

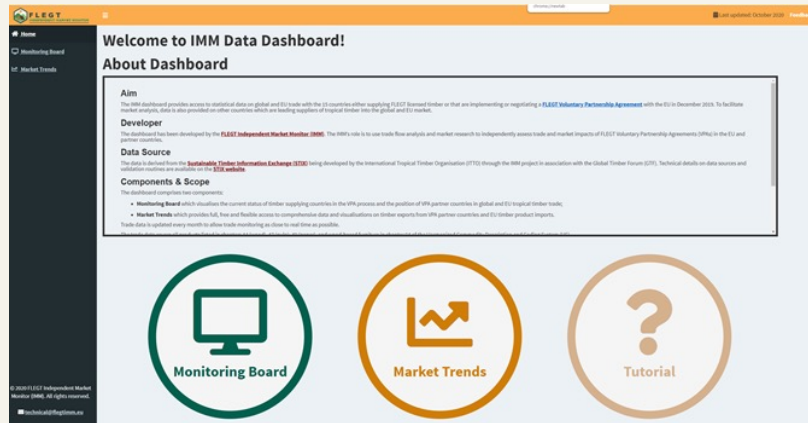
# VPA partners in global & EU+UK trade

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Independent Market Monitoring of FLEGT-Licensed Timber



## FLEGT Independent Market Monitor (IMM) On-line Dashboard



[www.stats.flegtimm.eu](http://www.stats.flegtimm.eu)  
[www.immstats.org](http://www.immstats.org)

## Sustainable Timber Information Exchange (STIX)



[www.stix.global](http://www.stix.global)

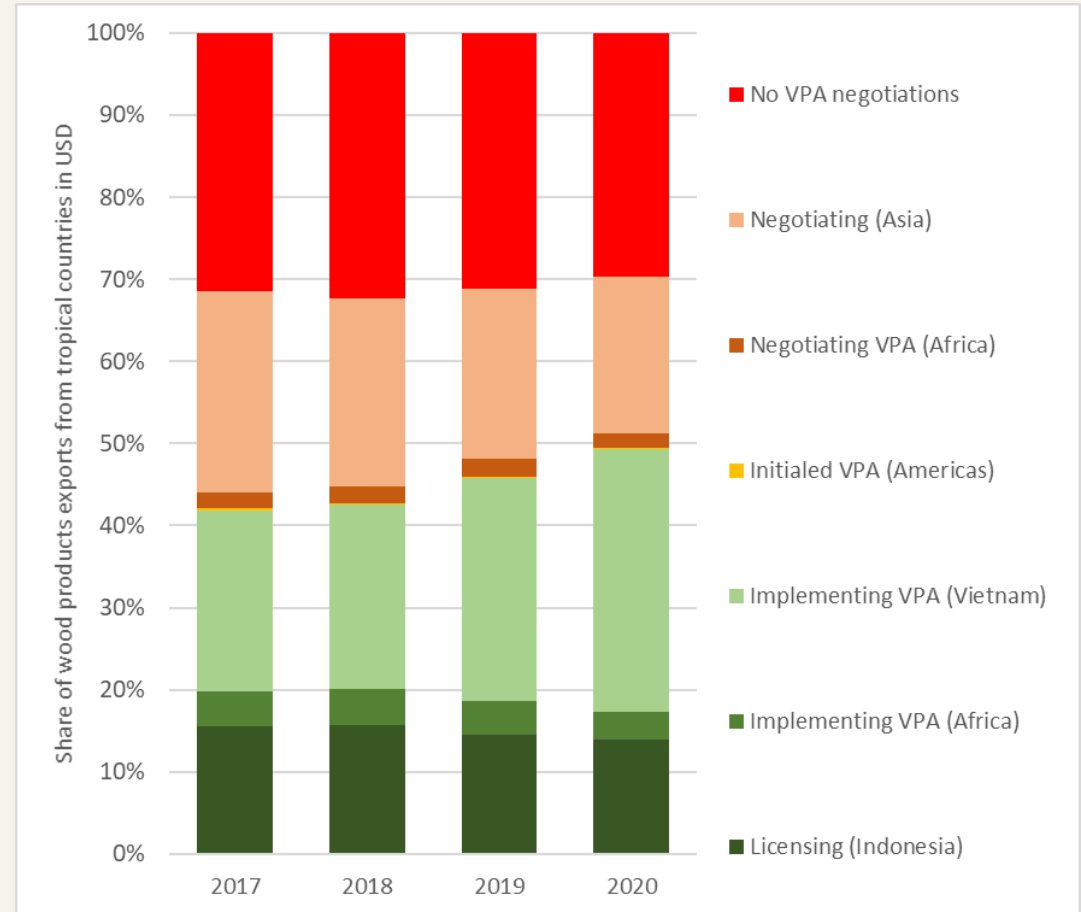
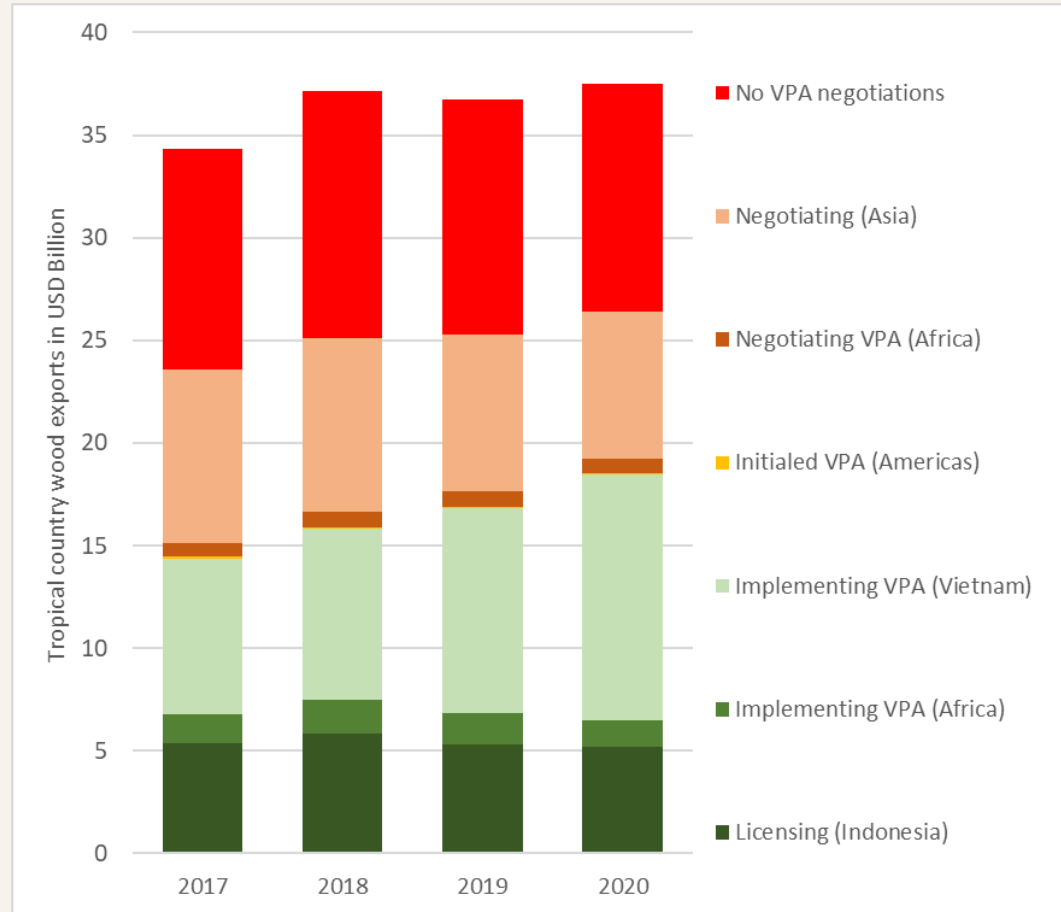
## Value of global trade in wood (HS 44) and wood furniture (HS 94) 2017-20

	2018	2019	2020
<b>USD Billion</b>			
All exports	197	182	179
Exports by tropical countries	37	37	38
Exports by tropical countries (excl Vietnam & Mexico)	27	25	24
Exports by Indonesia*	5.8	5.3	5.2
<b>Change in value</b>			
All exports	7.9%	-7.5%	-1.6%
Exports by tropical countries	8.2%	-1.2%	2.1%
Exports by tropical countries (excl Vietnam & Mexico)	7.7%	-7.8%	-5.4%
Exports by Indonesia*	9.0%	-8.5%	-5.2%

Data source: [www.stix.global](http://www.stix.global)

