



The ITTO Annual Market Discussion Added Value Processing in Africa— Opportunities and Challenges

Organized and presented by the Trade Advisory Group (TAG)
3 December 2019, ITTC-55 Plenary Hall, Lomé, Togo

Background

Manufacturing is an engine of economic growth. For decades, most West African countries have been trying to encourage domestic added value timber production for export, but their efforts have largely been in vain. The region does export limited quantities of plywood and mouldings, but log and sawnwood exports still dominate the trade of ITTO African member countries.

African manufacturing grew in the immediate post-independence period shaped by state-led and protectionist policies, but the shocks to the global economy in the 1980s—including oil price increases, declines in commodity prices, rising interest rates, depleted public finances and the limitations of domestic markets—reversed the gains made.

The privatization of state-owned enterprises, trade liberalization and foreign aid rebooted African manufacturing in the 1990s, but intense competition from foreign products meant the gains were short-lived. Nevertheless, an analysis by the Brookings Institution found that manufacturing grew by 3.5% annually in Africa in 2005–2014—faster than in the rest of the world.

Turning the corner

The launch of the African Continental Free Trade Area last year could spur greater industrialization because it has created a single market for goods and services in Africa. **Can the timber industries capitalize on this expanded market opportunity?**

Many countries have committed to supporting small and medium-sized manufacturers through various policies and incentives, such as approved tax breaks, cash grants and industrial financing, knowing this is the best way to create jobs and drive social inclusiveness. **There has been progress on this front overall, but not much in the timber sector: why is this?**

The ITTO Annual Market Discussion will address these two questions. It will examine the changing dynamics of African production, the demand for wood products, and what is needed to spur the development of the wood-processing sector.

The ITTO Annual Market Discussion will be held during the inaugural Trade and Markets Day at the 55th Session of the International Tropical Timber Council.

Moderator: Barney Chan, TAG Coordinator

- | | | | |
|---------------|---|---|---|
| 13.00 – 13.20 | Foresterie et transformation du bois au Togo: défis et opportunités (Forestry and wood processing in Togo: challenges and opportunities)
<i>Pyoabalo Alaba</i>
Ingénieur des Eaux et forêts, Directeur Général de l'office de développement et d'Exploitation des forêts-Odef (Water and Forest Engineer, Director General of the Office of Forest Development and Exploitation (ODEF)) | 14.00 – 14.20 | Industrial forestry plantations in Africa and their importance for developing timber industries—the case of Form Ghana
<i>Rik Sools</i>
Managing Director, Form International |
| 13.20 – 13.40 | The Dynamics of Intra-Africa wood trade markets and implications for Sustainable development
<i>Labode Popoola</i>
President, West African Research and Innovation Management Association;
Pioneer Director, Centre for Sustainable Development, University of Ibadan, Nigeria. | 14.20 – 14.40 | Challenges for Ghanaian manufacturers—the support provided by the Association of Ghana Industries (AGI)
<i>Johnson Opoku-Boateng,</i>
Director, Business Development Services,
Association of Ghana Industries (AGI) |
| 13.40 – 14.00 | Wood Processing in South Africa—Successes and setbacks
<i>Roy Southey</i>
Executive Director, Sawmilling SA | Feature Address
14.40 – 15.00 | Dreams to Industrialise—How can Africa achieve its long-postponed ambitions?
<i>Mafa Chipeta</i>
Retired FAO Subregional Coordinator for Eastern Africa and FAO Representative to the African Union, the UN Economic Commission for Africa (UNECA) and Ethiopia. |
| | | 15.00 – 16.00 | Questions and discussion |

Presentation of the Trade Statement prepared by the Trade Advisory Group