THE PROMOTION OF INTRA-AFRICAN MARKET FOR TIMBER AND TIMBER PRODUCTS

Overview of the Study on Intra-regional Timber Trade in Africa

Prepared for

The International Tropical Timber Organization

Prepared by:

Ibrahim M. Favada

Consultant

Second Draft

June 24, 2009

Executive Summary

CONTEXT AND OBJECTIVE

As part of the ITTO Biennial Work Programme for the years 2008-2009, this study was undertaken to provide fresh information for the promotion of regional trade in tropical timber and timber products in Africa. Changes in the resource environment as well as the international and regional markets represent new opportunities and challenges for the intra-African trade in tropical timber and timber products (TTPs). By providing an insight into the forest economy and timber trade, the study was aimed at assisting African ITTO producing member countries in identifying market opportunities and designing strategies for developing intra-regional trade in tropical TTPs.

METHOD AND DATA

The study covers primary products (PPs) and secondary processed wood products (SPWPs). The PPs include industrial roundwood, sawnwood, veneer and plywood. In addition, information on fibreboard and particle board is provided. The SPWPs include builders' woodwork, mouldings, wooden furniture and parts, cane and bamboo furniture and parts, and other SPWPs. To consider the different local conditions, Africa was divided into 5 sub-regions, i.e. Northern Africa, Western Africa, Central Africa, Eastern Africa and Southern Africa. Forest resources information, production and trade statics of the FAO, trade statistics of ITTO, ITC/UN COMTRADE and national trade statistics were used. However, due to inconsistencies and information gaps there were major difficulties in analyzing the data from those sources. Improvement of market data in Africa still requires significant further effort.

FOREST RESORCES

Forest cover and loss

The forest cover for Africa in 2005 is estimated at 634 million hectares, accounting for 16.1 % of the world forest area. The loss of forest cover in Africa is still ongoing, with the net annual forest loss of about 4 million ha per year over the period 2000-2005. In the sub-regions, Central Africa and Southern Africa accounted for 37% and 27%, respectively, of the total forest area in 2005. Southern Africa had the largest share (29%) of the total net forest loss with its relatively small forest area. Northern Africa had the lowest forest rate of loss (about 14%) in 2000-2005.

ITTO producer countries are the mainstay of raw wood material supply in Africa. The estimated forest cover for ITTO producers in 2005 is 252 million hectares, accounting for 40% of total forest area in the region. The estimated annual net forest loss of forest cover for ITTO producers is about 1 million hectare (about 29% of regional total) which is a cause of concern.

Forest plantations

In 2006 Africa's forest plantations, including productive and protective plantations, were estimated at 13 million ha, accounting for 9% of the global plantation area. Over half of the forests planted are located in Northern Africa. In ITTO producer countries, the total area of forest plantations is estimated at 1 million ha, accounting for no more than 8% of the regional total in 2005. These countries are lagging behind the leading producers of plantation timber in the region. This is likely to have an impact on their future long-term competitiveness as suppliers of timber products, which calls for acceleration of timber plantation investment for which extensive areas of marginal land are available in many countries.

THE SUPPLY SIDE

Production of timber

About 11% of total wood production in Africa is industrial roundwood (89% being fuelwood). This is extremely low in comparison to the global level (about 47 %). The volume of industrial roundwood production in the region was 69 million m3 in 2006. Southern Africa is the main source of industrial roundwood production (34% of the total in 2006), practically all based on plantation wood. However, there is a decreasing trend in production of industrial roundwood due to slowing plantation activity in the Republic of South Africa. In Central Africa, the trend in the production of industrial roundwood is slightly increasing as large concessions have been awarded. The trend in Western Africa is decreasing since most of the industrial roundwood is produced from natural forests, which have been subjected to deforestation and degradation at an alarming rate in the main producer countries like Ghana, Côte d'Ivoire and Liberia. In Eastern Africa, the trend in production of industrial roundwood is decreasing due to dwindling natural forests and insufficient plantation development. The production trend in Northern Africa is increasing because of substantial investment in planted forests. In African ITTO producer countries, the production trend of industrial roundwood is slightly increasing, primarily attributed to Nigeria and the Democratic Republic of Congo.