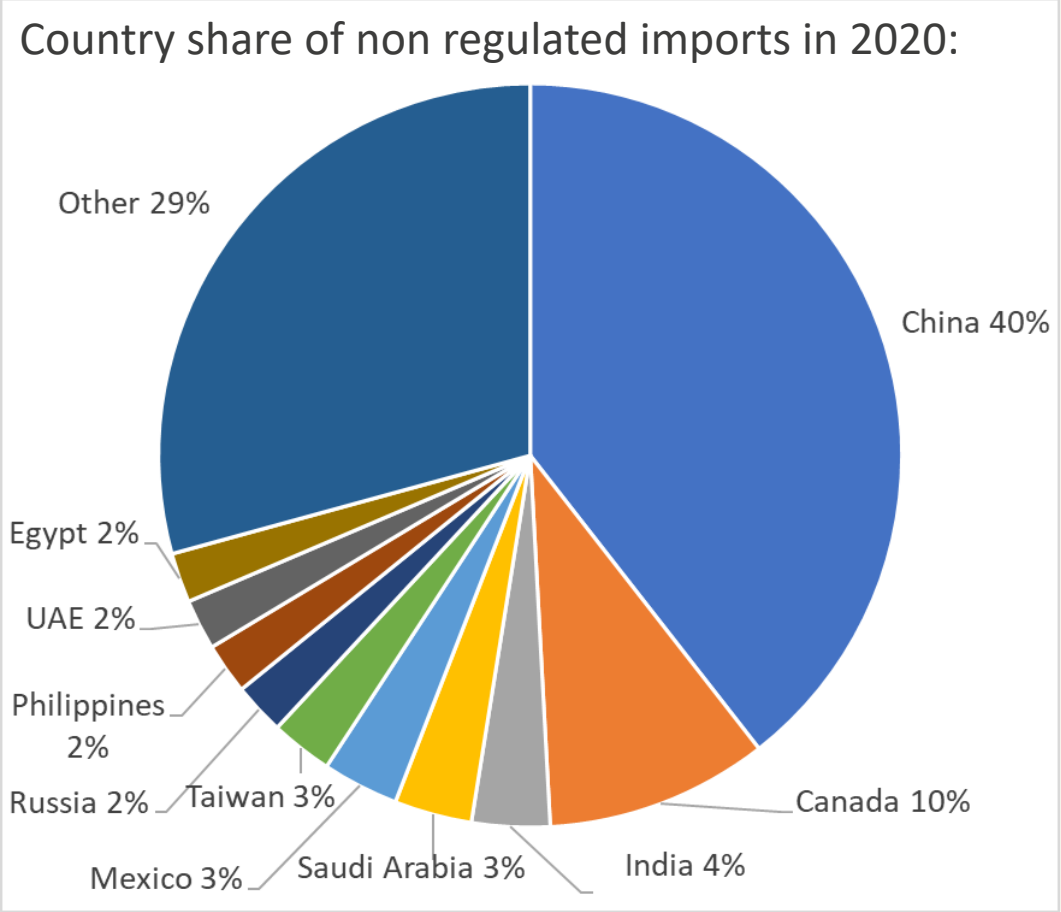
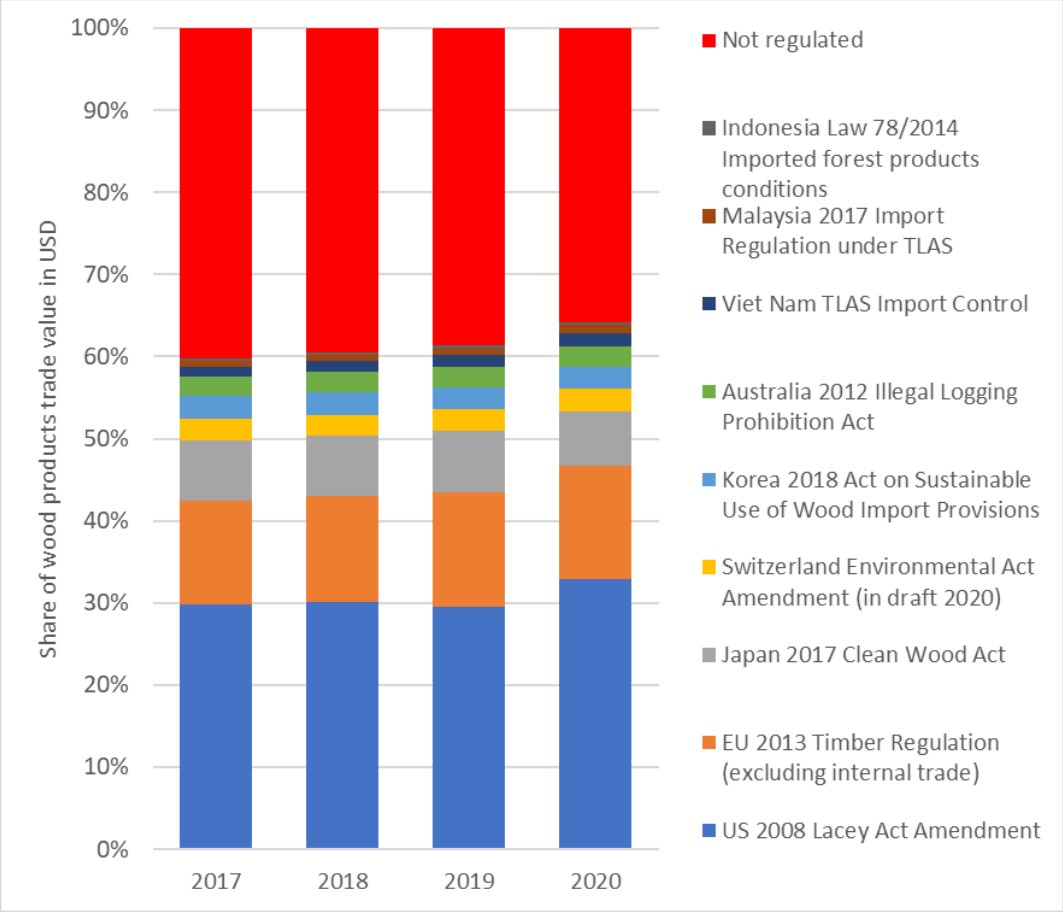
\*if paper and pulp is included, Indonesia exports of timber & timber products fell 2.8% to USD12.0 billion in 2020

# EU FLEGT VPAs in tropical wood (HS 44) and wood furniture (HS 94) products trade – 2017 to 2020



Data source: [www.stix.global](http://www.stix.global), VPA review by FLEGT Independent Market Monitor (IMM)

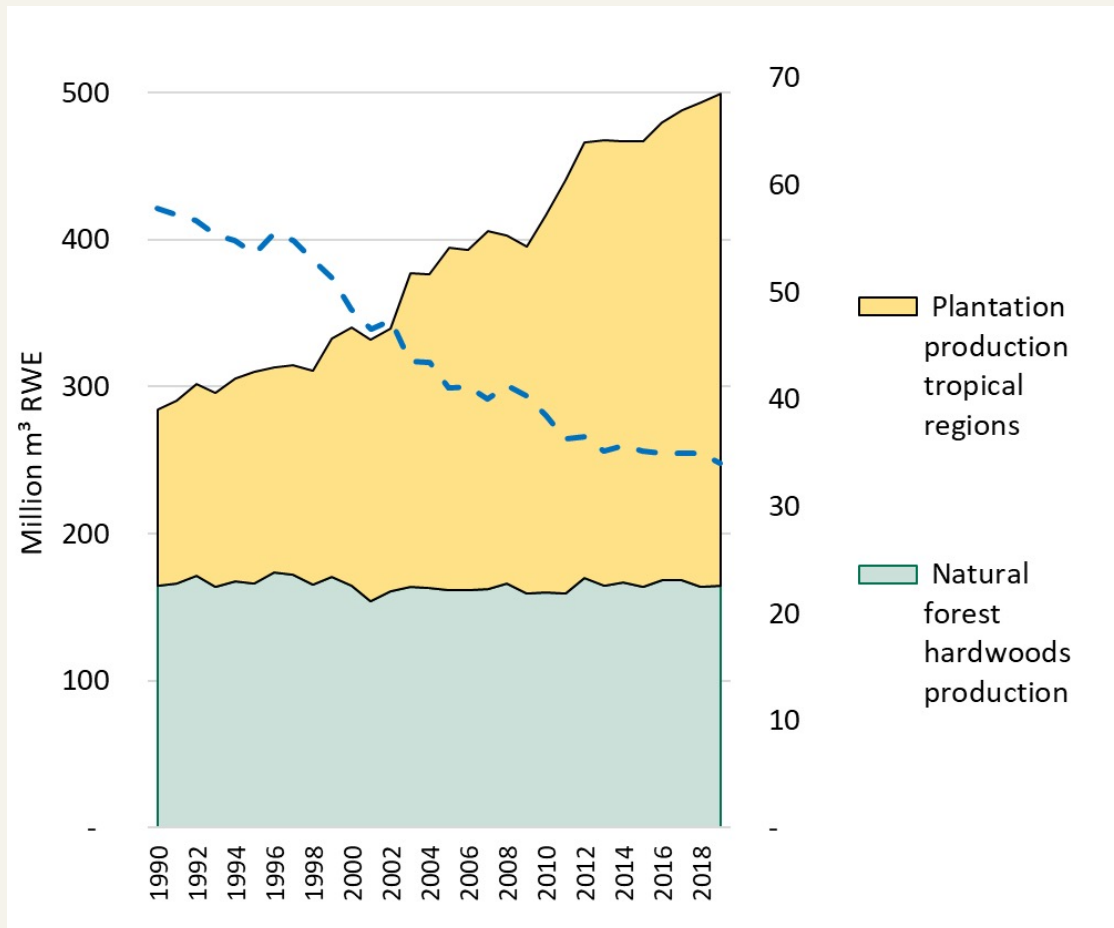
# Legality due diligence requirements in global wood (HS44) and wood furniture (HS94) products trade



Data source: [www.stix.global](http://www.stix.global), legislation review by FLEGT Independent Market Monitor (IMM)

