

# Statistical Overview: regional trade trends in the context of VPAs

Presentation for APFW, Incheon, June 2019

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**Independent Market Monitoring of FLEGT-Licensed Timber**

# IMM Background

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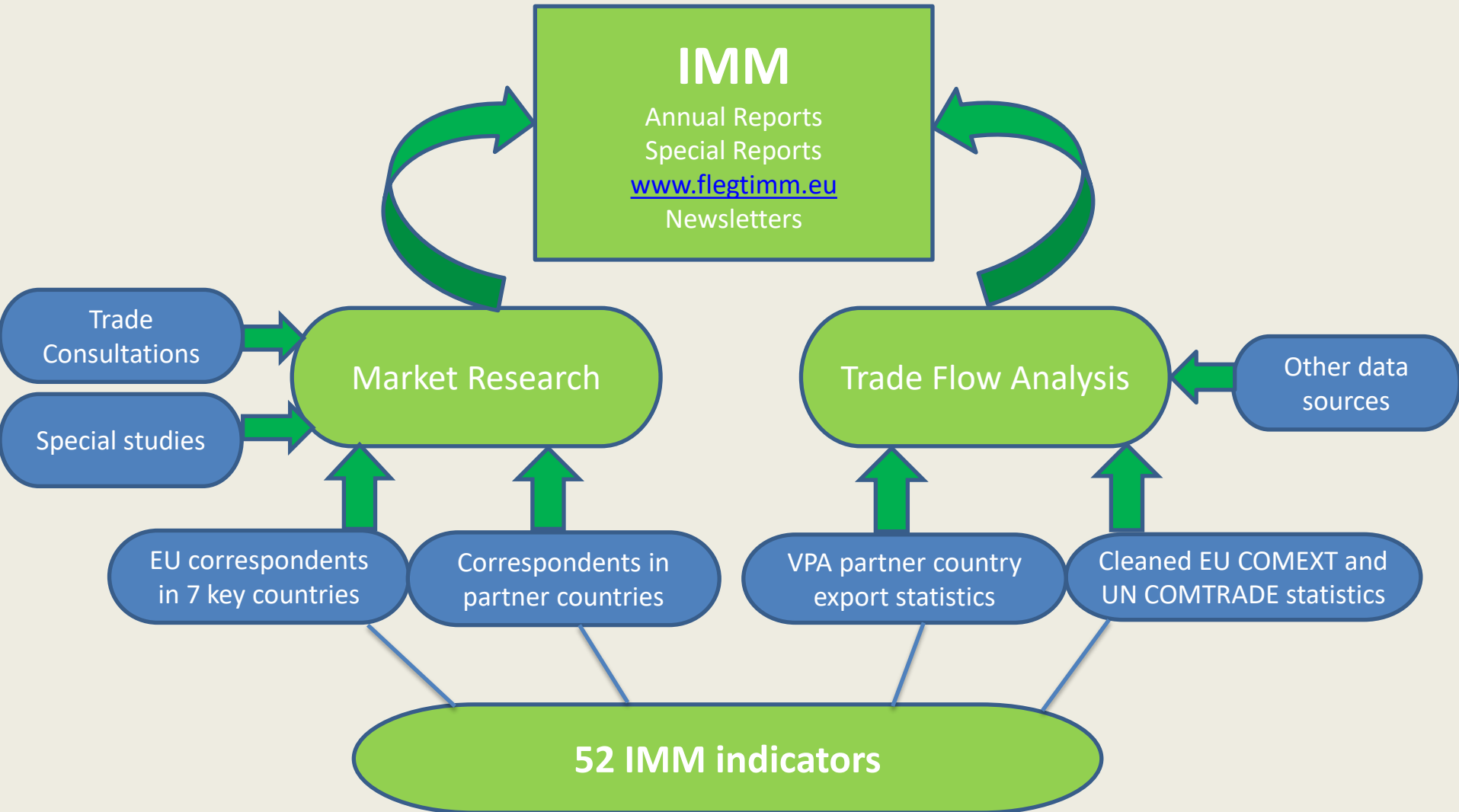


- Mandated by FLEGT VPAs
- Hosted by ITTO
- Funded by EC (DG DEVCO)
- Project term 2014-2021
- Objectives
  - Independently monitor FLEGT VPA market impacts
  - Improve understanding of impacts on timber prices, trade and market trends globally
  - Ensure VPA countries & EU provide reliable stats and info on FLEGT timber trade & acceptance
  - Contribute to monitoring the impacts of the FLEGT Action Plan and to inform its implementation

