

STATEMENT OF THE TRADE ADVISORY GROUP (TAG)

Presented at the 2025 Annual Market Discussion by

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Chair, Honored delegates and guests

Our industry stands at a crossroads internationally. Across the globe, we are navigating a period of profound uncertainty. Tariffs, retaliatory trade measures, declining consumer confidence, and intensifying regulatory burdens are creating a complex environment for those working to keep the tropical timber trade both sustainable and viable. As a result, we have entered a period of existential threat to forests, the trade, and ITTO.

Within the Trade Advisory Group these issues have been the focus of active and ongoing discussion. Today, I would like to highlight four key areas of concern that are shaping our future.

The first is Global Trade policy. TAG sees proposals and actions around the world that seek to limit market access, such as new tariffs on timber and wood product imports. Our members are deeply concerned that such measures will restrict market access, disrupt supply chains, and weaken global confidence in tropical timber. Worse still, these actions could accelerate the use of alternative, non-renewable materials in construction and design — materials that often carry a higher environmental cost than wood.

The 2025 FAO Global Forest Resources Assessment confirms that more than 50% of forests worldwide are now covered by long term management plans, which support forest sustainable management and use. Yet this narrative is not one understood by consumers or specifiers.

Frequent and unpredictable changes in trade policy, coupled with broader geopolitical tensions, are creating an unstable environment for wood and wood product exporters. This volatility makes it increasingly difficult to plan investments, maintain steady operations, and build long-term business partnerships.

The broader application of reciprocal tariffs further underscores the continuing risk for furniture, building materials, and other downstream product categories. Such measures will seriously weaken market demand, compounding existing pressures on both exporters and manufacturers throughout the value chain.

TAG urges policymakers to consider the broader implications of these policies — not only for trade, but for forests, for local communities, and for the credibility of sustainable forest management itself.

We are observing a global drift towards both higher tariffs and non-tariff barriers — and this threatens the very viability of the legal, sustainable tropical timber trade and makes diversification impossible. Forests retain their value to local communities only when they generate sustainable economic returns. If the ability to trade that timber is constrained, we risk creating incentives for forest conversion to agriculture or other land users. We urge all those involved in trade policy to think of the long-term harm that will be done to both businesses and forests if these policies continue.

TAG calls for trade frameworks that prioritize sustainable forest management — ensuring both continued market access and the long-term protection of the world’s tropical forests. In short, TAG believes that good trade policy is good forest policy.

TAG would also recommend that the Trade Barriers study completed by ITTO in 2004 be revised and updated with actionable recommendations on how ITTO can help ease those barriers.

Our second concern is the Convention on International Trade in Endangered Species, or CITES. Many TAG members view recent developments under CITES as a serious business risk.

We fully support the intent of the Convention — ensuring that international trade in wild species remains sustainable — but we also emphasize that any new tropical timber listing proposals must be grounded in sound science and developed through transparent consultation with all range states. We also remain concerned that every COP, the list of species proposed and included increases, yet there is almost no additional investment in management and scientific authorities to cope with an increased workload. This has the effect of significantly delaying or even halting trade.

TAG remains deeply concerned about the long-term direction of CITES policy and its cumulative effect on legal, sustainable timber flows. We therefore strongly urge and recommend that future CITES proposals be brought before the ITTC for discussion as was intended. This would allow member countries, industry, and civil society to provide full and meaningful feedback before decisions are finalized.

The third topic is the EU Deforestation Regulation. TAG is aware that the EU is contemplating an additional delay and urges decisive action. Uncertainty affects planning and actions by both governments and the private sector. TAG’s concerns remain as they have been since the passage of EUDR in that compliance pathways are still unclear for many operators — particularly small and medium-sized enterprises and that there is a risk of uneven rollout across member states.

TAG emphasizes that effective implementation depends on clear and consistent communication, transparency, certainty, and a defined pathway for implementation and enforcement. We urge the European Commission to continue providing clear guidance, training, and capacity-building support across the supply chain.

Our shared goal should be purposeful regulation that prevents deforestation without undermining legal and sustainable trade, or penalizing those who are already following best practices.

Finally, TAG remains very concerned over consumer and specifier attitudes towards timber in general and tropical timber in particular. Combined with economic headwinds and trade barriers globally, the industry is facing a prolonged period of upheaval. We want to ensure that that prolonged upheaval does not become a prolonged decline. Therefore, TAG has decided to form a working group internally to discuss the causes of the progressive decline in the international tropical timber trade and bring recommendations to the Council in the immediate future.

In conclusion, the Trade Advisory Group remains firmly committed to collaboration: Our industry is a bulwark against deforestation, not a driver, and we look forward to working with governments, civil society, and our partners throughout the private sector to halt land conversion.

We all share a common goal — to ensure that the global tropical timber trade continues to be a force for good: a force that supports livelihoods, sustains forests, and contributes to the world's transition towards renewable, climate-positive materials. We believe we have a strong story to tell about the good forests do for both the economy and the environment. We urge members to work with us as trade policy and regulations are developed and implemented so that together, we can support tropical forests.

Thank you.