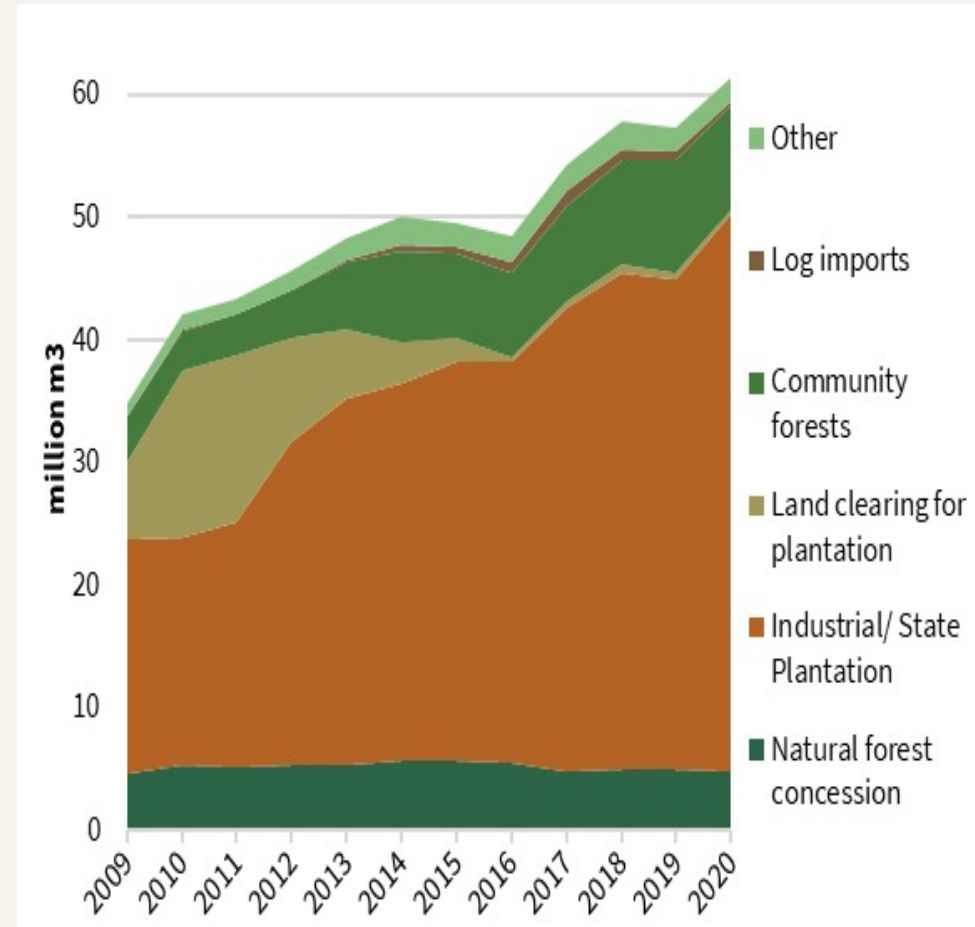
# Tropical and Indonesian log production

Natural forest hardwood and plantation wood production in tropical regions globally 1990 to 2019



Source: Held et al, 2021, ITTO Technical Series #49 (in prep – [www.itto.int](http://www.itto.int))

Log production in Indonesia 2009 to 2020  
By forest category and other sources

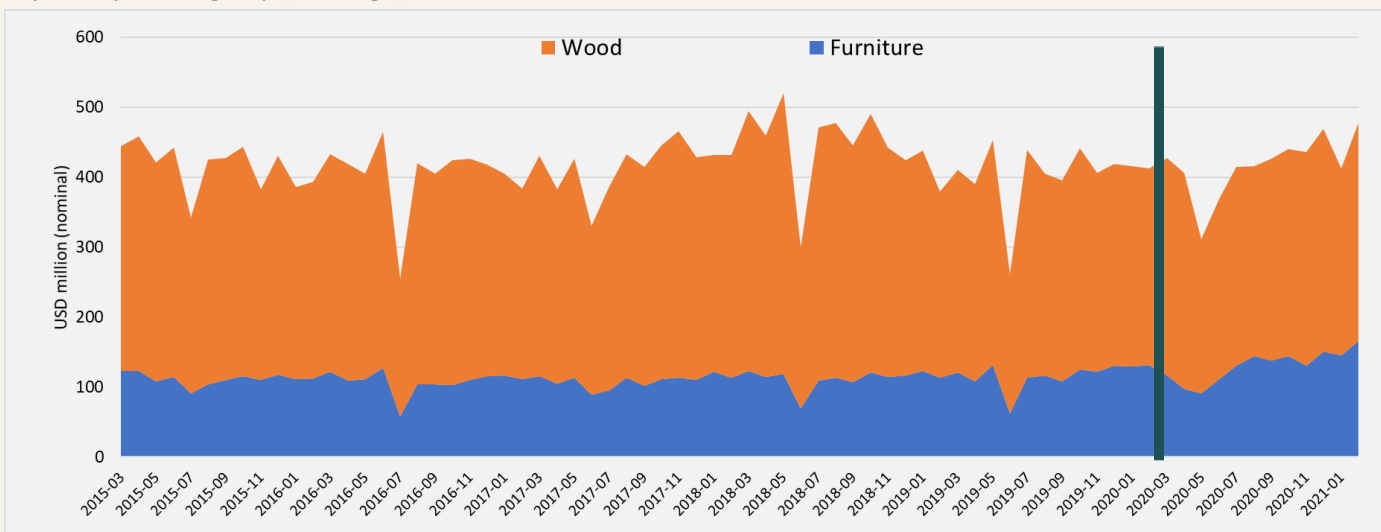


Source: FLEGT IMM analysis of Indonesia Ministry of Environment and Forestry data

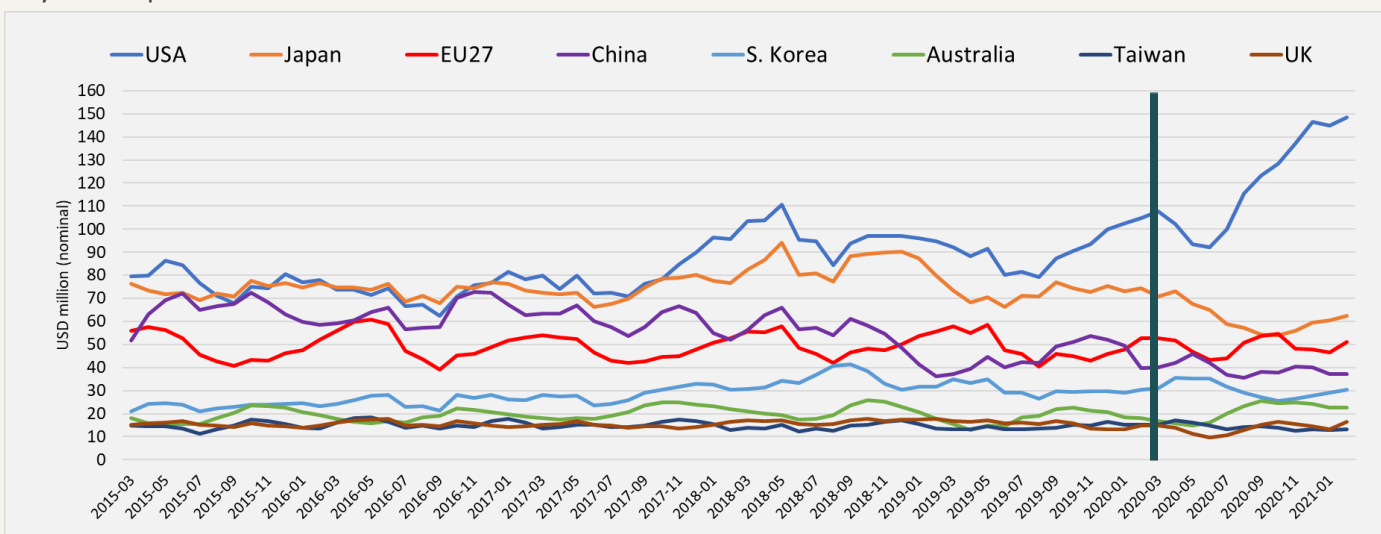
# Monthly Indonesia exports of wood (HS 44) and wood furniture (HS 94) to February 2021

1<sup>st</sup> COVID-19  
lockdowns begin  
March 2020

By main product group (HS 2 digit)



