

INTRA – REGIONAL TRADE IN CHALLENGING TIMES - AFRICA



ALHASSAN ATTAH

Outline of presentation

- ❑ Introduction
- ❑ Regional trade in wood Products
- ❑ Trends in regional trade
- ❑ Challenges in regional trade
- ❑ Potential impact of financial crisis
- ❑ Conclusions and recommendations





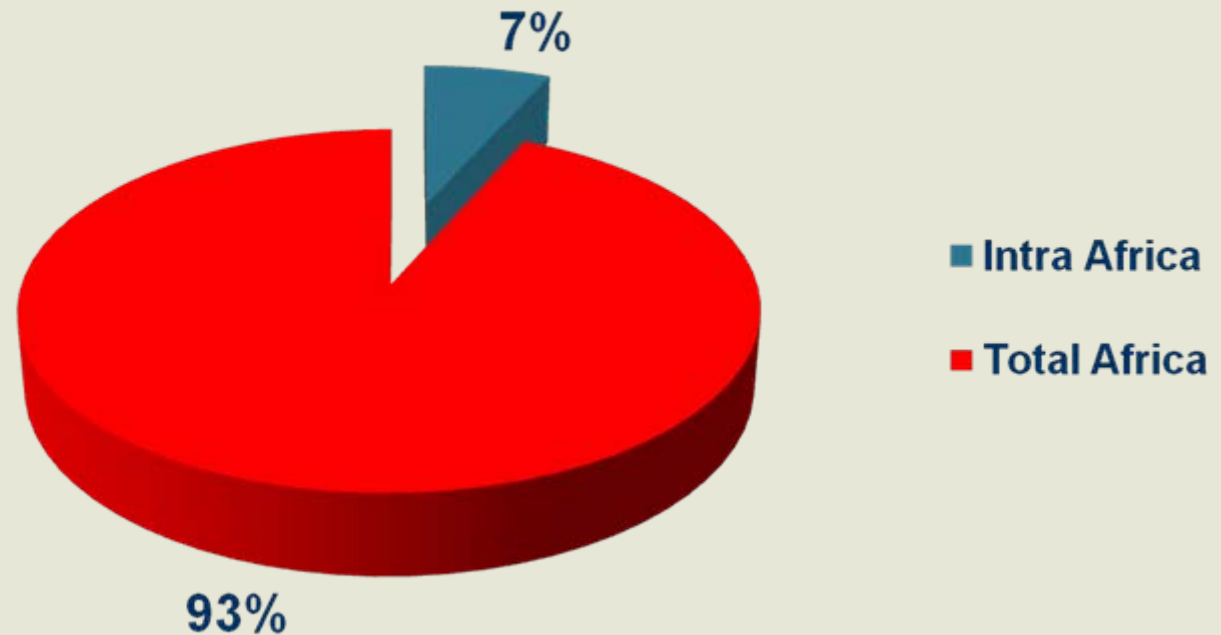
INTRODUCTION

- ❑ Forest cover in Africa is 21.8% of land area
- ❑ West Africa has forest resource constraints due to overexploitation (14.1%)
- ❑ Central African is endowed with forest resources (42.8%)
- ❑ Limited data - high informal trade



