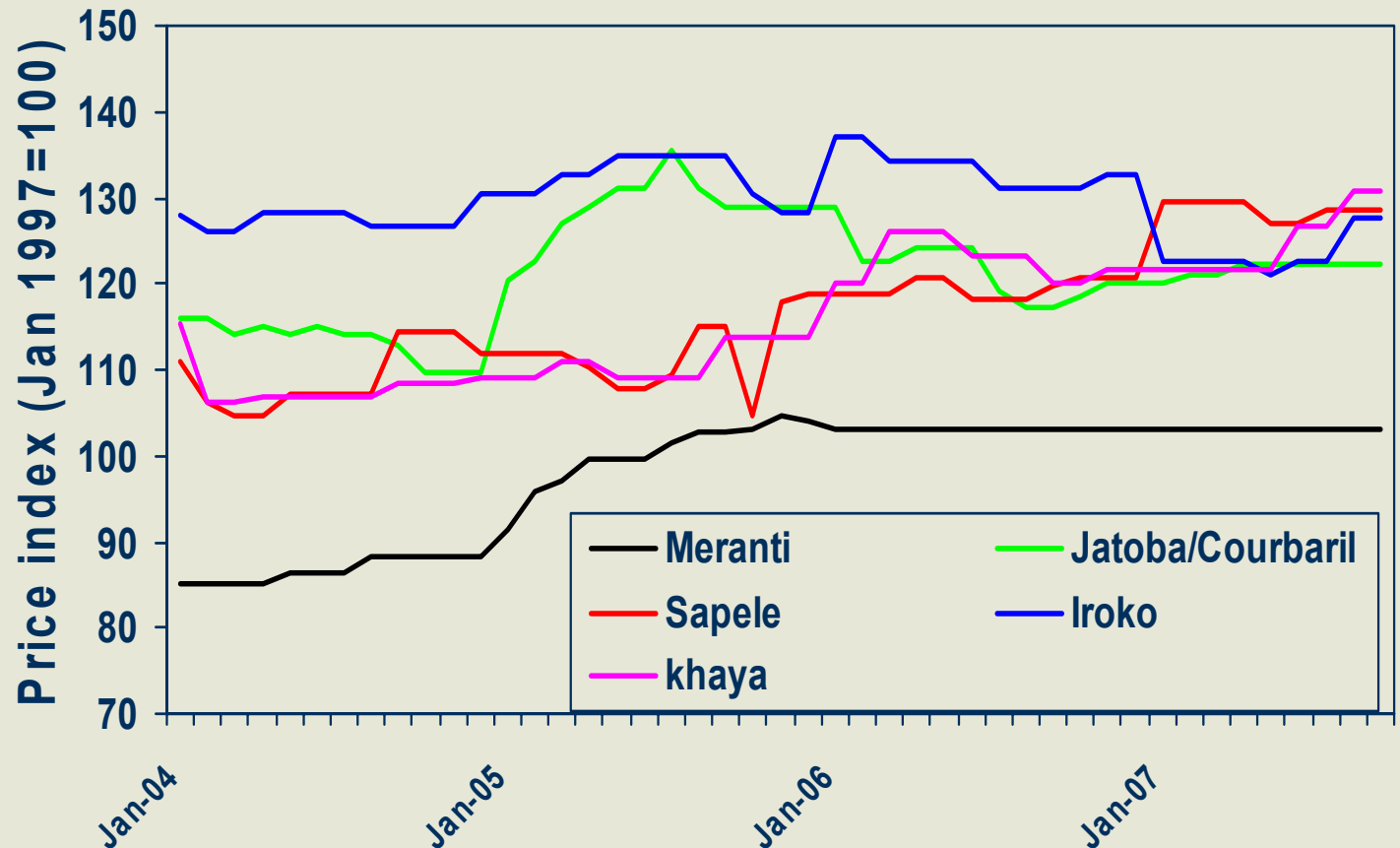


Tropical Sawnwood Exports, Major Countries 1996-2006