By main export market

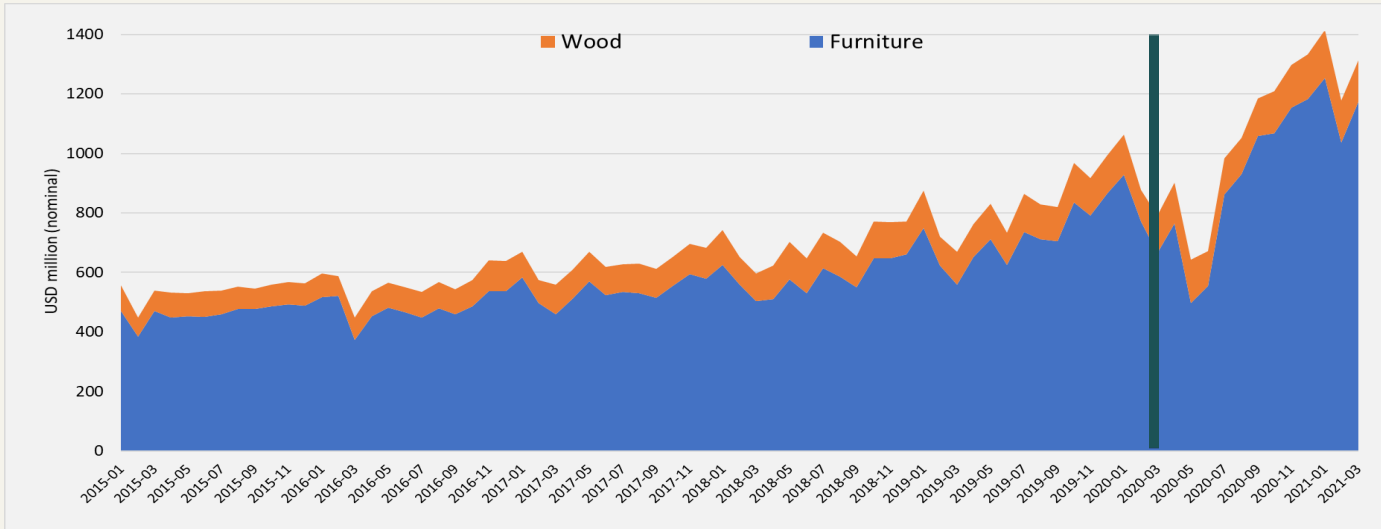


- Exports broadly flat
- No strong COVID signal in total exports
- Ramadan slowdown started early in 2020
- Dip in April followed by rebound to Dec
- US drives recovery
- Offset steep Japan decline
- Exports to EU27 & UK follow lockdowns in 2020 (dip Q2, recovery Q3, dip Q4)

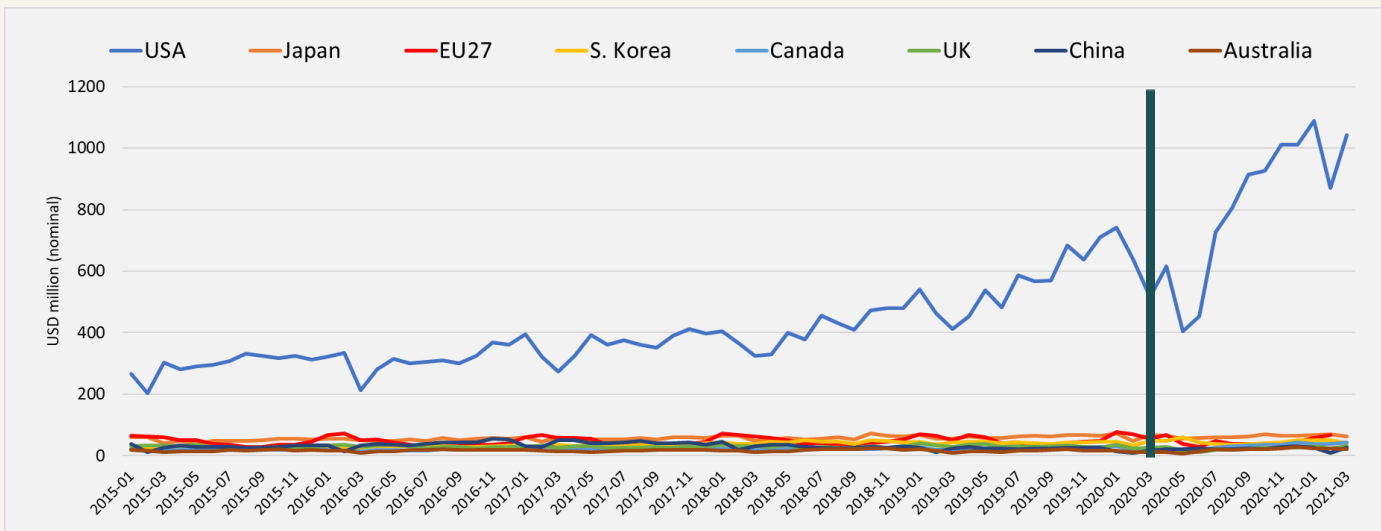
# Monthly imports from Vietnam of wood (HS 44) and wood furniture (HS 94) by 45 “STIX” countries to February 2021

1<sup>st</sup> COVID-19  
lockdowns begin  
March 2020

By main product group (HS 2 digit)



By main export market



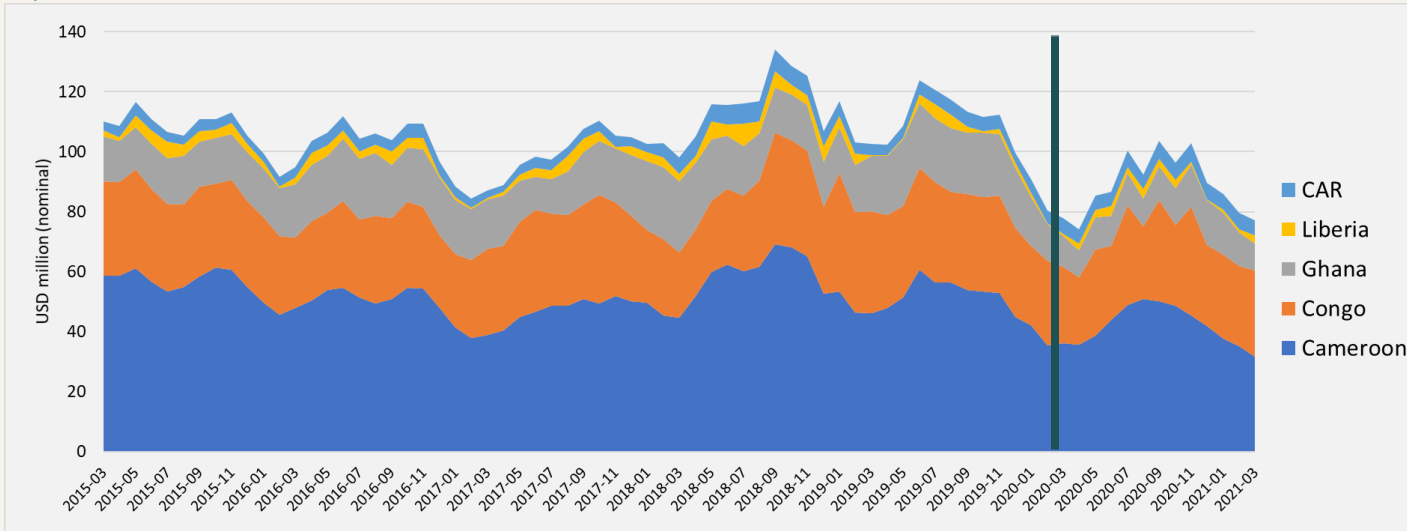
- Trade rising rapidly in 2019, driven partly by US-China trade dispute
- First COVID lockdown coincided with, and extended, usual early year slowdown in trade
- Very rapid recovery in trade from mid 2020
- At US\$1 billion per month, Vietnam trade with US now dwarfs all other export destinations



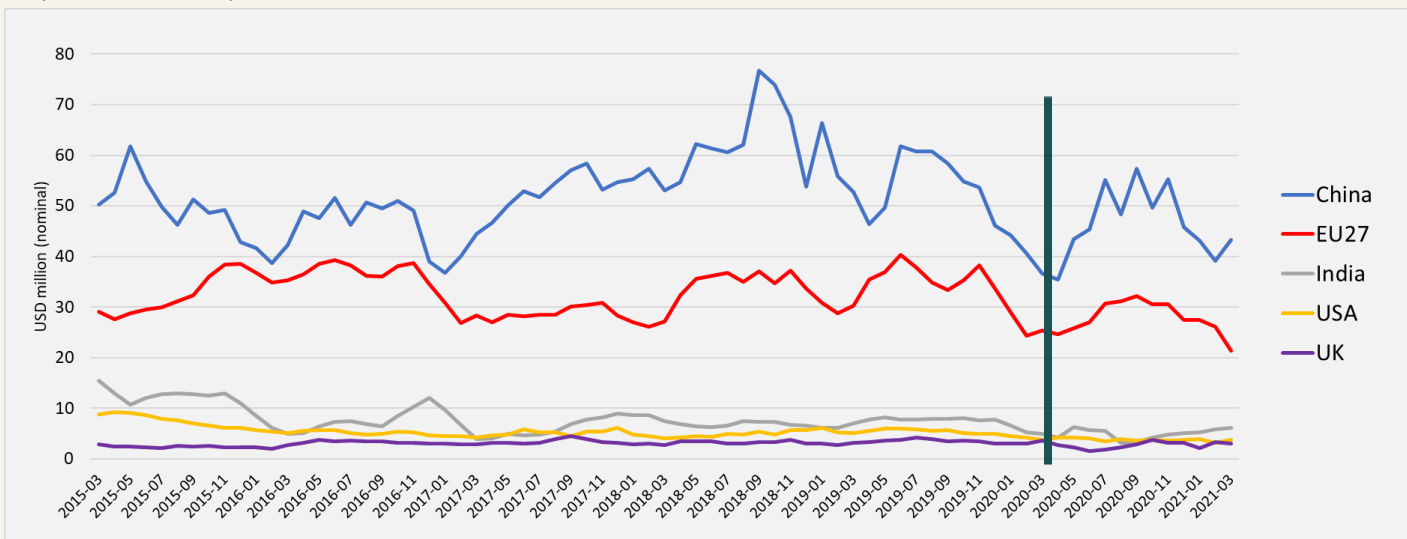
# 3 month rolling average imports from African VPA Implementing countries of wood (HS 44) and wood furniture (HS 94) into the 45 “STIX” countries

