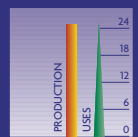
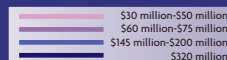


Million cubic meters, situation in 2002.



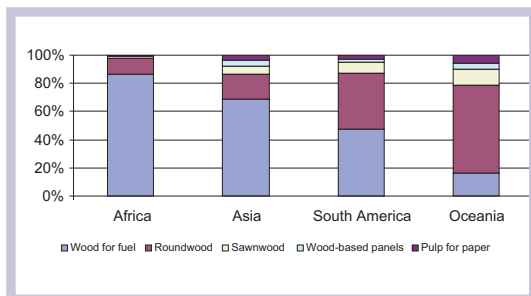
Trade flows of tropical timber in value, 2001 (logs, sawnwood, plywood and veneer).



Production, consumption and trade of tropical timber.

Production and trade of primary tropical timber products (including logs, sawn wood, veneer and plywood) have fallen in recent years as several countries have decreased harvests to sustainable levels, and as secondary products have replaced primary products in international trade. Production of tropical industrial roundwood (logs) in countries belonging to the International Tropical Timber Organization (ITTO) totalled 120.7 million cubic metres in 2002, down significantly from over 140 million cubic metres in the late 1980s and early 1990s. The Asia-Pacific region dominates exports, while North Asia and the European Union are the main importing regions. Japan and China are the world's leading tropical timber importers, with China's growing imports offsetting steady declines in Japan. Total world imports of tropical logs, sawn wood, veneer and plywood amounted to \$39 billion in 2001.

Uses of tropical wood
(% of total production)



Source: Data from FAO.

It is untrue to think that tropical forests are a place where oxygen is produced in huge quantities and carbon dioxide disappears. A mature tropical forest is a balanced ecosystem: it removes from the air as much carbon dioxide and oxygen as it liberates.



Firewood for sale in Malawi.

Plantations, however, are growing ecosystems and absorb much more carbon than they liberate. Still, tropical forests are very important because of their biological diversity. They host the world's richest collections of fauna and flora, including species found in only one area and nowhere else on earth. However, pressures on the forest have endangered some species. Sustainable exploitation of tropical forests can preserve their productive, protective, social and environmental functions over the long term.

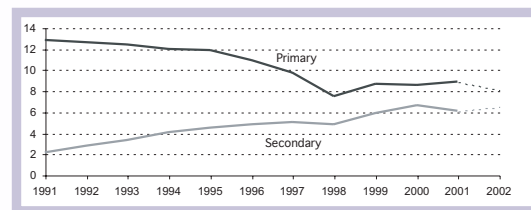
Tropical forests

Tropical forests occupied 36 million square kilometres in 2000, approximately 50% of the world's total forest area. Humans use tropical forests mainly for fuel. According to the World Bank, 60 million people (tribal and indigenous groups) are wholly dependent on forests, 350 million live in adjacent areas and are highly dependent, and 1.2 billion people rely on open woodland or agroforestry farming systems.

Deforestation

According to the Food and Agriculture Organization, from 1990 to 2000 the tropical forest area decreased by 8% while non-tropical forests increased slightly. During this period, 132 million hectares of tropical forests were lost (an area the size of Peru). Trees are cut down by farmers seeking room to grow crops and graze cattle, and also by those using wood for industrial purposes or as a source of energy. The regions most affected by deforestation are West Africa and South America. Plantations (plantings of new trees) are growing faster in Asia than in other regions because logging in natural forests has already reached an unsustainable level. Nevertheless, plantations do not currently compensate in any region for the trees removed for industrial use.

Trade value of primary and secondary tropical timber products, 1991–2002 (US\$ billion)



Source: ITTO.

Secondary tropical timber products

Unlike exports of primary tropical timber products, exports of secondary processed wood products (SPWP) have continued to grow steadily in recent years. SPWP include higher-value products like joinery and furniture. These products provide higher revenues to producers, thereby assisting in the funding of forest management, and are also less prone to cyclic swings in prices. Indonesia, Malaysia, Thailand, Brazil and the Philippines account for over 95% of total ITTO producer exports. China has recently become a major exporter of SPWP, sometimes at the expense of ITTO producers. In 2000, China overtook Thailand as Japan's largest supplier and Canada as the world's second largest exporter after Italy. Like its plywood exports, most of China's SPWP exports are based on imported logs, both tropical and temperate. Japan and the United States remain the two largest markets for SPWP from ITTO producers.

Prices

Export prices for tropical timber have declined from the very high levels of the early 1990s (when prices spiked following a ban on log exports by the Malaysian state of Sabah), although strong demand from China for tropical logs to produce plywood (a substantial amount of which is now exported) has sustained prices in recent years. Nevertheless, meranti log prices, for instance, are still about 30% below the levels of early 1997 and less than half the levels seen in the early 1990s.

Certification of tropical timber products

Concern about the environmental sustainability of tropical timber production has spurred the introduction of certification schemes, whereby consumers are assured that the products they buy come from timber produced under environmentally acceptable conditions. International certification systems include those administered by the Forest Stewardship Council, the Pan European Forest Certification system, and the International Standards Organization (ISO 14000). Tropical countries are also increasingly developing national schemes, led by the Malaysian National Timber Certification Council and the Indonesia Ecolabelling Institute, both of which have moved towards marketing certified tropical forest products under their own labels. The proliferation of national schemes has led to numerous calls for a framework for mutual recognition between schemes.

International Tropical Timber Organization (ITTO)

Creation of the ITTO coincided with the concluding of the first International Tropical Timber Agreement (ITTA) in the early 1980s. Concern in the international community over the fate of tropical forests was increasing, and conservation had become at least as important a consideration in the negotiations as trade. The ITTO (governed by the most recent ITTA, dating from 1994) develops internationally agreed policy documents to promote sustainable forest management in member countries. It also collects, analyses and disseminates data on the production and trade of tropical timber and funds a range of projects.

To learn more

International Tropical Timber Organization: www.itto.or.jp



Sawmill in India