SHARE OF INTRA - REGIONAL TRADE

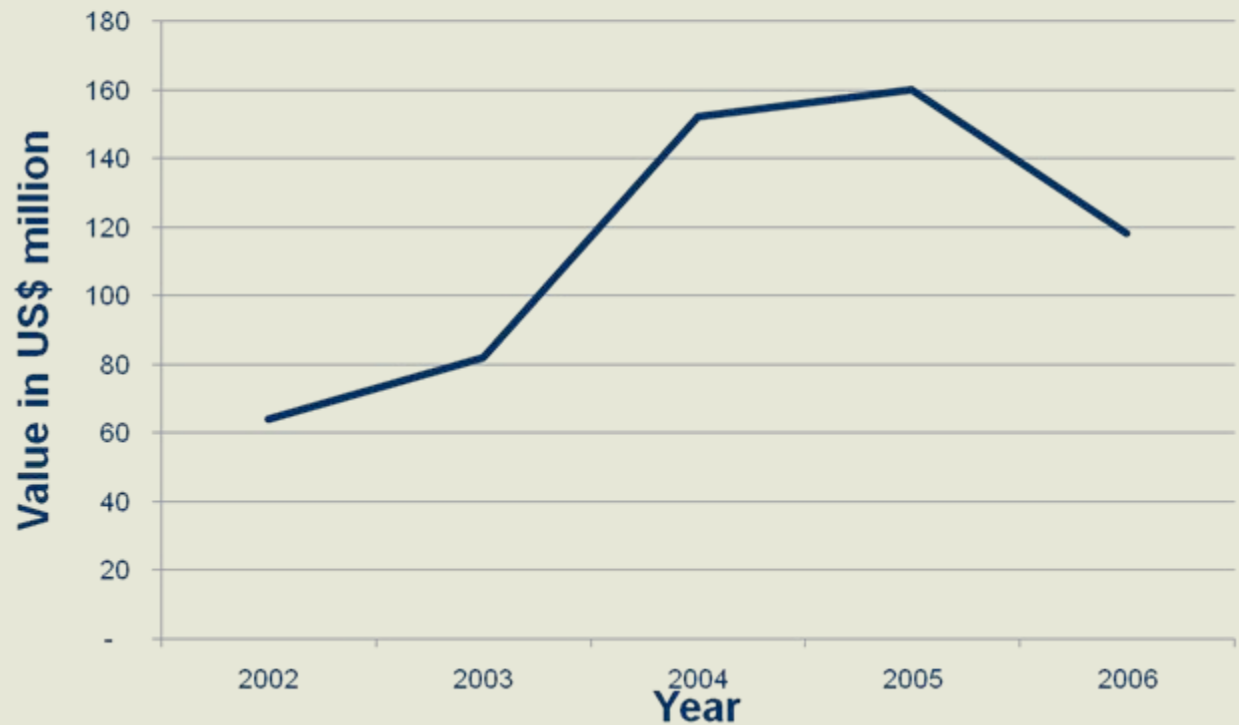
Share of Volume of Intra-Africa Trade (2006)