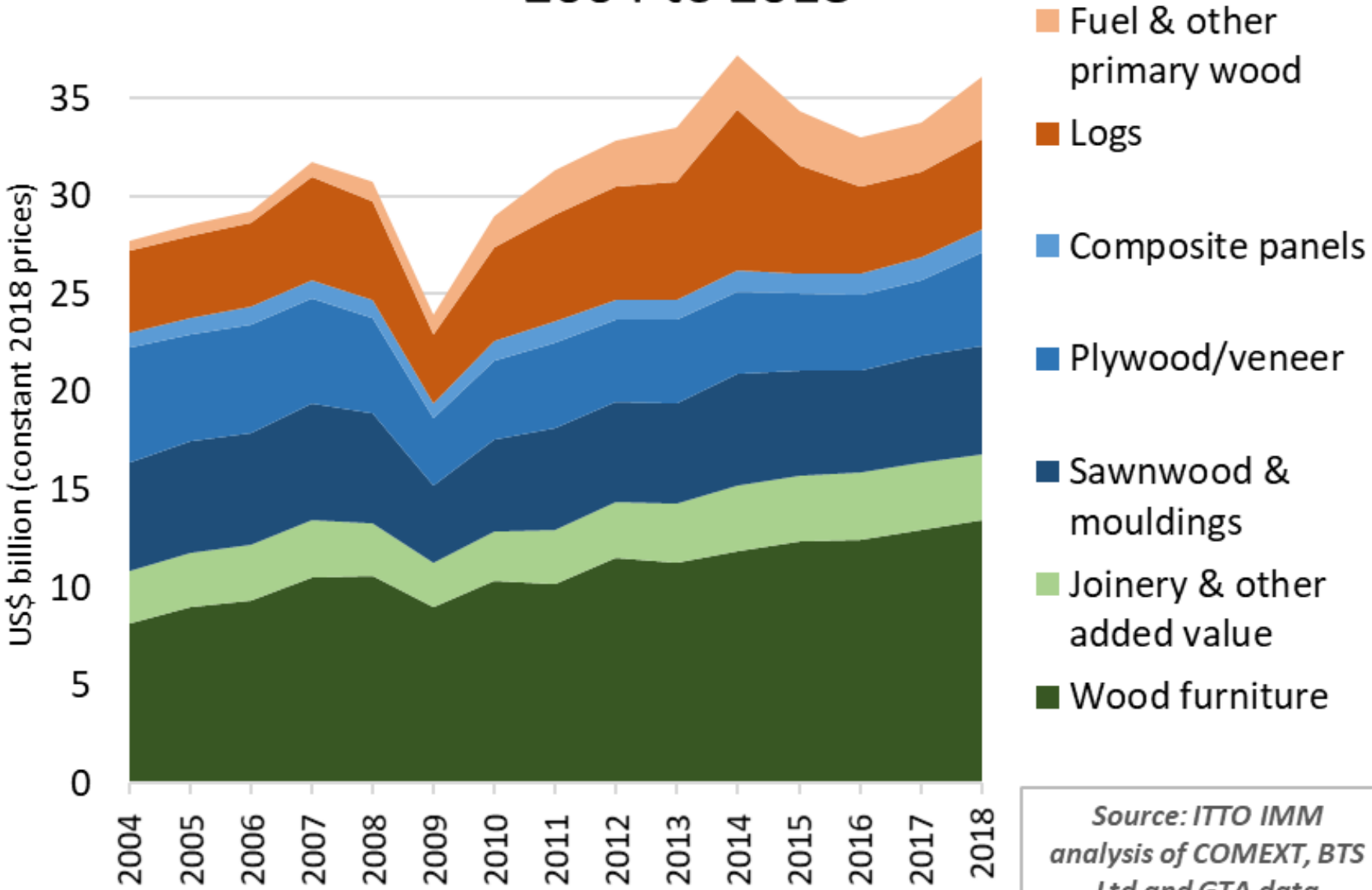


# IMM Methodology

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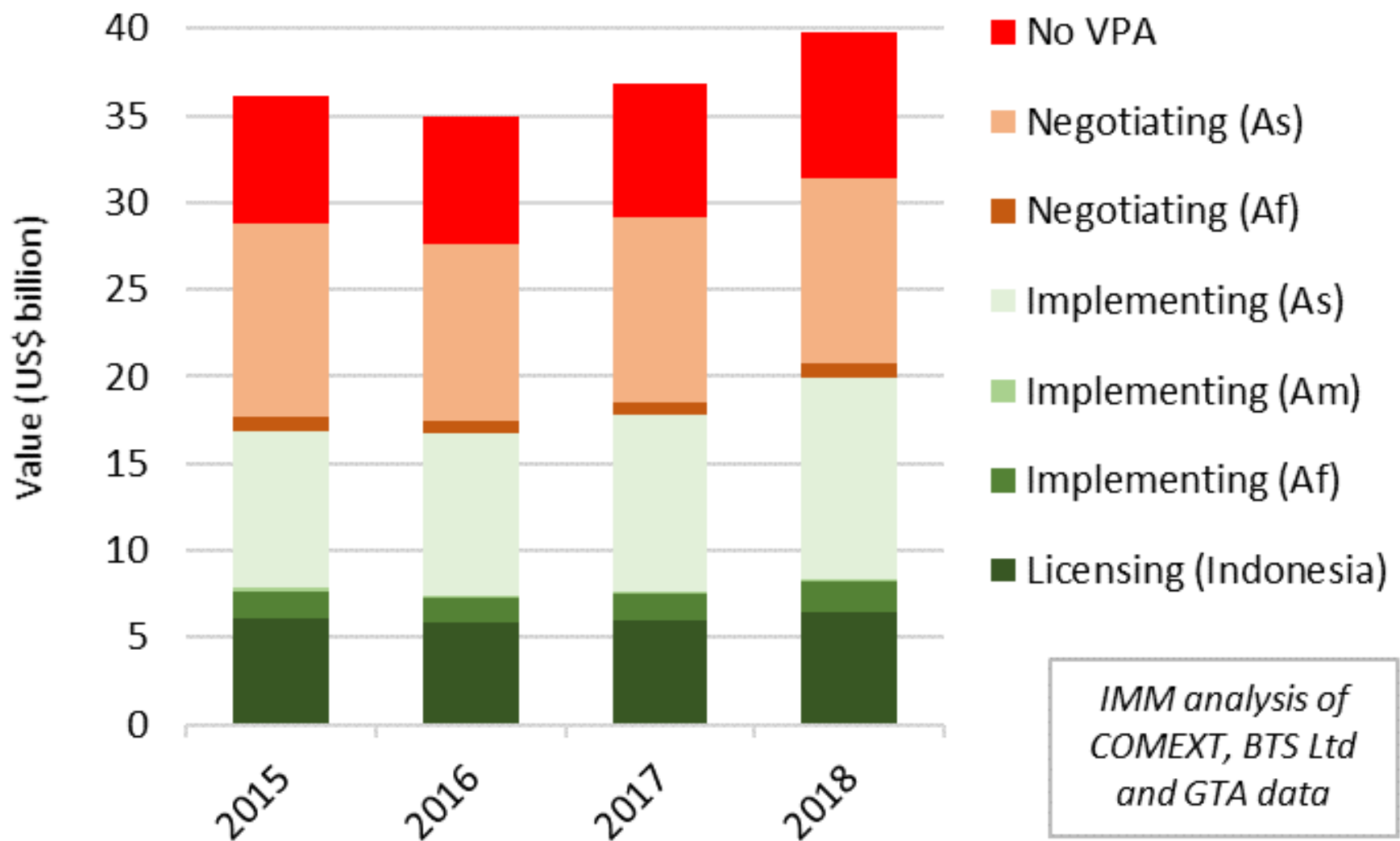