The share of sawlogs and veneer logs in total industrial roundwood production for Africa in 2006 was about 36%. More than half of the industrial roundwood production for Western Africa and Central Africa constitutes sawlogs and veneer logs. The share for African ITTO producers was 68%, much higher than the regional average (36%).

The production of sawlogs and veneer logs over the period 2003-2007 for Africa decreased at the annual rate of 3%, while the global level of production of sawlogs and veneer logs increased at the rate of 2%. The decrease in Africa is primarily attributed to Southern Africa (-12%/yr) and Western Africa (-2%/yr). The production level in Southern Africa fell from 7 million m^3 in 2003 to about 4 million m^3 in 2006. Log production increased fastest in Eastern Africa (5%/yr) and in Northern Africa (4%/yr). The African ITTO producers account for about 69% of total African output of sawlogs and veneer logs but their production level has been declining at the rate of 1%/yr.

Production of timber products

Sawnwood production in Africa reached 8 million m3 in 2006 having slightly increased since 2003 (0.7%/yr). Production is increasing in Northern Africa (1.6%), Western Africa (0.3%), Central Africa (2.6%) and Southern Africa (1%), but decreasing in Eastern Africa (-5.6%). In the African ITTO countries, the production of sawnwood is increasing with an annual growth of 0.9%. Non-coniferous sawnwood accounted for about 73% of the total production of African sawnwood in 2006. However, in Western Africa, sawnwood production consists of entirely non-coniferous species and in Central Africa, the share is 97%. The share of non-coniferous species for Northern Africa is 72% and about 50% in Eastern Africa. Contrary to the other sub-regions, sawnwood production in Southern Africa is almost entirely of coniferous species. Non-coniferous share of sawnwood production for African ITTO countries represents about 95%.

Veneer production in Africa passed from 0.8 million m^3 in 2003 to 1 million m^3 in 2007 with an annual growth of 4%, which is faster than the global rate . While the annual growth is positive in Northern Africa (1%) and Western Africa (2%), it is negative for Southern Africa (-5%). There is a strong increasing trend in production of veneer for African ITTO producers, with an annual growth of about 6%.

African plywood production reached 0.8 million m^3 in 2006. It has also enjoyed an increasing trend with an annual growth of about 3%, which is about the same as the global rate. The growth in African plywood production over the 2003-2007 was essentially attributed to Western Africa (13%/yr). Plywood production has declined in Northern Africa (- 1%/yr), Central Africa (-2%/yr) and Southern Africa (-6%/yr). In African ITTO producer countries, the annual growth was 4%.

The particle board production in Africa (0.8 million m^3 in 2006) has declined over the period 2003-2007, with an average annual change of -5%. While the trends in production are declining in Eastern Africa (-9%) and Southern Africa (-6%), the production of particle board has leveled off in Northern Africa, Western Africa and Central Africa.

Fibreboard production in Africa (0.2 million m^3 in 2006) has increased slightly with an annual growth rate of about 1% thanks to Southern Africa. The trend in Eastern Africa has been decreasing (-2%). The production has leveled off in Northern and Western Africa. There were no data for the Central African sub-region.

THE DEMAND SIDE

Apparent consumption

The estimated consumption of sawnwood for Africa in 2006 was 13 million m^3, accounting for about 3% of the global consumption. The region's apparent consumption of sawnwood has increased over the period 2003-2007 with an annual growth rate of about 4%, which is faster than the global rate. The growth has been highest in Northern Africa (11%), followed by Eastern Africa (7%). Consumption has been declining in Western Africa, Central Africa and African ITTO producer countries.

In Africa the overall consumption of non-coniferous sawnwood is less than coniferous sawnwood. However, the situation is the reverse in Western Africa, Central Africa and Eastern Africa where non-coniferous sawnwood dominates consumption as a result of domestic supply. The share of non-coniferous sawnwood is less than 20% in Northern Africa and Southern Africa. This is partly due to the lack of natural tropical forests in these sub-regions. The consumption of non-coniferous sawnwood is declining in African ITTO producer countries at the rate of 1%.

