

FINAL TRADE STATEMENT 2016

Chairlady

Ladies and Gentlemen.

This Trade Statement is prepared and made on behalf of the Trade Advisory Group (TAG) in ITTO.

These are indeed difficult times for both the tropical timber sector and our Organisation. We were shocked in Kuala Lumpur, when we last met, to learn that a huge amount of the Organisation's funds had been lost because the financial rules of the organisation were ignored. This is very disappointing. The members of the TAG are acutely aware how difficult it is to raise funds and we understand how this loss would impact on the confidence of donors as well as other government agencies and organisations which work with ITTO.

In view of this severe setback to ITTO, we in TAG want to work closely with ITTO Members to move our Organisation forward beyond this crisis.

Firstly, let us not forget to appreciate the value and esteem of ITTO on the global stage. Members of TAG, both Consumers and Producers, recognise and appreciate the good work of ITTO. ITTO is one of the very few international organisations where the private sector has a voice and plays an active part. We can see how ITTO differs and has a much bigger impact when compared to other similar organisations. Let me mention just a few things that we in the private sector see as the winning difference.

- (1) ITTO does not preach or merely set out prescriptions on forest management. ITTO works with Members to develop guidelines which are field tested by Members. ITTO works with Member countries on projects according to such accepted guidelines. Over the years, we can see how such ITTO projects have helped Members on the ground, more critically, on the forest floor which is more important than having nice documents on the shelves.
- (2) ITTO has a fair and level playing field for all stakeholders to interact. Within this organisation, the NGOs and various environment organisations have a platform to discuss and work with the private sector on matters of importance to both parties: *good forest management*. This interaction is key to finding solutions that are not only successful on the ground, but that can endure over time.
- (3) ITTO delivers market intelligence through its Market Information Service reports which go out to a very wide international audience twice a month. This Report is deeply appreciated by the trade around the world as it provides continuous updates of trends, prices, trade news, production and export volumes, etc. Other stakeholders in the timber sector such as banks, equipment suppliers, logistics companies, etc also use the ITTO MIS Reports to keep updated and informed. No other international organisation provides such a valuable transparent service.

These are but three important reasons why ITTO is the world's premier organisation on tropical forestry and trade, and must continue to function. Therefore, TAG urges members and all

stakeholders to close rank and rebuild this Organisation. We feel that our financial problems, difficult and painful though they may be, have also given us an opportunity to re-set this Organisation.

As Members deliberate, we urge you to re-visit our founding principles and let these guide your corrective actions. We must re-focus ourselves on our priority mission which is promoting sustainable trade in tropical timber and supporting the communities that rely on this trade for generations to come. We must bring ourselves back from wandering too far off our objectives, to retain our focus on solid tropical forest management. We must remember and admit our abilities and shortcomings, and work with other like minded organisations; a good example of which is the excellent joint work of CITES and ITTO.

As you discuss the way forward please remember that we in the TAG recognise the enormous wealth of experience that the ITTC brings together and that this, combined with the skills and deep experiences of the ITTO Secretariat, is a formidable force that has and can continue to help shape the future of tropical forest management and trade.

In conclusion, we again ask you all to close rank, work together in a positive and speedy manner to select a new Executive Director. Our Organisation need an ED to work with us all to re-build our great Organisation.

Thank you.