1<sup>st</sup> COVID-19  
lockdowns begin  
March 2020

By VPA Partner



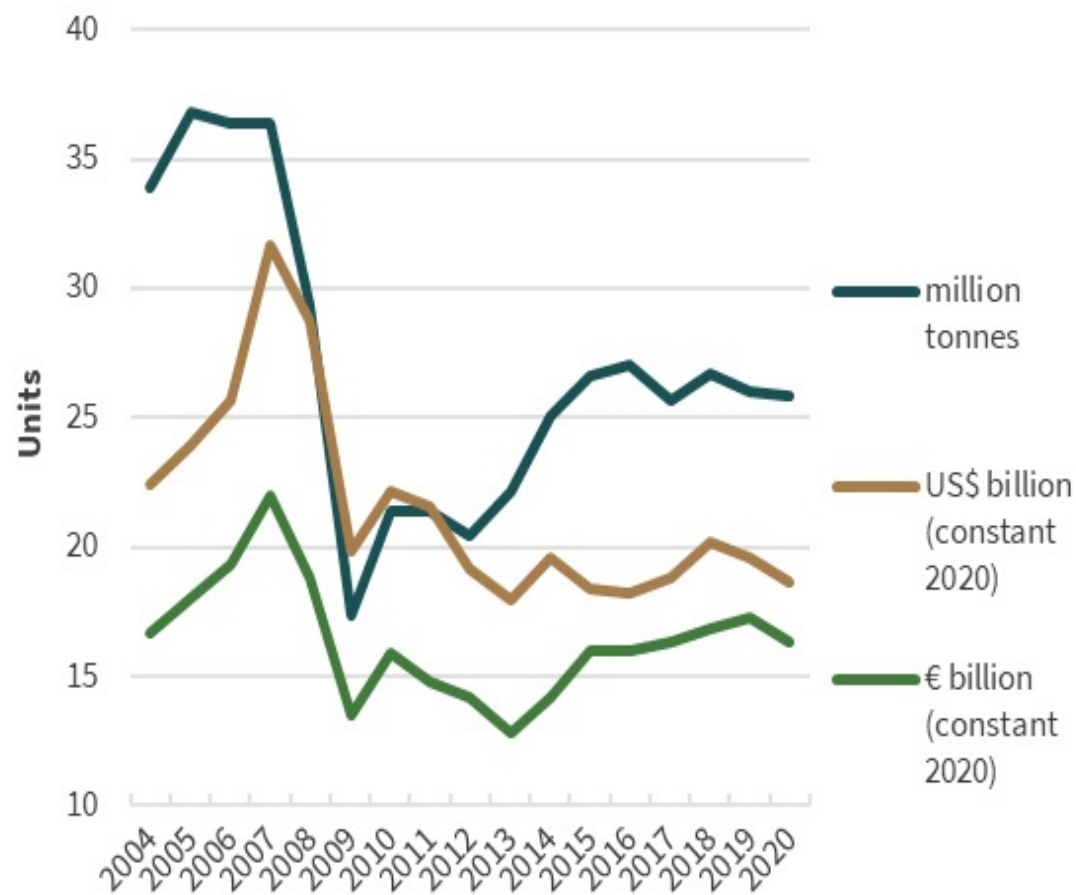
By main “STIX” importer



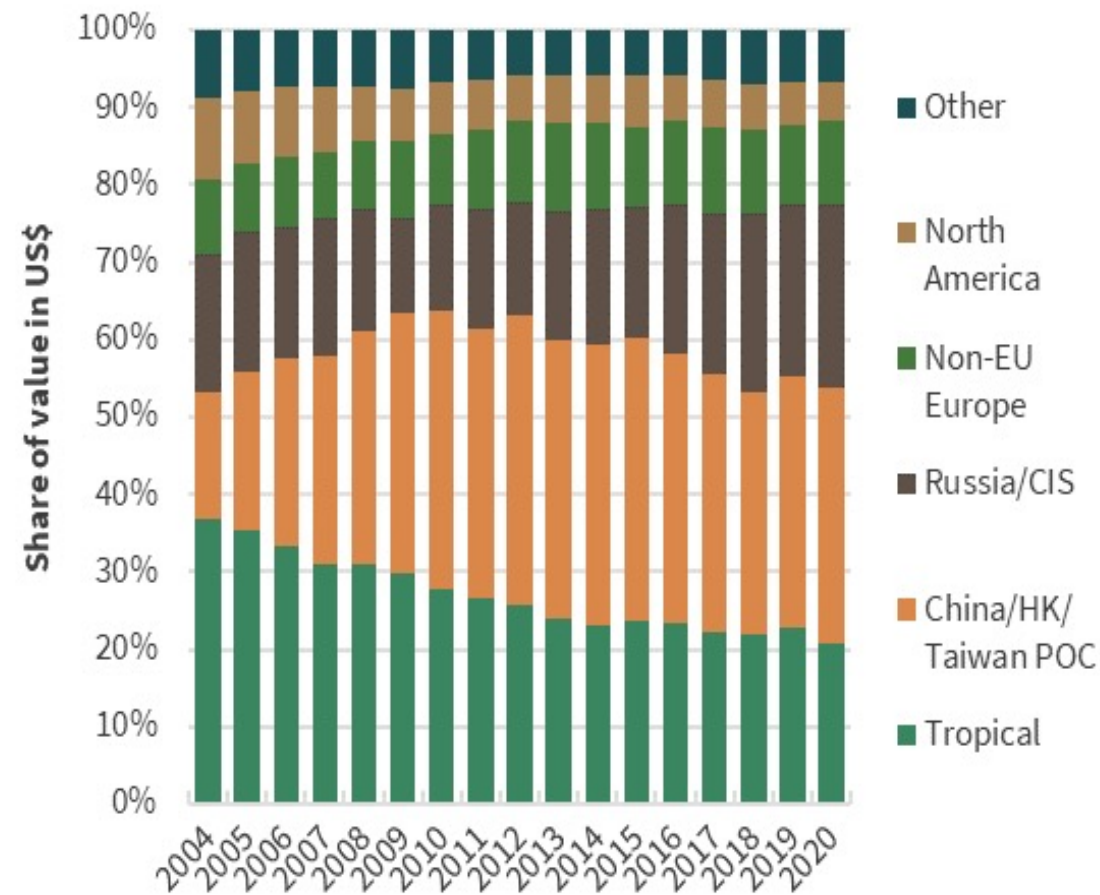
- Trade very volatile
- Already sharply declining in early months of 2020
- Trend mainly driven by Cameroon export to China and EU27
- Trade increased in Q2 and Q3 2020
- Due to rebound in China & EU, long delivery times, rising prices
- Declining trade in Q1-2021
- Supply situation very tight & will remain so

