

Trade Statement

ITTC (50) Yokohama

5 November 2014

Chairman
Ladies and Gentlemen

Today we have reached an auspicious milestone for our Organisation. We are meeting together as ITTO for the fiftieth time. In the ebb and flow of international relationships, this indeed is a remarkable achievement over the last 29 years.

Today also marked a significant milestone for the Trade Advisory Group (TAG) as 15 TAG members from consumer and producer countries came together in Yokohama for a Pre Meeting to brainstorm how the TAG can enhance the work of Council.

This Milestone presented us with an opportunity to discuss how to craft a new vision and a clear strategy for the next 50 years. This Statement is the result of our combined efforts.

Before I present the results of our meeting, we would like to take this opportunity to recognise and thank Emmanuel Ze Meka who worked tirelessly as the Executive Director to support the TAG. In particular, his recent encouragement for us to suggest ideas for inclusion in the ITTO's Biennial Work Programme (BWP). Thank you, Emmanuel.

We would like to draw Council's attention to our two proposals in the BWP:

- Development of Environmental Product Declaration (EDP) for three tropical wood products; and
- Creation and maintenance of 'One-Stop' interactive online producer country industry and profiles on trade and production and all relevant legislation related to forestry and the timber trade.

Now back to our main issue.

Enhancement of the international trade in tropical timber and timber products is one of ITTO's key fundamental objectives, and since its inception, the organisation has funded studies and supported other activities aimed at increasing the market share of tropical timber and timber products.

Unfortunately, today, the challenges to the international tropical timber and timber products trade have intensified for example:

- Rising regulatory and consumer requirements;
- Increasing production and transaction costs; and
- Competition from alternative materials;

To name but just a few.

These challenges have resulted in declining competitiveness and market share, and low appreciation of our products, particularly in eco-sensitive markets. Declining market share continues to have major socio-economic impacts for producer countries, as the trade, in most cases, is one of the major income-generating sectors of their economies.

We see that, as a result of attempts by several producer countries to meet the requirements of major eco-sensitive markets through certification and verifying legality, consumer perception of tropical timber is improving, and we need to further build on these positive developments.

The TAG has a sufficient understanding of the reasons for the continual declining market share and competitiveness of tropical timber and timber products. What is needed now is a comprehensive strategy.

The TAG has developed ideas on how this strategy could be developed.

In the context of developing an innovative strategy, the view recently expressed by the EC Commissioner for Development on this subject is relevant and I quote: "The impact that private sector actors can have on development is now widely recognised, and donors around the world are seeking ways to effectively engage with the private sector in creating jobs, providing incomes, goods and services, advancing innovation, and generating public revenues essential for economic, social and environmental welfare."

We envisage an approach that 'blends' private sector initiatives and ITTC resources.

The TAG would like to suggest that the Secretariat be provided with resources to contract consultants to develop comprehensive and innovative ideas on the strategy to help all stakeholders in continually improving the market position and technical foundation of tropical timber and timber products as the environmentally-friendly material of choice. The TAG is ready to assist the Secretariat in developing the Terms of Reference to enable the desired objectives to be realised.

The strategy should draw on the accumulated experience and expertise of the ITTO, and public and private sector actors to secure the future of tropical forests and the international tropical timber trade.

This is not just 'more of the same', rather a more comprehensive approach to take advantage of opportunities presented by the international market place.