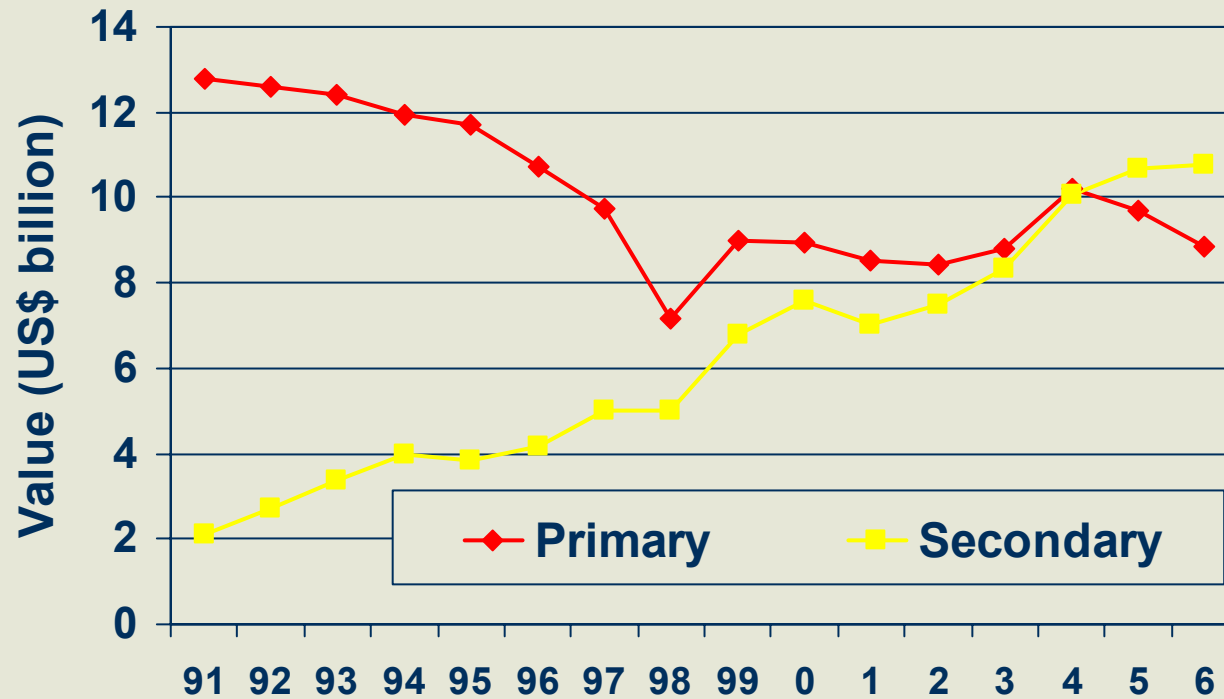
Tropical Sawnwood Price Trends, Jan 2004 - Sep 2007