# Long term trend in total EU+UK imports of wood (HS44) and wood furniture (HS 94) from outside the bloc

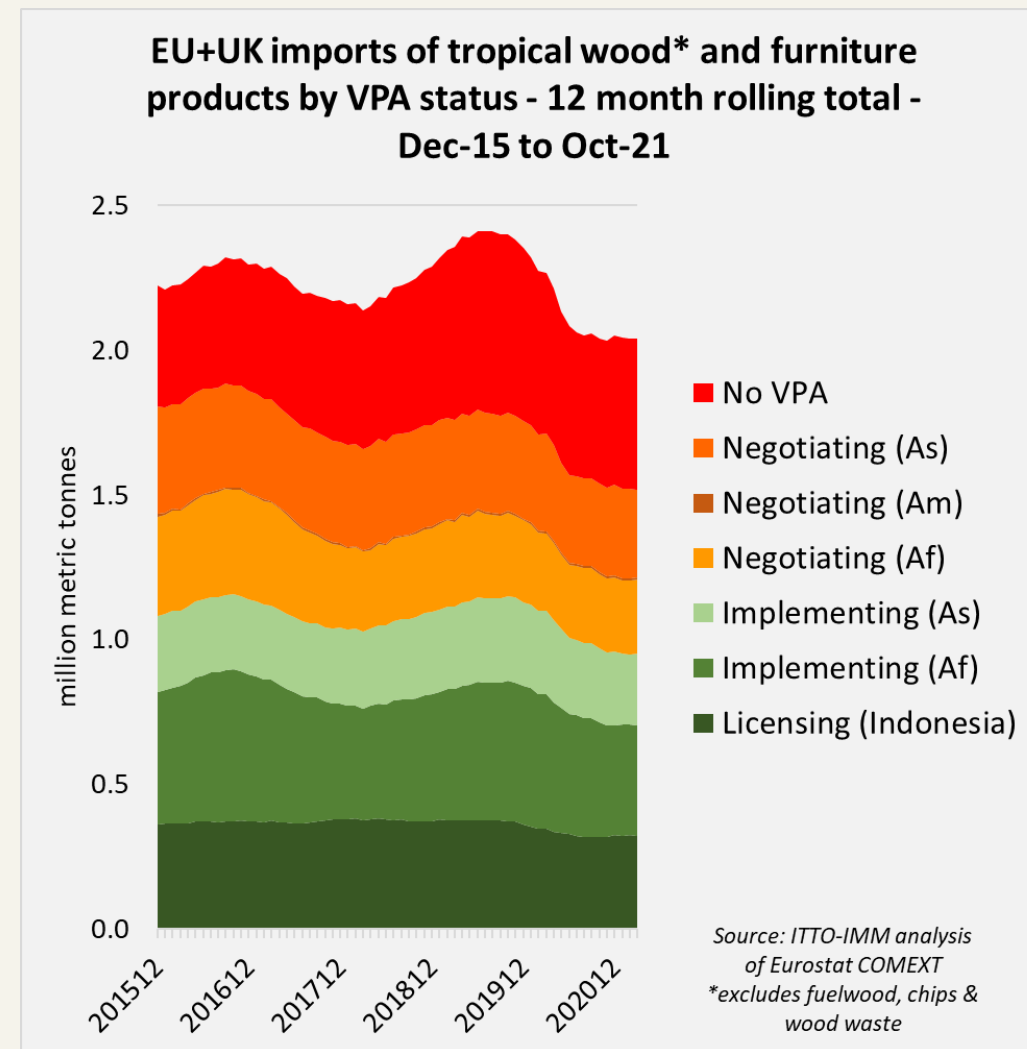
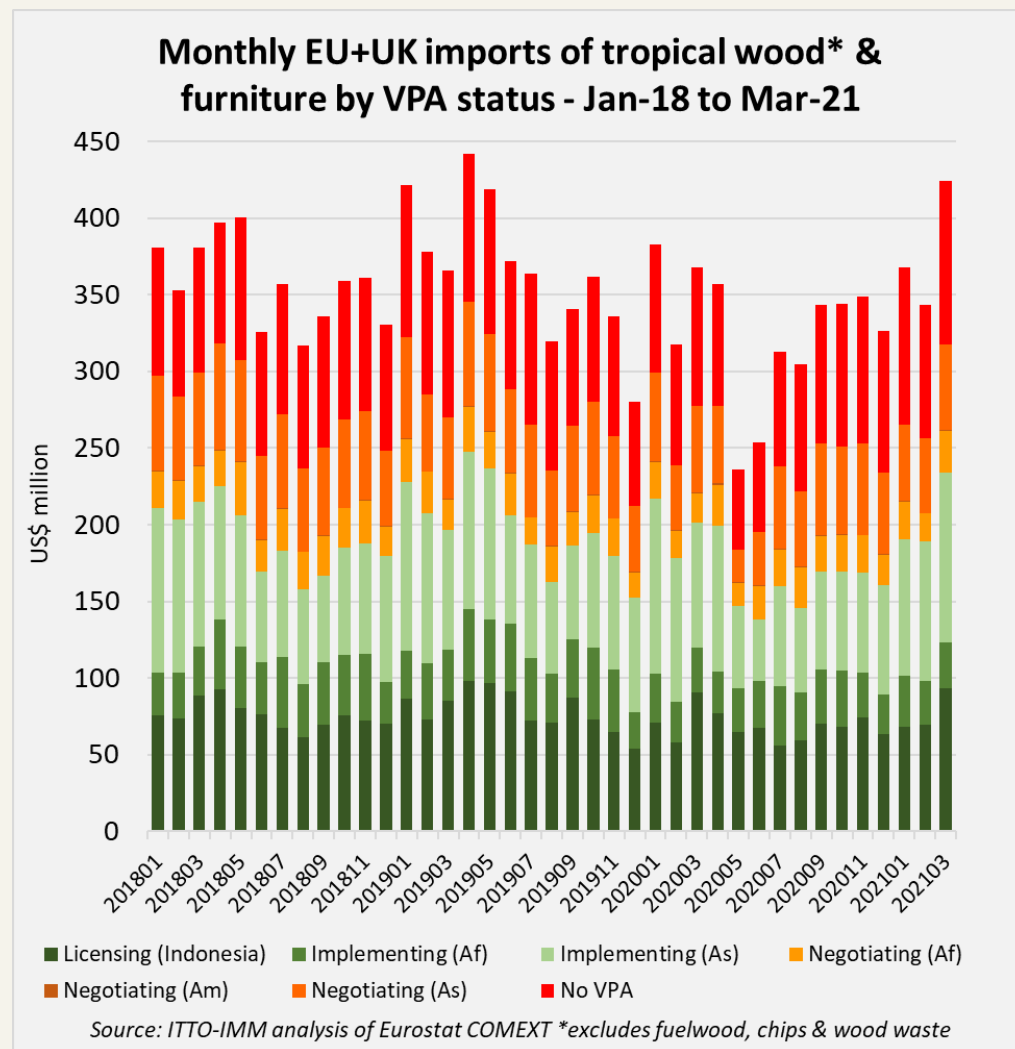
Total annual imports of wood (HS44) and wood furniture (HS94) into EU+UK 2004 to 2020  
By variable units



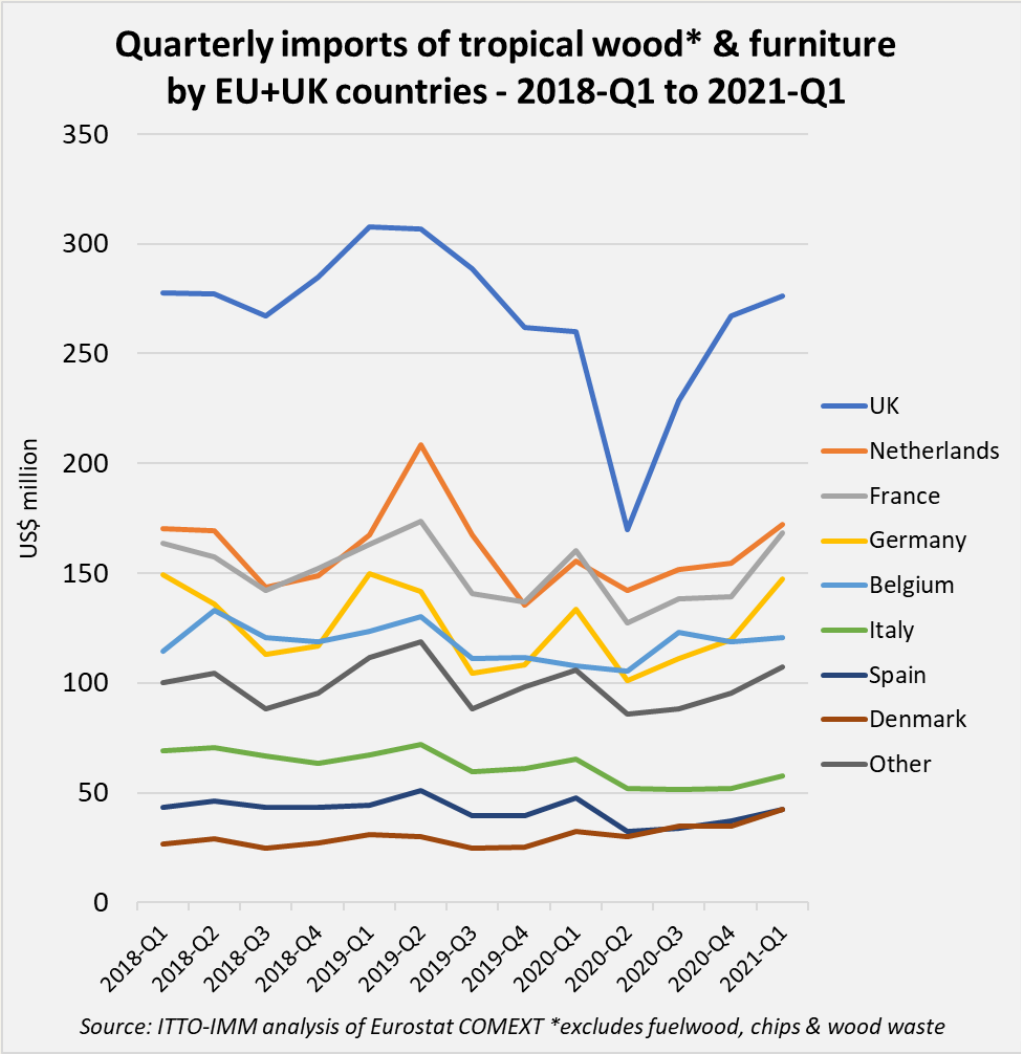
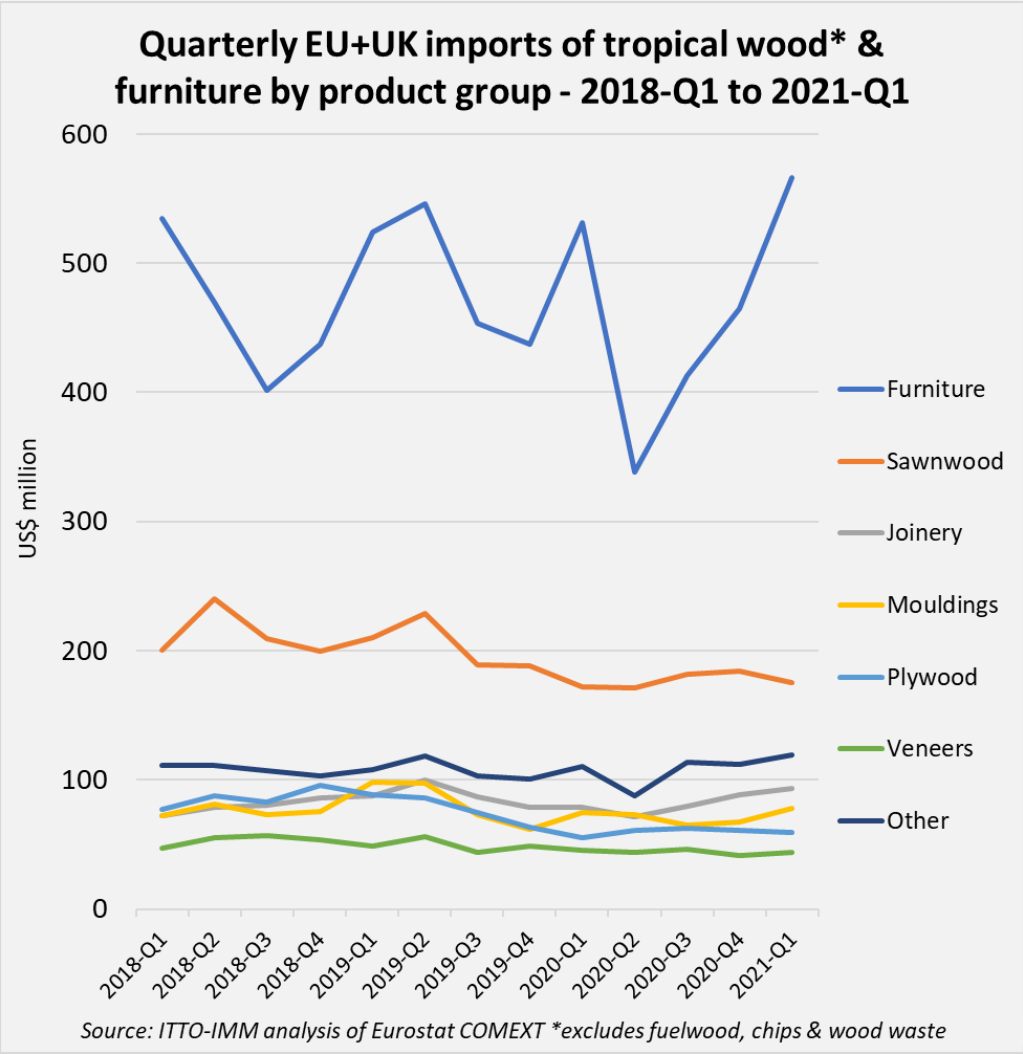
Share of US\$ value of imports of wood (HS44) and wood furniture (HS94) into EU+UK 2004 to 2020  
By main supply region