The consumption of wood-based panels in Africa (3 million m^3 in 2006) has been slightly declining with an annual growth of -1%, while the annual growth of global consumption is 4%. The annual growth in the region may be understated because of weak data in Central Africa. Except for Northern Africa, trends in consumption of wood based panels in Africa are increasing in other sub-regions.

Demand drivers

The population of Africa reached 934 million people in 2006 with an annual growth of about 2.3%. The highest growth rates are recorded in Western, Central and Eastern Africa (2.7%, 2.4% and 2.9%, respectively). The declining rates of change are recorded in Northern and Southern Africa (1.8% and 1.5%, respectively). The population in Africa is projected to rise to 1 billion in 2010 and to 1.2 billion in 2015. The aggregate annual growth rate is expected to decline slightly to 2.2% in 2015. However, the increase in absolute numbers, especially the projected increase in the urban population implies more demand for timber products. The urban population will continue to increase, although the respective growth rate will decline, however remaining substantially higher than that of the total population. This is important as the urban market consumes most of the tropical timber products traded in the region.

The GDP and its growth are major market drivers for TTP demand. The regional GDP for Africa in 2006 totaled USD 1 107 billion. While population is relatively evenly distributed between sub-regions, this is not the case for economic activity. Northern Africa accounted for 37% of the regional GDP, followed by Southern Africa (31%), Western Africa (19%), Eastern Africa (7%) and Central Africa (6%). The overall annual GDP growth for Africa is 6% or well above the global average. The annual GDP growth is highest in Northern Africa and Southern Africa (about 7%). The annual GDP growth is 6% in Eastern Africa, followed by Western Africa (5%), and Central Africa (3%). In ITTO producer countries, the recorded GDP was USD 225 billion with an annual growth of 4%.

Outlook for TTPs

The current global financial crisis has affected the formal economies in African countries with some delay compared to the developed world. However, the medium and long-term prospects are positive suggesting that there will be a strong demand growth for tropical timber products in the region. Recent FAO study provides projected industrial roundwood production and consumption to increase by about 11-12 million m^3 in 2020 reaching 93 million m^3. Sawnwood consumption would increase by 4 million m^3 reaching 19 million m^3 in 2020 and about one million m^3 of wood-based panels would also be needed. Wood-based panel production will stagnate in 2010 and slightly increase by 2020 but the consumption growth will remain vigorous.

TRADE OF TTPs

Trade of TTPs by sub-region

The total exports in TTPs from Africa amounted to USD 3.8 billion in 2007 or 27% higher than in 2006. During this period the exports increased in Northern Africa (17%), Central Africa (41%), and Eastern Africa (3%), while there was a radical drop in exports from Western Africa (-23%) and, to a lesser extent, from Southern Africa (-6%). The aggregate annual growth rates for Africa and for ITTO producers were about the same (4%). Central Africa accounted for 59% of the total exports, followed by Western Africa (22%). The ITTO producers accounted for more than 70% of the regional exports.

The intra-African exports amounted to USD 278 million in 2006 or 9.3% of the total regional exports to all markets. The aggregate intra-African exports decreased in 2006 by 55%. The annual change in intra-African exports in 2005-2006 was only positive in Eastern Africa (39%), but the volume was rather marginal. In Western Africa the intra-regional exports dropped by 75% in 2006. The exports from ITTO producers to Africa passed from USD 0.5 billion in 2005 to USD 0.2 billion in 2006 due to probably non-reporting of data for 2006 by Togo and Central African Republic.

The total African imports amounted to USD 4.4 billion in 2007 or 19% higher than in 2006. During this period the imports increased in 2005-07 by 9%/yr. The average annual growth rate for TTP imports has been positive for Northern Africa (23%), Eastern Africa (27%) and Southern Africa (6%). A decrease in total imports was recorded in Western Africa (-23%) and Central Africa (-22%). Northern Africa has the largest market share (61% of the region's total), followed by Southern Africa (23%) in 2007. These two sub-regions lacking natural forests are not producers of tropical timber. Western Africa's share of the total imports is about 8%, slightly more than that of Eastern Africa (7%).