TRENDS IN REGIONAL TRADE

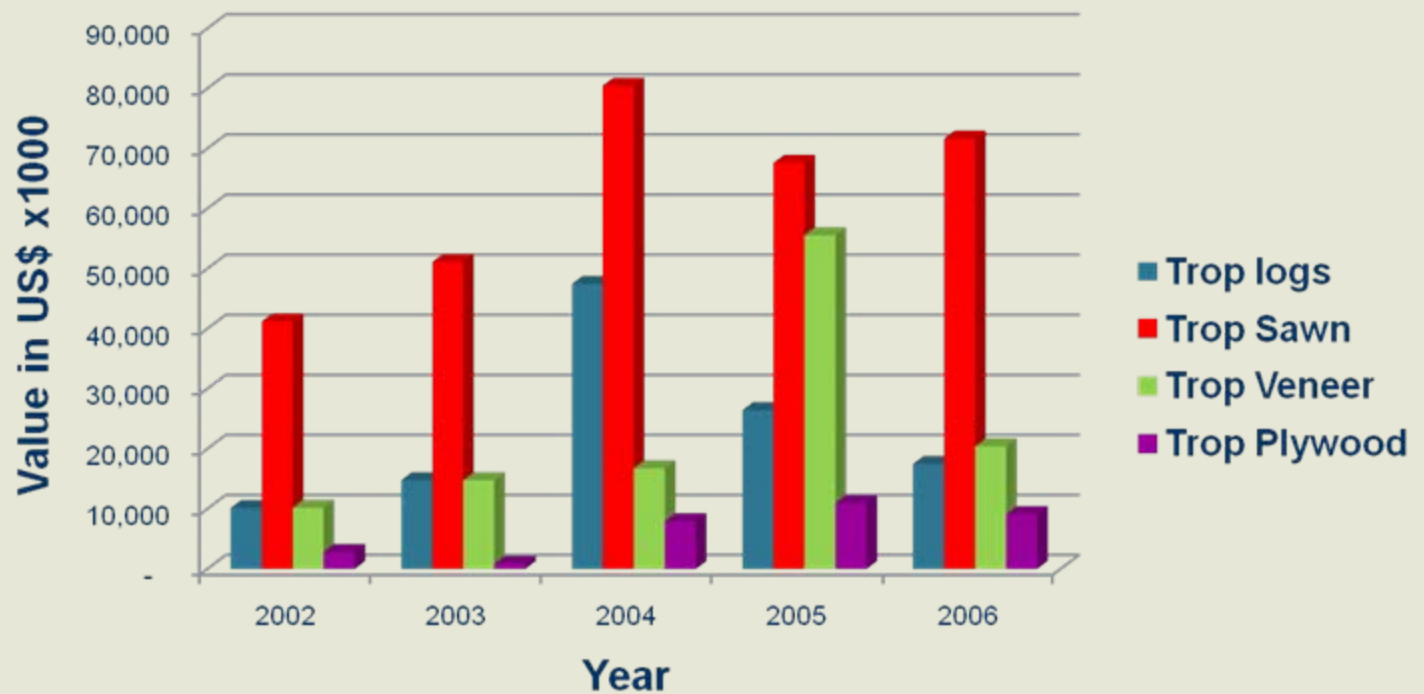


Trends in Tropical Timber trade between African countries (2002 - 2006)



TRENDS BY PRODUCTS (2002-2006)

Trends in Tropical Timber trade between African Countries - (2002 -2006)



KEY IMPORTING COUNTRIES

LOGS

- Egypt
- South Africa
- Morocco

SAWN TIMBER

- Nigeria
- Senegal
- Morocco
- Egypt
- Algeria
- South Africa
- Ghana
- Tunisia

VENEER

- Morocco
- Nigeria
- South Africa
- Ghana

PLYWOOD

- Nigeria
- Burkina Faso
- Mali
- Gambia

CHALLENGES TO INTRA – REGIONAL TRADE



- ❑ Stability in the region
- ❑ Poor infrastructure, road network and communication
- ❑ Unofficial fees and levies by security agencies
- ❑ Tariffs and customs duties



CHALLENGES TO INTRA REGIONAL TRADE (Cont'd)

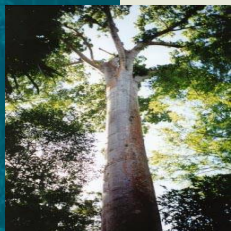


❑ Over-regulation of legal trade

❑ Informal sector competing with the formal sector



❑ Competing products from the far east. i.e. furniture, plastic chairs, Aluminium doors and windows



❑ Current financial crisis

OPPORTUNITIES FOR INTRA – AFRICA TRADE

- ❑ Growing population and economies
- ❑ Inter regional trade in legal timber
- ❑ Diminishing resources in West Africa provides opportunities for Central Africa, particularly for legal timber
- ❑ South Africa, Algeria, Nigeria and Egypt (SANE) accounting for over more than 50% of Africa's total GDP
- ❑ Development of markets for value added products in the region

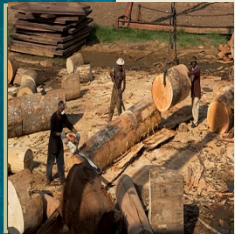


POTENTIAL IMPACT OF FINACIAL CRISIS



- ❑ Timber Industry very dependent on European markets
- ❑ Slow down in Europe will imply slow down in African economies
- ❑ Reduced donor support for capacity building and could affect trade in legal timber
- ❑ Access to finance difficult

POTENTIAL IMPACT OF FINACIAL CRISIS (Cont'd)



- ❑ Reduced inflow of investments to the forestry sector



- ❑ Demand shift could offer opportunities for market diversification

- ❑ Focus on the domestic market



CONCLUSION

- ❑ Intra – regional trade 7% of timber exports in Africa
- ❑ Growing population in Africa provide opportunities for developing intra African trade, particularly in SANE countries
- ❑ Opportunities for increased trade in legal timber in the region
- ❑ Financial crisis will slow down intra African trade but there are opportunities for domestic market



RECOMMENDATIONS (I)



☐ ITTO

- ☐ Promote regional trade, particularly in legally sourced timber
- ☐ Develop capacity for recording and documenting intra – regional trade
- ☐ Promote harmonization of grading rules as a means to promote trade
- ☐ Support member countries to develop their value added sector

RECOMMENDATIONS (II)

☐ GOVERNMENTS

- ☐ Improve infrastructure between countries
- ☐ Encourage informal sector to use formal channels for trade in wood products
- ☐ Eliminate bureaucracies and officialdom in timber exports within the region



RECOMMENDATIONS (III)

❑ PRIVATE SECTOR

- ❑ Linkages and strong relations between trade organizations in member countries to promote trade in the region
- ❑ Promote purchases from the region





Thank you for your attention!