# Global tropical wood trade by product group: 2004 to 2018

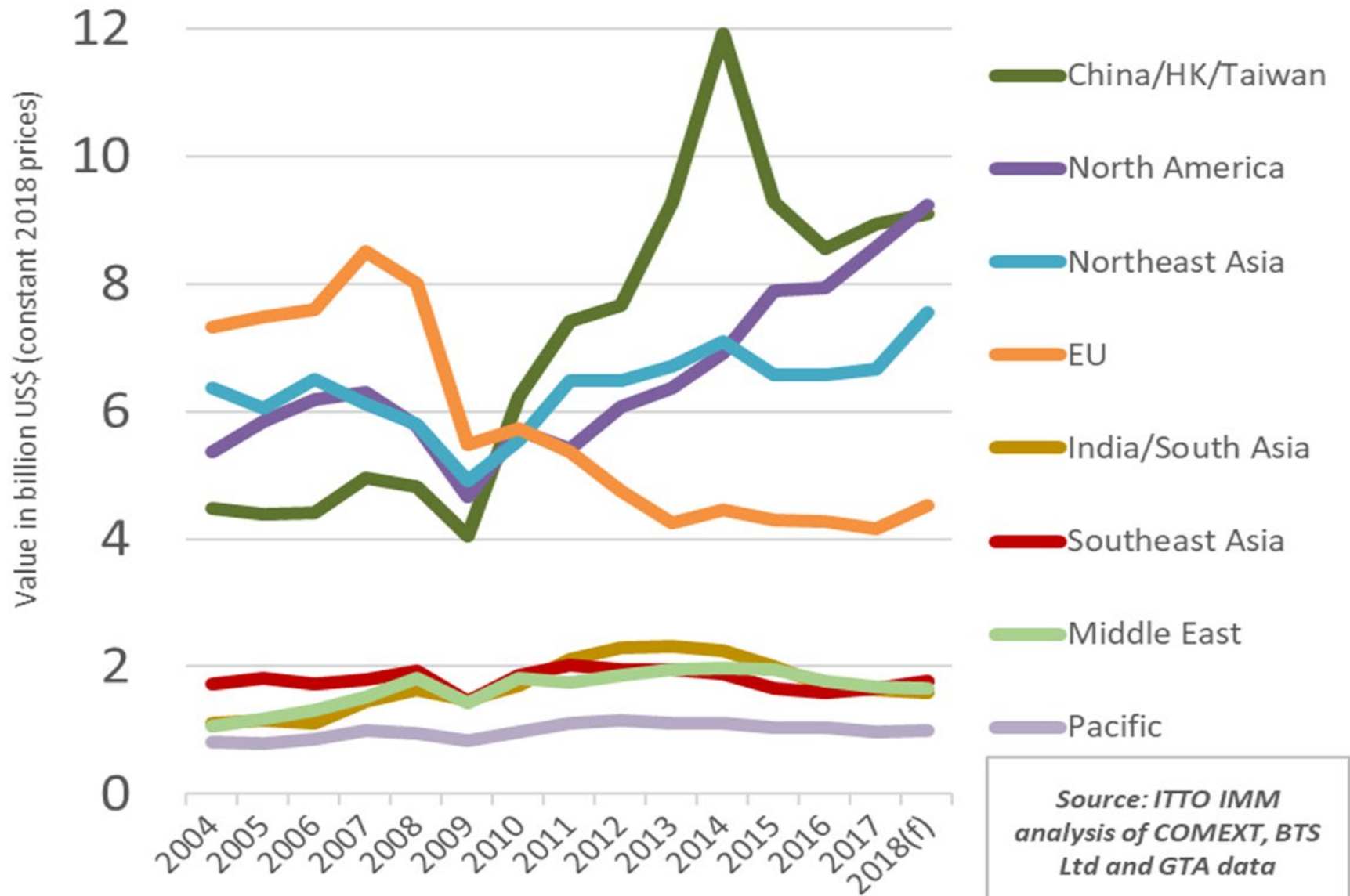


*Source: ITTO IMM analysis of COMEXT, BTS Ltd and GTA data*

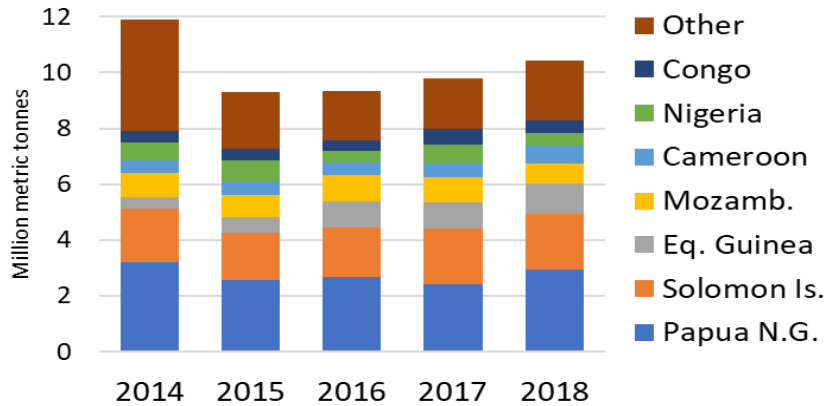
# Global tropical wood trade by FLEGT VPA status: 2015 to 2018