## Short-term trend in EU+UK imports of tropical wood (HS 44) and wood furniture (HS 94) from outside the bloc



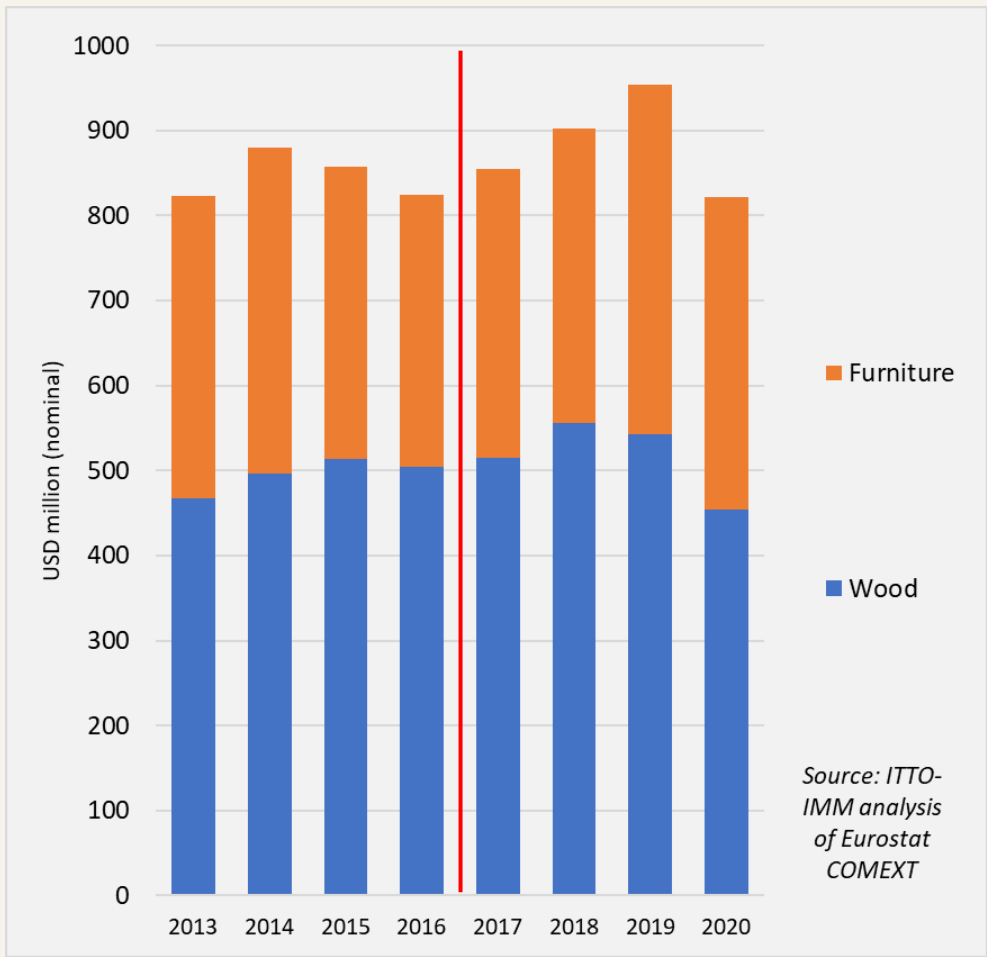
# Quarterly EU+UK imports of tropical wood (HS 44) and wood furniture (HS 94) by product group and destination – Q1 2018 to Q1 2021



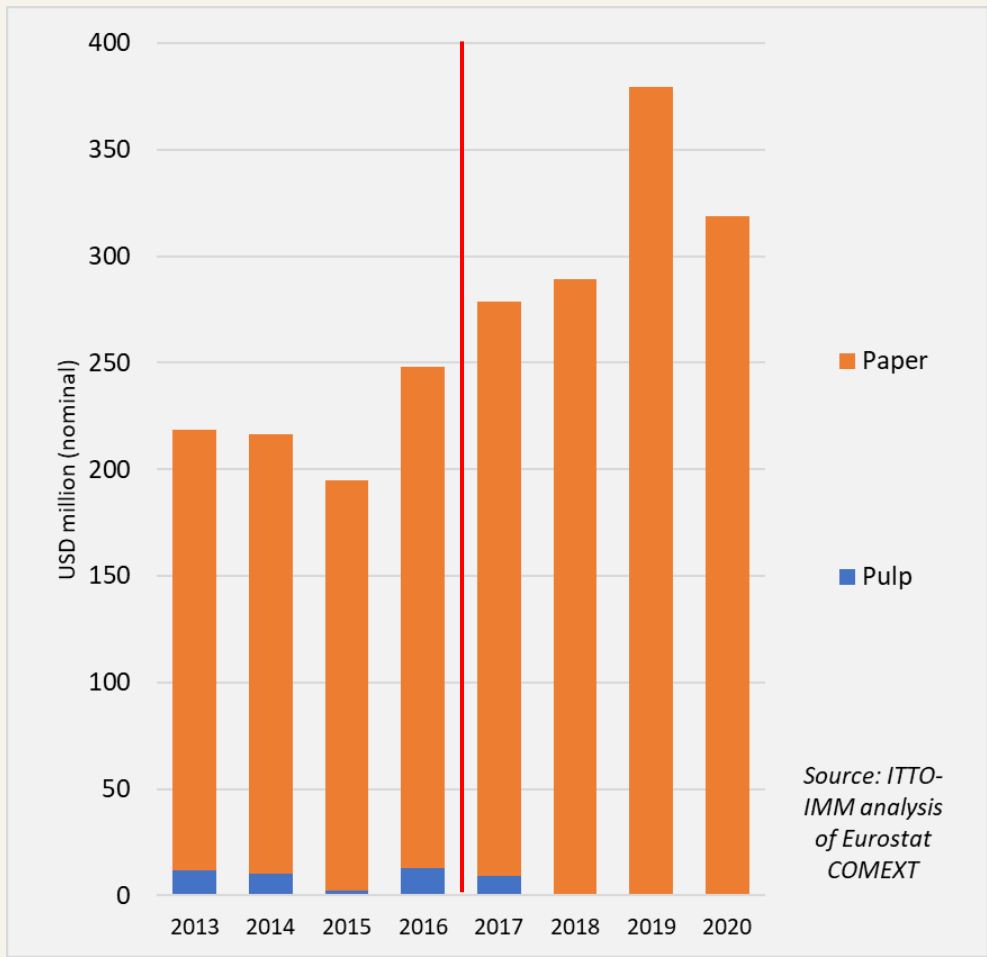
# Annual EU+UK timber product imports from Indonesia 2013 to 2020