The total intra-African imports (USD 394 million in 2007) are also dominated by Southern and Northern Africa (43% and 24% respectively). Even though Northern Africa imports USD 2.7 billion of TTPs, only 4% comes from Africa. Southern Africa's total imports were only USD 1.0 billion of which 16% came from African sources. In

Western and Eastern Africa the shares were 21% and 17%, respectively. . In the Central African and Northern African sub-regions, the intra-African imports constitute 10% and 4% of total imports, respectively.

Southern Africa accounted for 41% of the total intra-African imports in 2007 followed by Northern Africa (27%), Western Africa (19%), Eastern Africa (13%) and Central Africa (0.4%).

Trade of TTPs by Product

The African exports of primary products reached USD 3.8 billion in 2007 and the average annual growth rate was 4%. The growth rates were high for logs (44%/yr), sawnwood (21%/yr) and veneer (9%/yr). There was a decline in plywood (-37%/yr), particle board (-25%/yr) and fibreboard (-45%/yr). Logs were the mainstay of total exports of primary products in 2007, accounting for 44% of the total export.

The export value of SPWPs was USD 420 million in 2007 but the trend has been declining in most products at the rate of -14%/yr. Only in wooden furniture and parts, an increasing trend was recorded (3%/yr). The average annual change for builders's woodwork was -19%, for other SPWPs -26%, for mouldings -31%, and for cane and bamboo furniture and part -34%. The wooden furniture and parts was the mainstay of the exports of SPWP in 2007, accounting for 59%% of the group total.

The TTP exports to African markets was no more than USD 243 million in 2006 or 58% of the total exports in 2007. This was 61% less than the 2006, demonstrating rapidly weakening competitiveness of the African suppliers in their own regional markets. This situation concerns primary products as SPWP exports have remained relatively stable, even growing slowly.

The African import market for TTPs was valued at USD 4.4 billion in 2007 or 18% higher than that in 2006 demonstrating a rapidly growing trade opportunity for exporters. More than three-quarters of the total are primary products but in SPWPs the growth has been faster.

The recorded intra-African import amounted to about USD 394 million in 2007 or about USD 45 million more than in the previous year. This represented 9% of the trade import value. More than three-quarters are primary products and their imports have been growing (9%/yr). In SPWP the intra-regional trade recorded USD 89 million in 2007, USD 3 million less than previous year, and has suffered from a declining trend (-7%/yr). This shows that African exporters enjoy a certain competitive advantage in primary products, particularly sawnwood and logs, but in labour-intensive SPWPs no growth has been recorded due to more competition from other suppliers particularly from Southern Asia.

EXPORT MARKET CHARACTERISTICS

The information on TTP market characteristics in African countries is scanty. In general, the end uses of the TTPs are largely similar in the reporting countries and depend on the extent and structure of domestic further processing industries. Most of the trade in timber products is in the hands of specialized traditional timber traders which also have stocking capacity. Only few large direct users buy directly from foreign suppliers. Larger processors are interested in direct imports but the commerce is mainly in the hands of specialized traders. Mark-ups are typically quite high, particularly in tropical hardwood products trade. There is no particular preference for

African products except in West and Central African countries. The African TTP markets for imported products are price sensitive and less attention is given to the product quality if minimum requirements are met. The situation, however, varies by country and market segment.

TRADE BARRIERS

In general in Africa there are still significant import tariffs for further processed products and in Central Africa also for primary products. In other sub-regions there is an element of tariff escalation (i.e., higher tariffs for further processed products). However, in ECOWAS, CEMAC and SADC, there are preferential sub-regional tariffs but in the ECOWAS case, the implementation process is not completed. The general import tariffs are higher in CEMAC and ECOWAS countries than in SADC countries.

Export taxes have been greatly reduced in most African exporting countries but they are still being applied, particularly for logs. Trade regulation is also applied for logs in many countries.