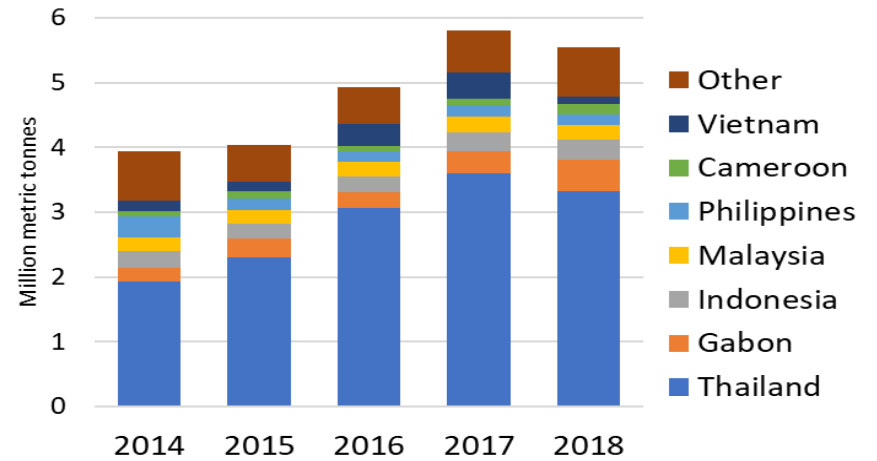
# Tropical wood product imports by global region 2004 to 2018



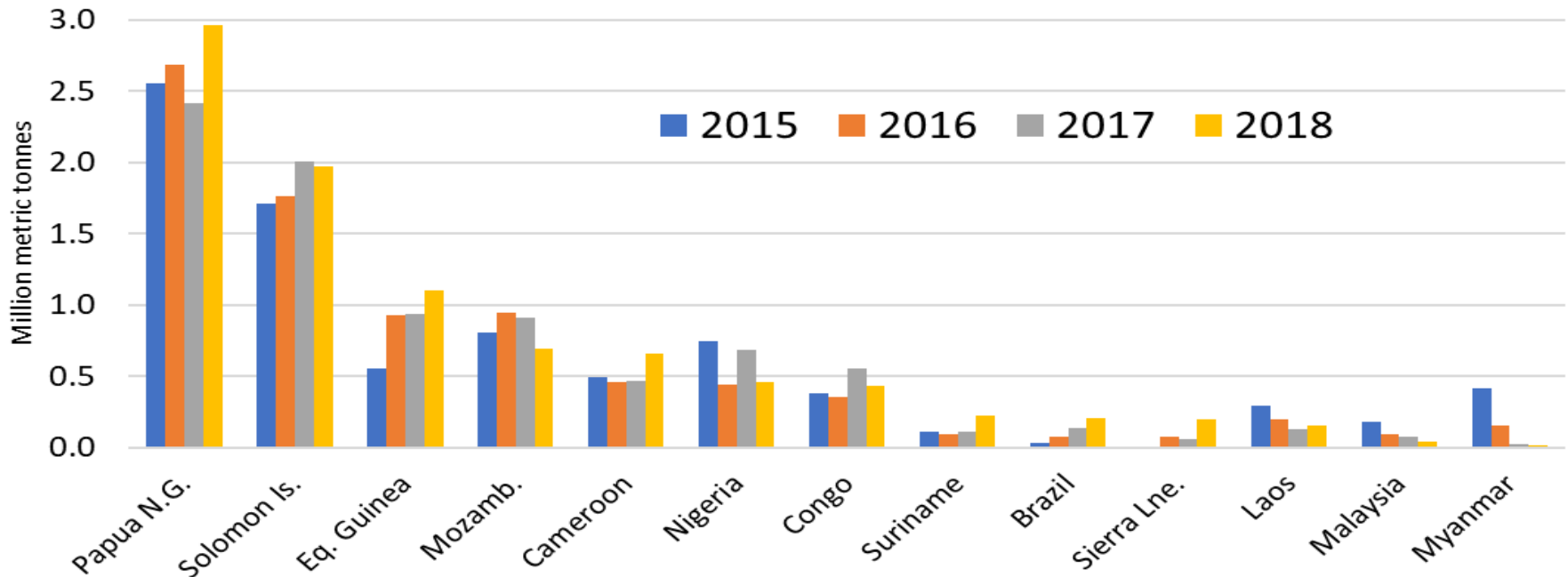
### China imports of tropical hardwood logs