Source: ITTO Market Intelligence Service

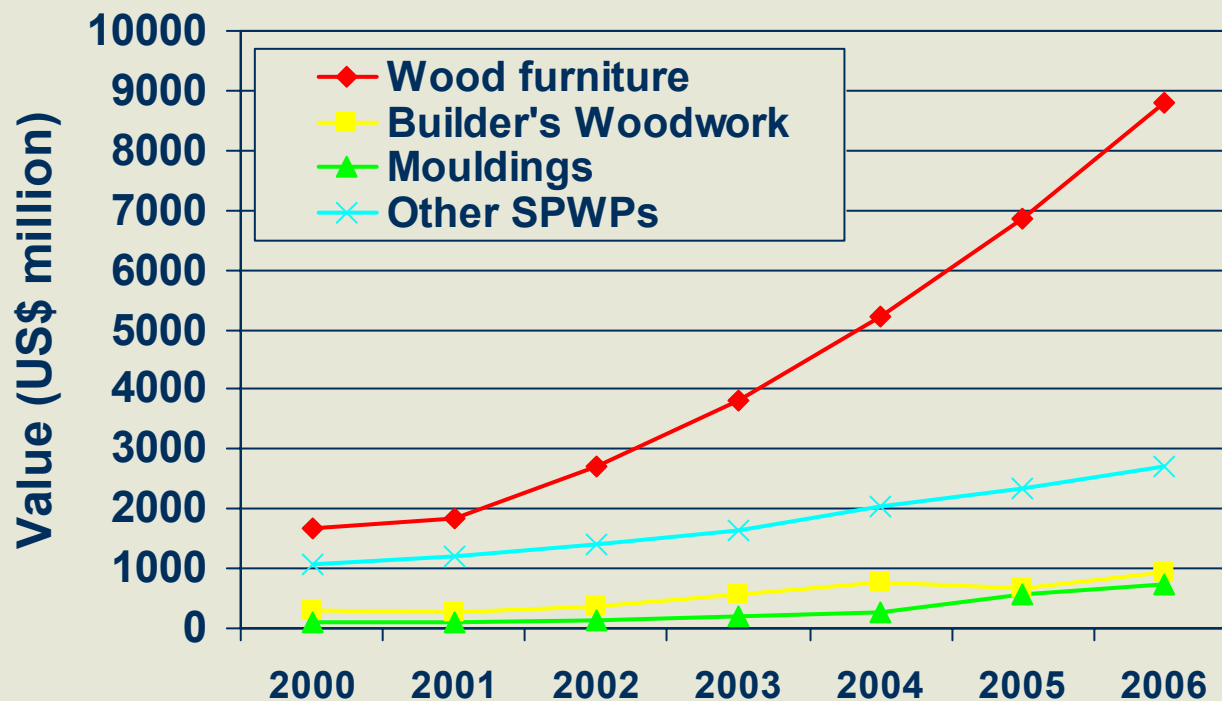


ITTO Consumer Country Imports of Primary and Secondary Products, 1991-2006





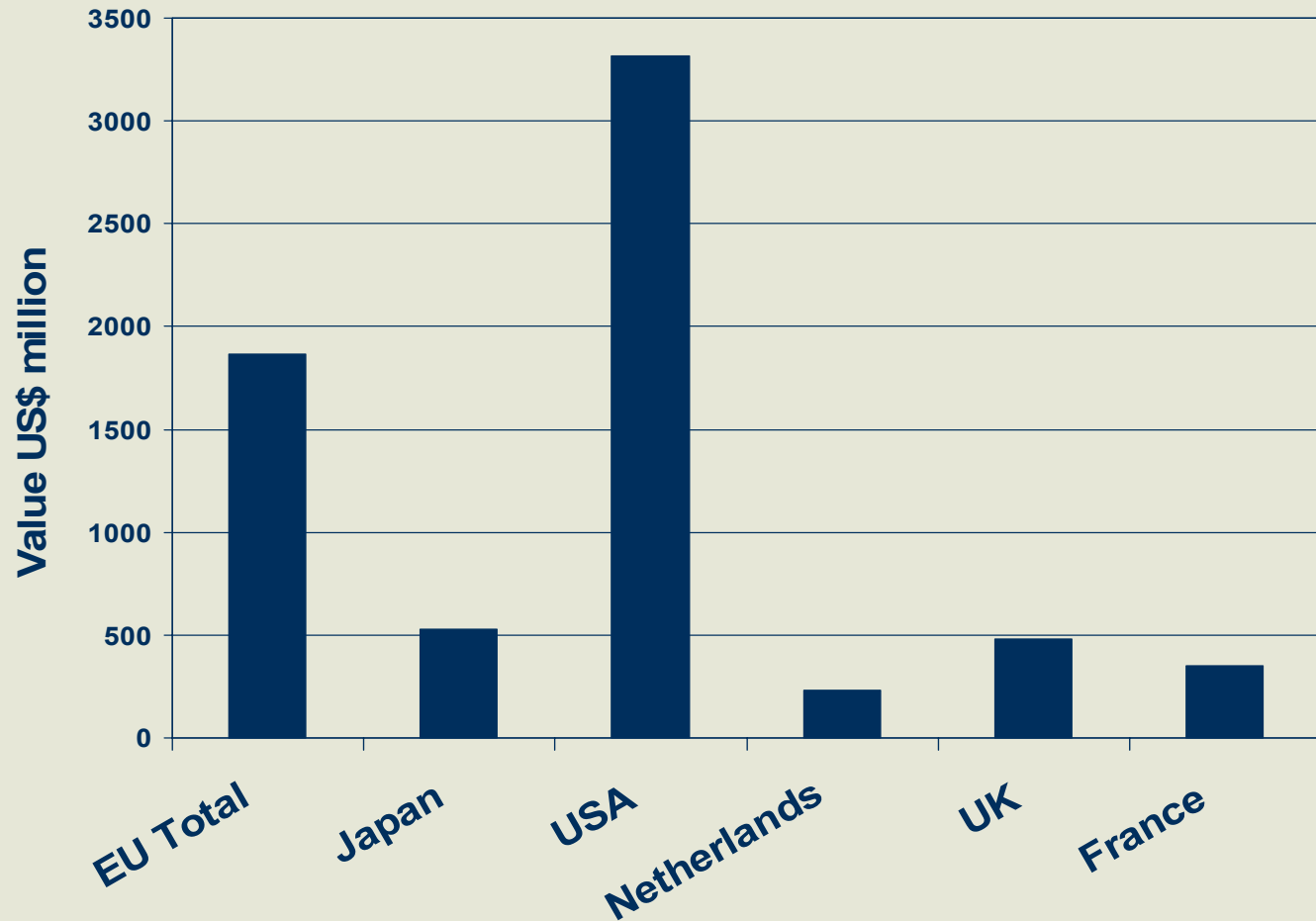
China Exports of SPWPs, 2000-2006



Source: COMTRADE

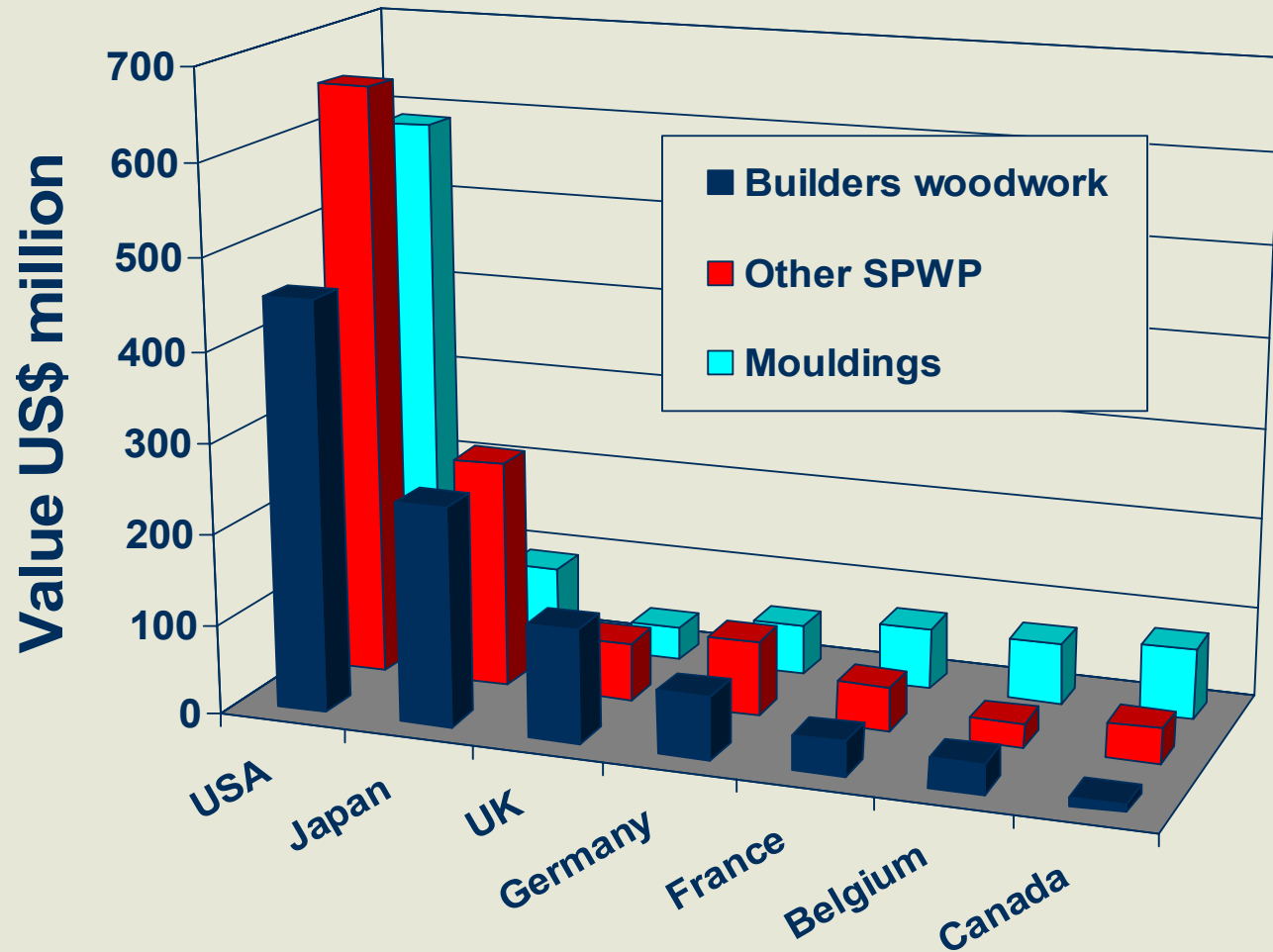


Imports of Wood Furniture and Parts from ITTO Producers, by Major Importers, 2005





Imports of SPWPs from ITTO Producers, by Major Importers, 2005





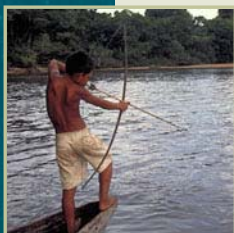
Trade Issues

- **US economic downturn; Japan declining market; rapidly growing Chinese and Indian economies**
- **Market access: public procurement, certification**
- **China remains a formidable competitor for SPWPs**
- **Tropical producer SPWP trade well below potential**
- **Statistical discrepancies**



TROPICAL SOFTWOODS





Tropical Coniferous Natural Forest Area

REGION	FOREST AREA (million ha)
Tropical Asia-Pacific	1.3
Mexico	16.5
Other Central America & Caribbean	4.6
South America	0.3
Tropical Africa	0.5
TOTAL	23.2

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)