In general certification of sustainability is not required in the African TTP market but in some countries (like South Africa) and in some market segments it is becoming a marketing advantage. The same situation appears to prevail in product quality certification. The importing markets have different quality standards and grading rules which pose a challenge to exporting countries.

CONCLUSIONS AND RECOMMENDATION

Opportunities for increased exports

The total imports of TTPs in 2007 was USD 4 billion out of which only USD 0.4 billion originated from the continent itself. There is a huge opportunity for the ITTO producing member countries, particularly in further processed products, in which their participation in trade is still minimal. Africa as a whole is a net importer of TTPs in spite of the vast forest resources and huge plantation potential.

The African markets for TTPs will continue to grow fast after the current crisis period. The region will increasingly have to rely on exports of TTPs from outside if the production cannot be increased. TTP production from both natural forests and plantations should be boosted up but the industry requires retooling and significant new investment. Largest short-term opportunities for export expansion exist for Northern Africa and Southern Africa. There are also a number of other countries which offer export prospects for ITTO producers such as the Sahel countries and Nigeria due to limited possibilities for expansion of domestic supply. African ITTO producers could target at substitution of meranti and balau currently imported from Malaysia and Indonesia. In addition to tropical

timber from natural forests, there are growing prospects for plantation-based timber exports such as teak thinnings.

Because of differences in local conditions (raw material base, infrastructure, forest management, etc.), the opportunities to increase exports differ among the ITTO producer countries. Some of the future possibilities are:

a) Increased utilization of Lesser-Used –Species.
b) Replacement of obsolete primary processing equipment to allow for higher conversion efficiency of the raw material.
c) Industry integration and the shift to the production of value added products.
d) Appropriate taxation and incentives to promote further processing
e) Development of forest plantations to ensure medium and long term sustainability of supply of processing units.
f) In countries with short supply of wood raw material, importation or logs, sawn timber and veneer for further domestic processing prior to exports.
g) Improved technical performance and technology of processing units by encouraging their adaptation to the treatment of small diameter wood and increasing their yields;
h) Improved governance in the forest sector to be able to produce legal and sustainable timber.
i) Implementation of forest certification.

Main Constraints for Intra-African Exports in TTPs

The main constraints to Intra-African trade can be summarized as follows:

a) Lack of knowledge on regional markets by traders in the region. There is also no central point or national organization within the region to provide market information.
b) Poor transport and communication links between African countries. Communication between African countries is not reliable and sometime expensive. Travel between countries is also difficult thereby constraining trade within the region. One of the most important example is Nigeria which has no road link with southern Cameroon and there are problematic telephone connections.
c) Weak infrastructure to support trading among African countries. Road network is poor between countries in the region. Rail network is almost non-existent resulting in poor linkages between countries in the region. Though mobile communication has improved in recent times, the quality of service in the region is low. This offers major challenges for trade within the continent.
d) In many exporting countries, bureaucracy in the documentation for movement of goods and people between the African countries. This is a challenge to both exporters and importers. For instance, the Government of Ghana has tried to reduce this problem with the introduction of the Ghana Community Network (GCNET). The GCNET is and electronic system for processing of imports. This is currently being expanded to include exports and the timber sector through the Timber Industry Development Division which is currently piloting the processing of export permits through the GCNET.
e) Poor banking systems that constrain payments for goods and services. Despite recent improvements, there still remains challenges, particularly high interest rates and the management of exchange rate risks.

f) Access to trade finance has been difficult. The timber sector has, in general, a poor record for payments of loans and therefore the banks, particularly the traditional banks, have been reluctant to provide finance to investors in the sector.

g) Exchange rate fluctuations represent a source of risk which cannot be effectively mitigated under the current financial crisis at reasonable cost.

h) The existence of a large informal/illegal timber sector, which supplies a major share of the regional market, is both an advantage and a weakness. Illegal production avoids the transaction costs of legal production and enjoys, therefore, an undue competitive advantage but informal operations create significant income and employment for small-scale entrepreneurs and other operators and responds to market needs..