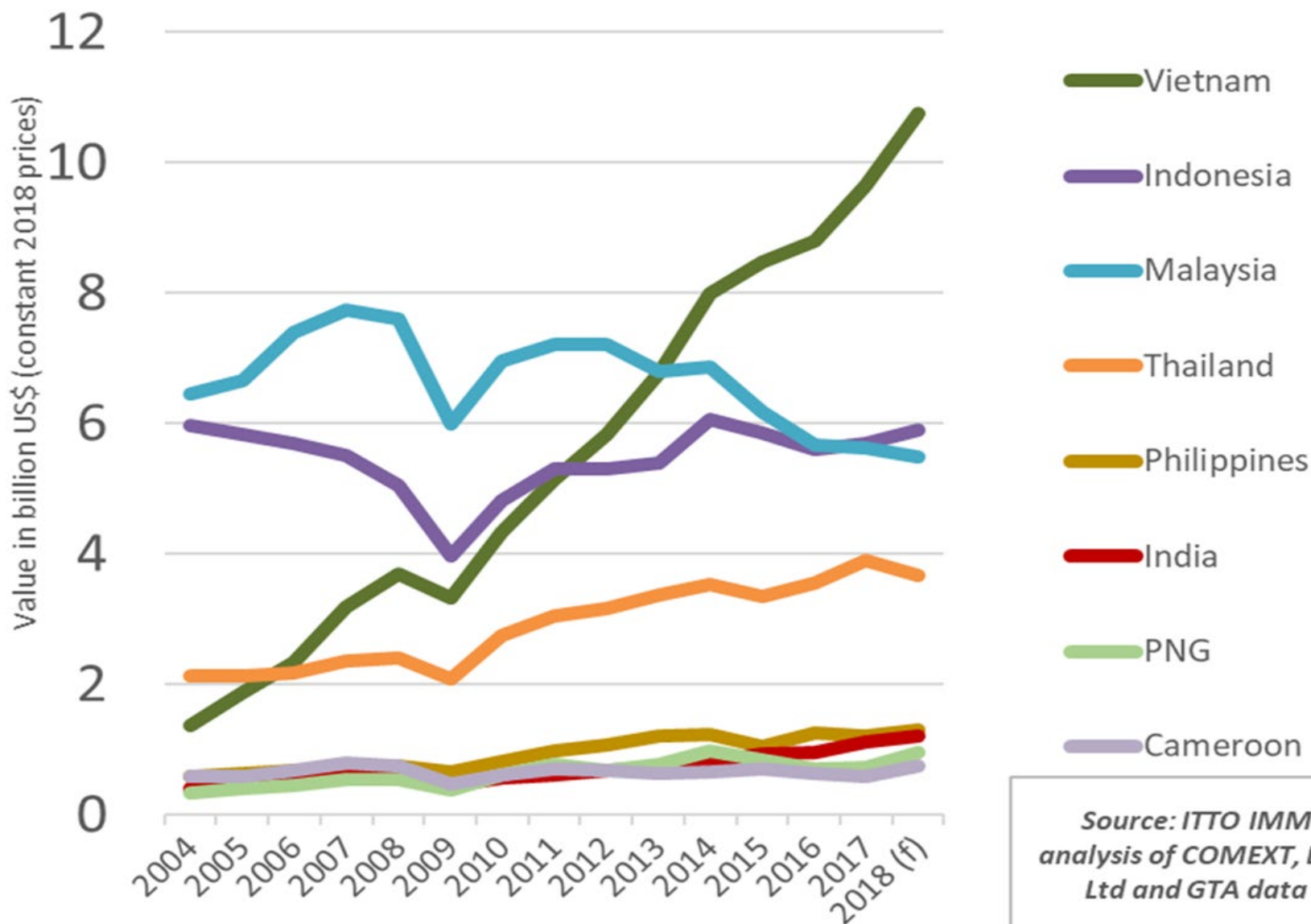
### China imports of tropical sawn



### China imports of tropical logs by main supply country



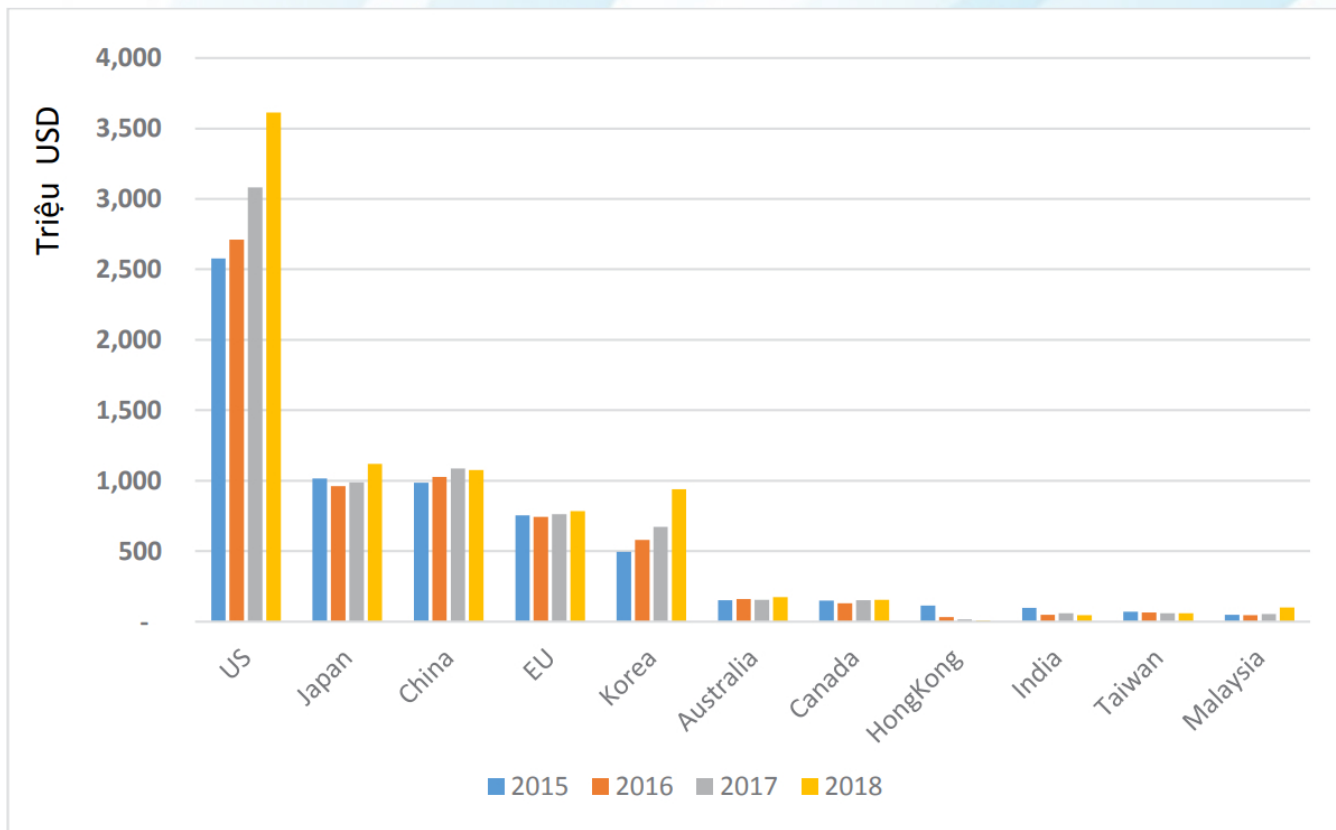
## Tropical wood product trade by main supply countries - 2004 to 2018