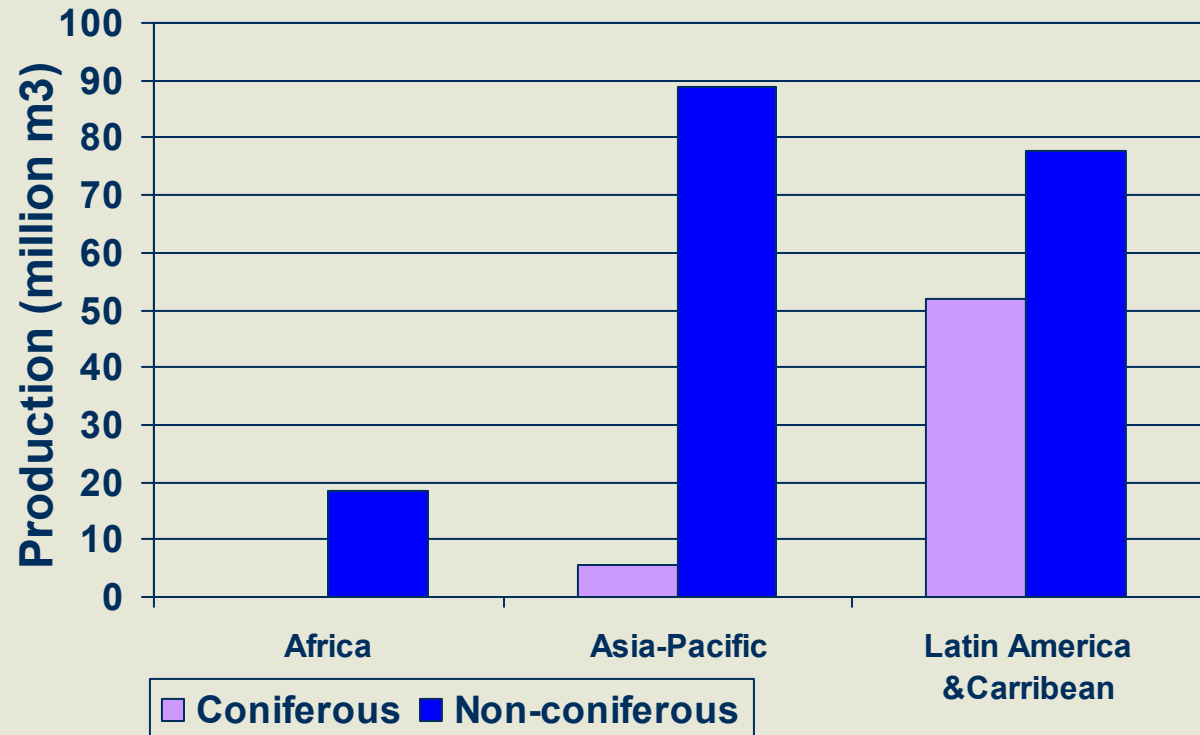
Plantations

- Brazilian pine plantations predominantly in temperate regions.
- *Pinus taeda, Pinus elliotii* (Brazil)
- *Pinus caribaea* (Fiji Islands, Malaysia)
- *Pinus merkusii* (Indonesia) *Araucaria* (PNG)