i) The limited secondary processing capacity, especially in SPWPs, and somewhat lower quality of products compared to SPWPs coming to Africa from e.g. Europe or Asia is a constraint in moving up in the value chain in the intra-African trade.

j) The limited quality and design competitiveness of African SPWPs mainly produced by small- scale artisans

k) In some countries, like Côte d'Ivoire and Ghana, the raw material situation is become a constraint.

l) African suppliers, with many notable exceptions, have a reputation in other African markets for being unreliable. Unfortunately a number of suppliers reinforce this view on a regular basis and importers and timber merchants all have numerous anecdotes of the relative unreliability of their African suppliers. This is a key constraint and should be addressed by systematic efforts by potential exporters who have capacity to meet the market requirements.

m) With a few exceptions, the African timbers are not well known and well marketed. As an example, in Republic of South Africa end-users ask for Oak or Ash only because that is what they have heard about. Few can differentiate between the various species of wood. There is a need for a major promotional effort to make key species well known among potential buyers and specifiers. The same situation prevails in Egypt.

n) Although currently of little importance to most end-users, there is a growing awareness of green labelling and environmental certification. It appears that there are few sources of certified TTPs in African countries and this is likely to create a future constraint.

o) Competition from Asian countries, in particular China, Vietnam and Korea is very intense. These Asian countries have companies, that for many reasons, are able to import raw logs , including from Africa, and manufacture furniture and other products at very competitive prices even with the greater transport costs incurred offering South African companies very stiff competition in the EU and USA markets.

Recommendations

ITTO should undertake the following actions for the promotion of intra-African trade in TTPs:

a) Support detailed studies of TTPs markets exports and imports of TTPs in Africa. Examples of areas of interest are :
   - Trade potential for sawnwood and log trade from the Congo Basin to Western Africa
   - Trade potential for TTPs in forest poor countries in Western Africa.
   - Undertake a detailed study of the TTP market of Nigeria and other poorly known target markets.
   - Trade potential in Algeria, Tunisia and Libya.

b) Support research and publication of the physical and aesthetic properties of African TTPs. There are numerous species that have very attractive properties that could be widely used were their physical properties well known. A particular example would be identifying those species that offer wood properties similar to those imported in Southern and Northern Africa.

c) Promote the use of LUS in the regional market, in particular the domestic markets in the supplying countries, through studies, demonstration activities and support to market promotion.

d) Provide specific market intelligence information, particularly through studies and monitoring of market trends in the region that highlight opportunities for increased trade in the region. The ITTO Market Information Serivice (MIS) coverage could be expanded to include key African import markets for TTPs.

e) Promote trade in legal timber within the region by encouraging trade in primary products from VPA signatory countries and by suppliers with demonstrated capacity to supply legally harvested TTPs from sustainably managed sources.

f) Support specialized timber fairs and exhibitions and technical conferences in the region. Building sector exhibitions should be included in these activities to promote the effective use of wood in the region.

g) Support skills development and the transfer of technology into the region to increase the competitiveness of products produced in the region. These activities should also include support to build capacity in quality, control and product design.

h) Organize the promotion of tropical timber in selected African countries which have extensive market potential for TTPs (e.g. Egypt, Algeria).
   Strengthen statistical data on TTPs in the region, including production, processing and consumption and trade in TTPs as this is a major weakness in the region at present. The long-term objective could be an online database on timber market information in Africa.

Governments in ITTO member countries should take the following actions:

a) Remove trade barriers in the region, including the removal of road check points. These barriers often only result in informal payments by transporters/importers before goods are allowed to pass the check points.

b) Improve currency systems in the sub-region. There should be commitment and engagement to ensure that a common currency can be used to trade in the West African sub-region. In this regard the ECOWAS secretariat should facilitate the introduction of the ECO in the West African sub-region.

c) Provide support for the organization of trade promotion activities in TTPs and organize, in cooperation

with private sector organizations, collection and dissemination of market intelligence information to facilitate trade in TTPs.