# Vietnam wood export destinations

**Hình 2.** Thay đổi kim ngạch xuất khẩu các mặt hàng gỗ của Việt Nam ở các thị trường chính



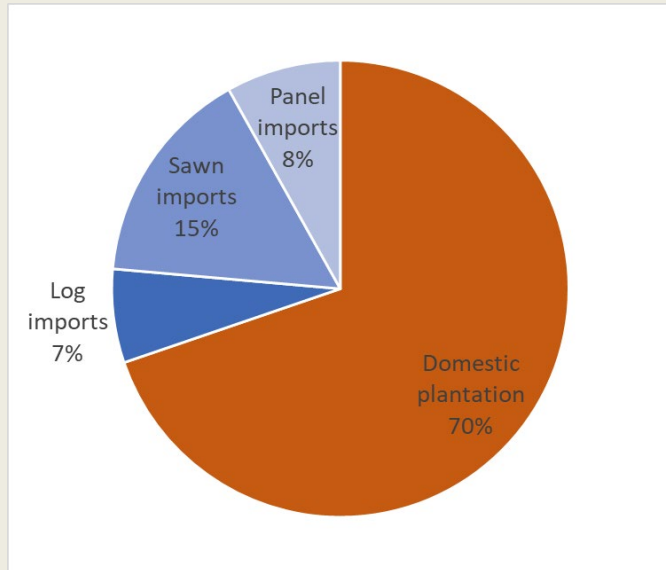
Nguồn: Tính toán của VIFORES, FPA Bình Định, HAWA, BIFA và Forest Trends, dựa trên dữ liệu thống kê của Tổng cục Hải Quan



[http://goviet.org.vn/upload/aceweb/content/Bao%20cao%20thuong%20nien%20nganh%20go%202018\\_21.2.2019.pdf](http://goviet.org.vn/upload/aceweb/content/Bao%20cao%20thuong%20nien%20nganh%20go%202018_21.2.2019.pdf)

# Vietnam wood supply

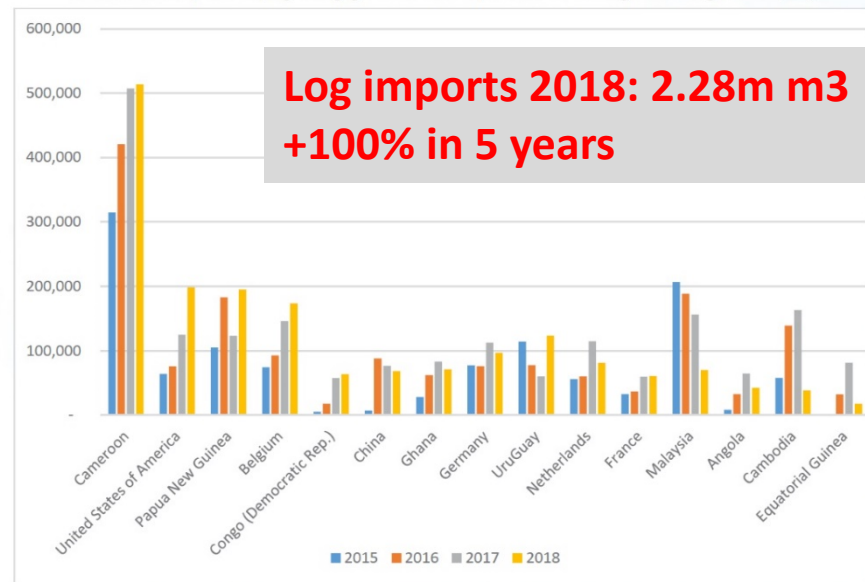
By source (total 34.4 mill m<sup>3</sup> RWE)



## Plantations

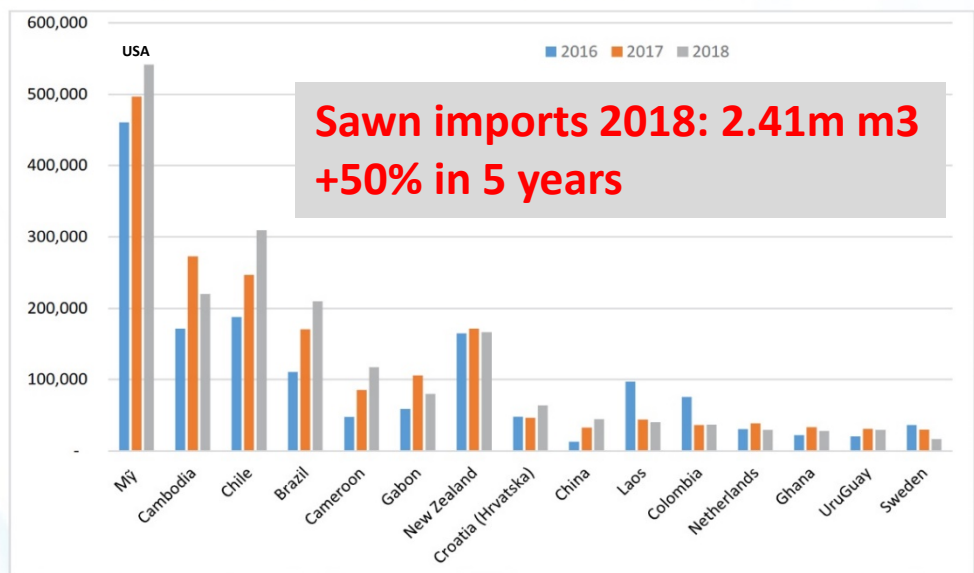
- Mainly fast growing eucalyptus, acacia, pine
- Some rubberwood, natives
- 60%-70% from small household producers
- 80% small diameter used for wood chips & MDF