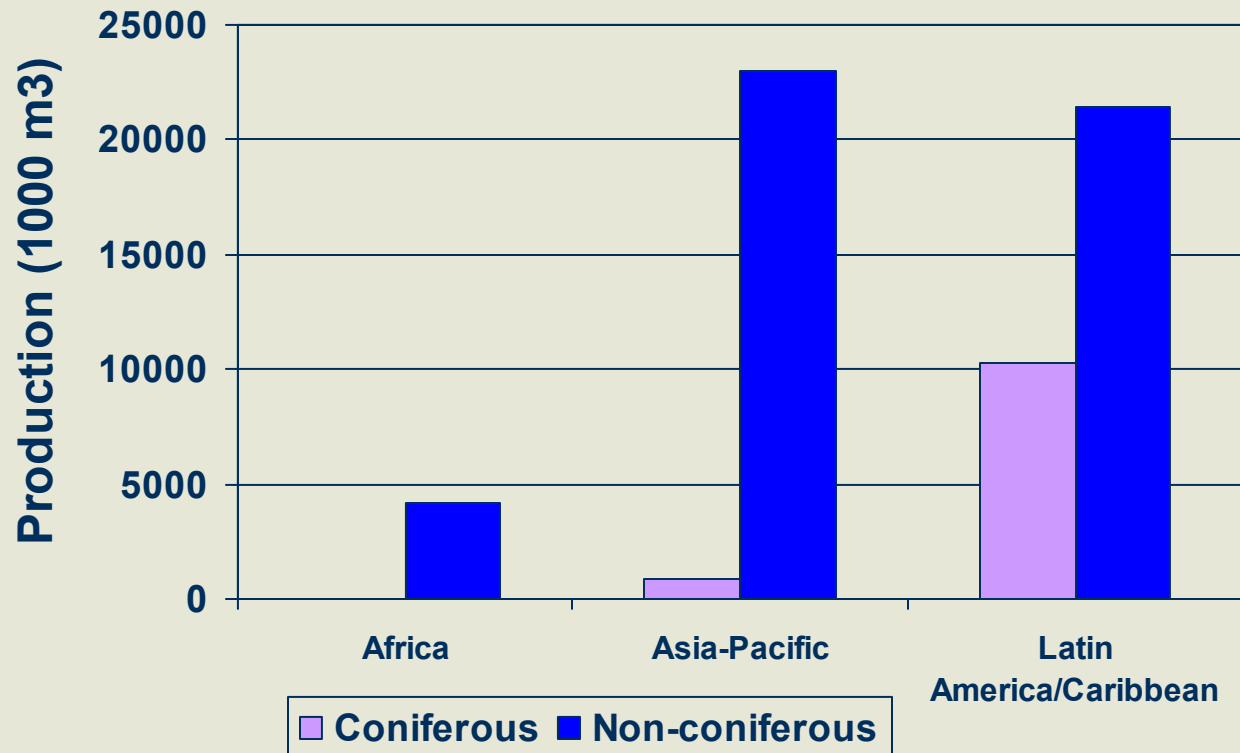


Log Production, ITTO Producers, 2006



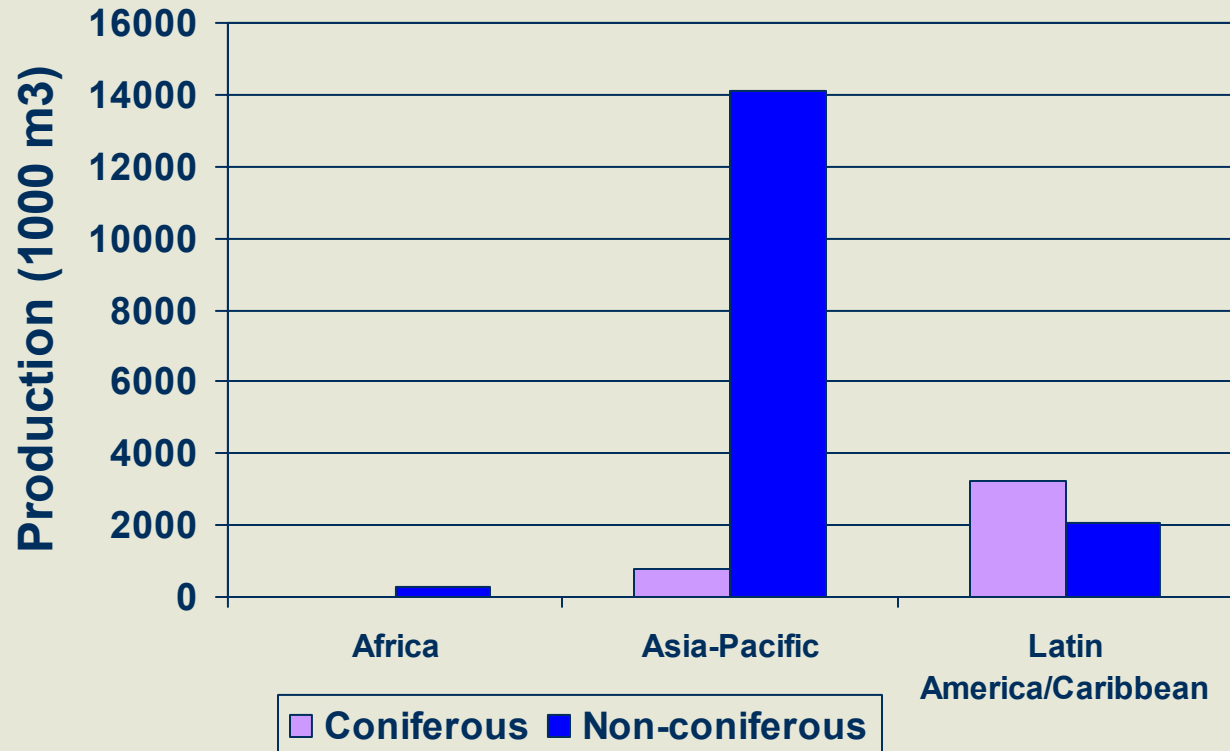


Sawn Production, ITTO Producers, 2006





Plywood Production, ITTO Producers, 2006





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.**





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