d) Provide incentives to support the promotion of further domestic processing and that of the utilization of the LUS. Countries could offer lower royalty rates, other incentives and support skills to improve the industry competitiveness.
e) Support trade promotion offices to facilitate the trade in wood products. Such offices could make use of the work on the technical data on African timber species, including LUS.
f) Forest governance should be strengthened and regulatory framework should be improved to support the trade in legal and sustainable timber. This will, however, require some level of support from developing partner countries.
g) Provide support to the private sector in skills development to improve the quality and design of locally produced value-added products.
h) Improve communication infrastructure with other African countries.
i) Reconsider forest taxes in order to decrease TTP production costs when applicable.
j) Customs cooperation between neighboring countries within sub-regions should be strengthened to improve trade data and facilitate trade.

The forestry industry and trade associations should undertake the following actions to promote intra-African and African exports in TTPs:

a) Participate in fairs and exhibitions to promote their products in the region. Examples include the ECOWAS fair, the GIFEX in Ghana, the South African International Trade Expo, WoodPro Africa in South Africa and the All Africa Trade Fair.
b) Engage in the promotion of selected LUS timber for the regional markets.
c) Promote the domestic market for TTPs as a basis to test their products for future sales to the international market.
d) Invest in the production of value-added products to improve the quality and design of products, thereby achieving higher returns from the forest resource and promote retooling of the existing capacity for further processing. improving the quality and design of production.
e) When necessary in countries with no or limited forest resources in Africa, consider investment in the importation of raw material procurement for primary processing in supplying countries, including for the development of re-export value-added products (e.g. Egypt, the Maghreb countries).
f) Engage in the production of legal and sustainable TTPs to attract private investment.
g) Develop networks within and between national timber industry and trade associations at the regional and sub-regional levels. There is a need for capacity building within the trade associations, in particular to undertake self-regulation, market promotional activities and market intelligence.
h) Build capacity in obtaining and utilizing market intelligence information at enterprise level.
i) Engage in forest certification to obtain market advantage in environmentally sensitive market segments.
j) Improve in the precision of sawn planks and production of kiln-dried timber to improve the attractiveness of African timber, while also offering greater economic benefit to target at meeting demand for high-quality hardwood veneers which could be produced in African countries using logs from their own natural forests and plantations.

k) Improve the reliability of supply and deliveries as well as the quality of TTPs to match that of Asian, European and North American competitors.

Regional organizations and other trade-related bodies should:

a) Promote removal of trade barriers in order to create enabling conditions for regional trade by encouraging member countries committed to the protocols under the various regional initiatives such as ECOWAS.
b) Promote regional and sub-regional cooperation of customs authorities.
c) Promote intra-regional trade through the organization of timber trade fairs and exhibitions. In particular, ECOWAS should seek to support specialized timber and building related exhibitions. For instance, it could provide support for the GIFEX.
d) Organize meetings between member states for the elaboration of strategies to promote inter-African trade of TTPs and further processing.
e) Promote the harmonization of national timber trade legislations in Central and Western Africa.
f) Promote trade in legal timber in the region.
g) Consider establishing a West African Commission on Forests and Environment (WACFE) to promote SFM, reforestation and take advantage of discussions and initiatives on climate change to have a common approach and draw support to finance SFM in the sub-region. Individual countries in the sub-region with the exception of Nigeria are small and therefore need a coordinated approach to managing its forests. The experience of the COMIFAC in the Congo Basin is relevant in this respect.
h) ECOWAS and WAMU should play a strong role in the West African sub-region to promote the export of timber in its member countries and other non-member African countries by the following actions:

- Promote exchange information on good forest governance (sustainable management, timber tracking) in member countries.
- Promote effective cooperation between customs organizations.
- Enforce the laws governing trade and exports (tax and customs duties) between member countries to ensure the free movement of products.
- To create sub-regional timber monitor to exchange market information.
- Organize regional fairs for a better awareness of timber products.
- Encourage and support environmental certification through the development of awareness, national standards and local knowledge of the various certification schemes.

Table of Contents

LIST OF ANNEXES