Hình 34. Thay đổi lượng cung gỗ tròn cho Việt Nam từ các nguồn cung chính (m<sup>3</sup>)



Nguồn: Tính toán của VIFORES, FPA Bình Định, HAWA, BIFA và Forest Trends, dựa trên số liệu thống kê của Tổng cục Hải Quan

Hình 38. Xu hướng nhập khẩu gỗ xẻ từ 15 quốc gia có lượng nhập khẩu lớn (m<sup>3</sup>)



# Indonesia's achievement

**2016** | 15 November: FLEGT licensing started

**2014** | 1 May: VPA entered into force

**2014** | April: VPA ratified

**2013** | 30 September: VPA signed

**2011** | 4 May: VPA agreed

**2007** | March: Negotiations started

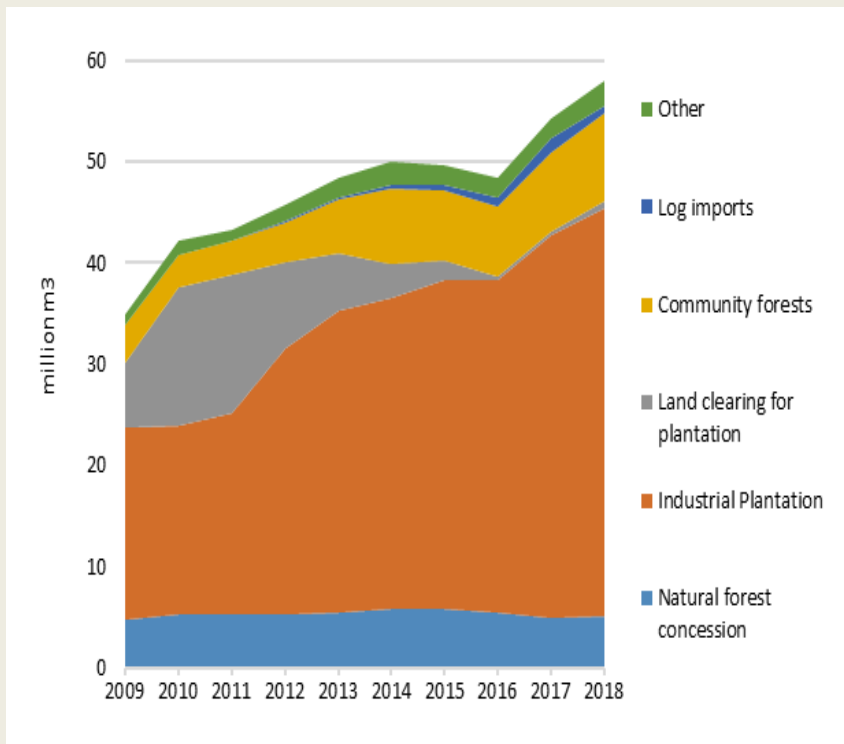
2018:

- World's largest tropical timber exporter (if P&P incl.)
- Over 200,000 V-legal certificates
- FOB Value US\$12.2
- 16 million tons



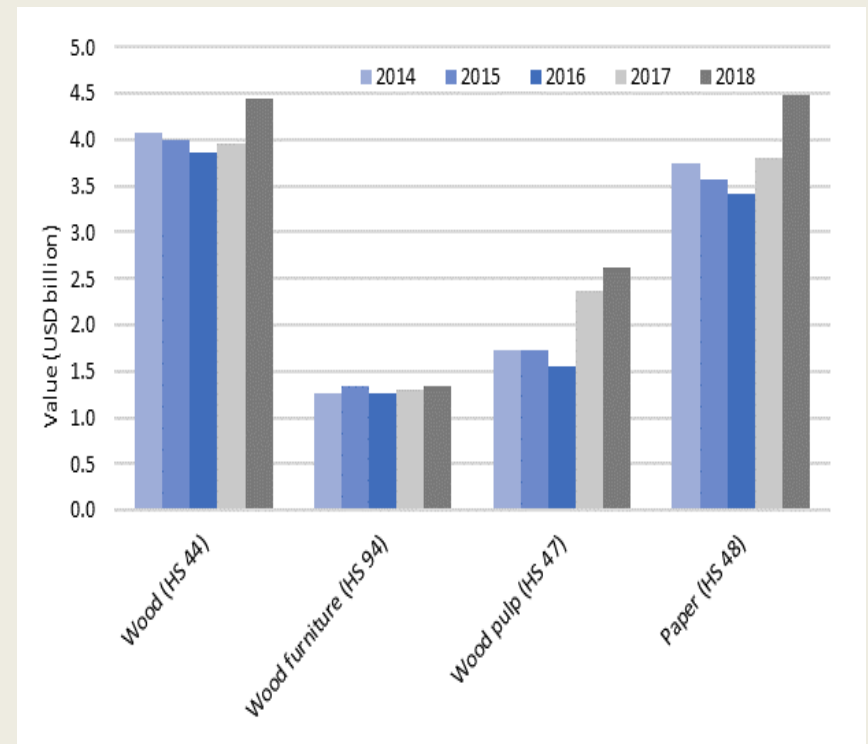
# Indonesia – changing product mix

Log production by source



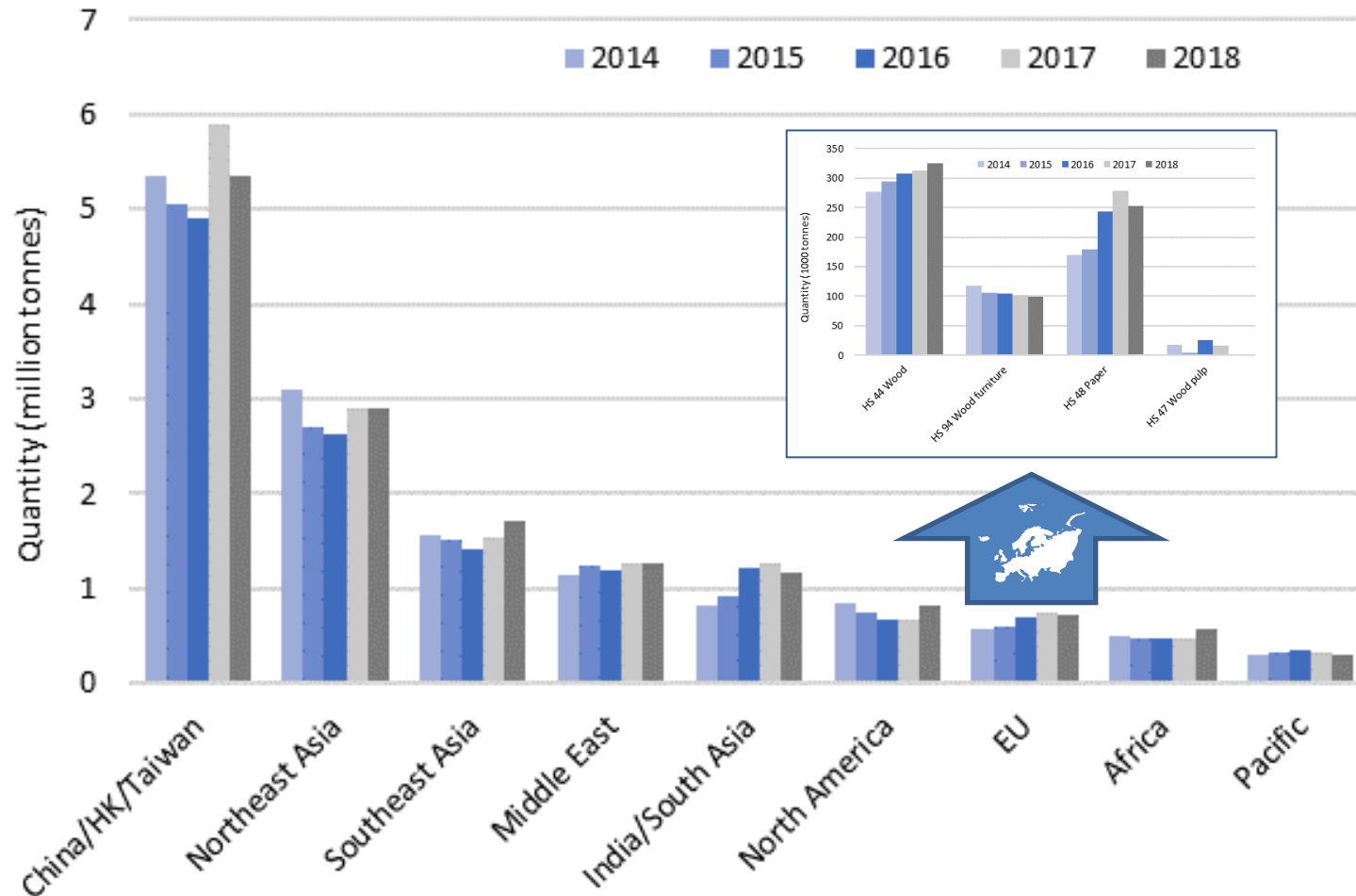
Source: IMM analysis of Indonesia Ministry of Environment and Forestry data ([www.rpbpi.dephut.go.id](http://www.rpbpi.dephut.go.id))

Export value by product group



Source: IMM analysis of Indonesia export data from BTS Ltd

# Indonesia timber product export quantity by destination region: 2014 to 2018

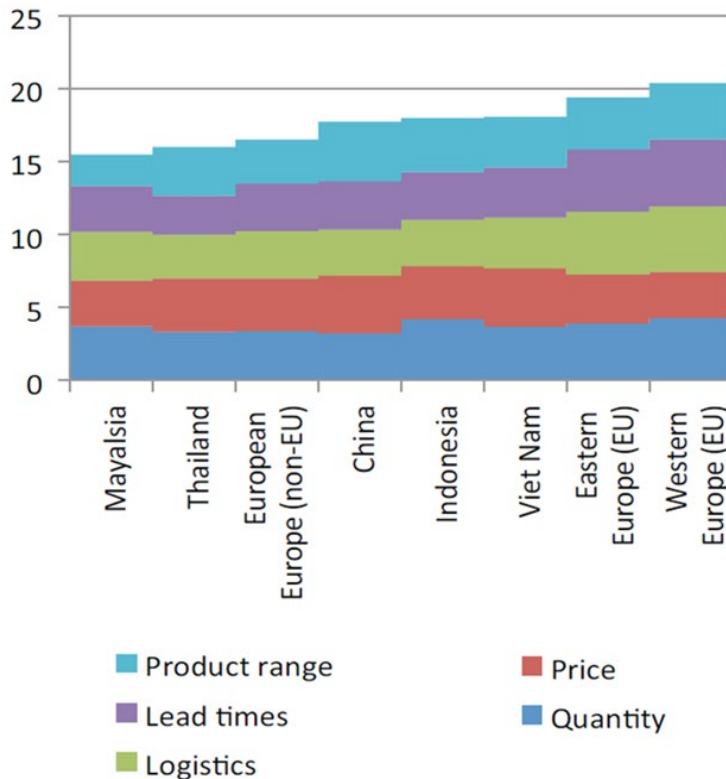


Source: IMM analysis of Indonesia export data from BTS Ltd

# IMM furniture study

EU buyers perceptions of relative national competitiveness

Figure 14: Overview of relative competitiveness of furniture industries in VPA countries and others



Product differentiation reduces direct competition



# Concluding observations

- Key role of China
- Global cooling (economy, trade relations)?
- Global warming (environment, policy)
- TLAS development – emerging network effects
- Increasing role of plantations in Asia
- Move up the value chain
- Fragmented supply base and supply chain
- Innovation in assurance mechanisms

# Thank you

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