FLEGT Licensing  
begins  
November 2016

Wood (HS44) and wood furniture (HS94)  
Annual 2013-2020, US\$ value



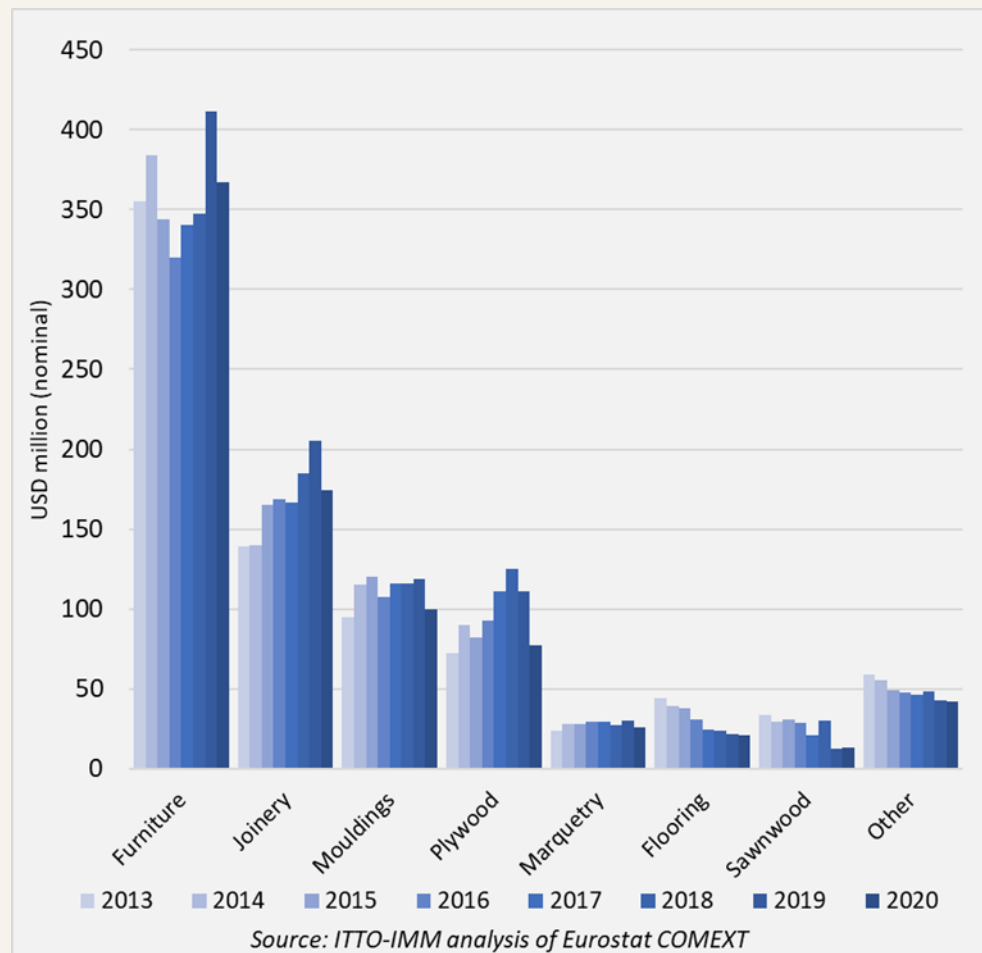
Pulp (HS47) and paper (HS48)  
Annual 2013-2020, US\$ value



# Annual EU+UK wood (HS44) and wood furniture (HS94) imports from Indonesia by product group and destination

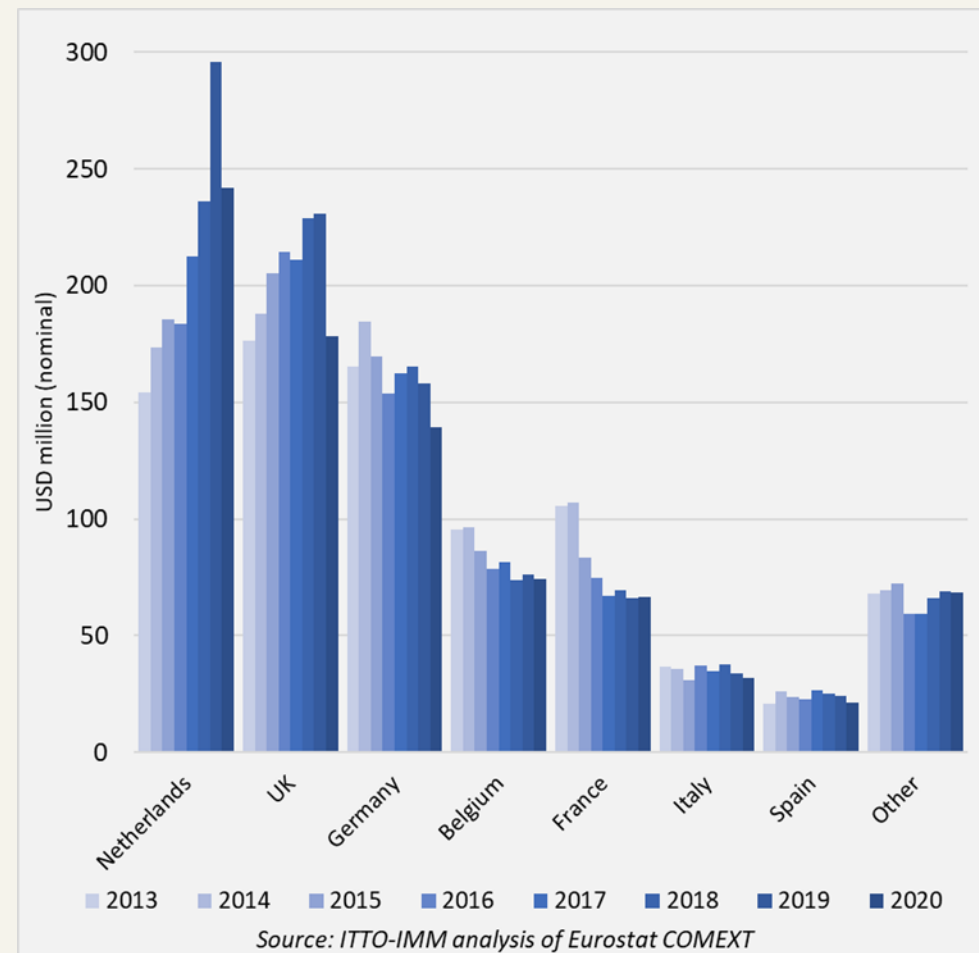
**By product group (HS 4 digit)**

Annual 2013-2020, US\$ value

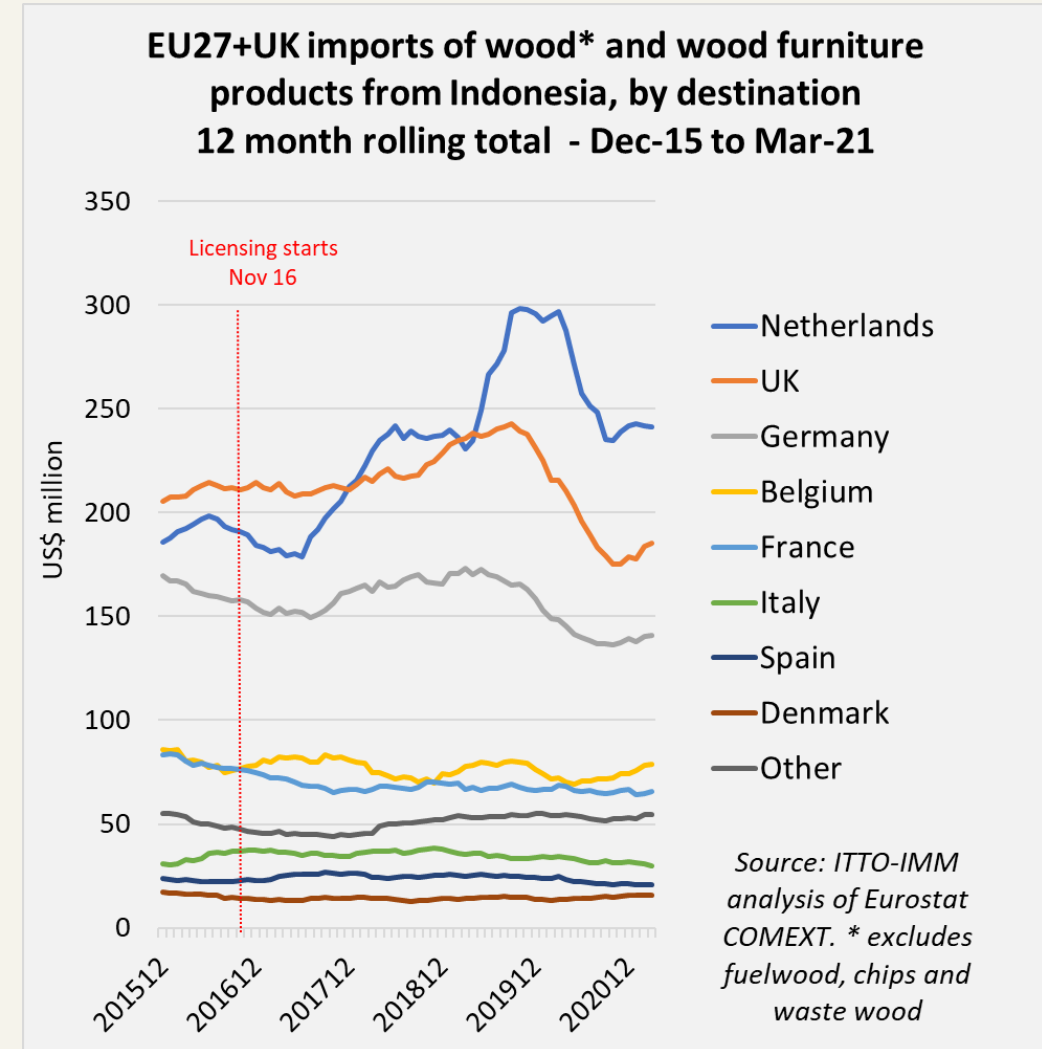
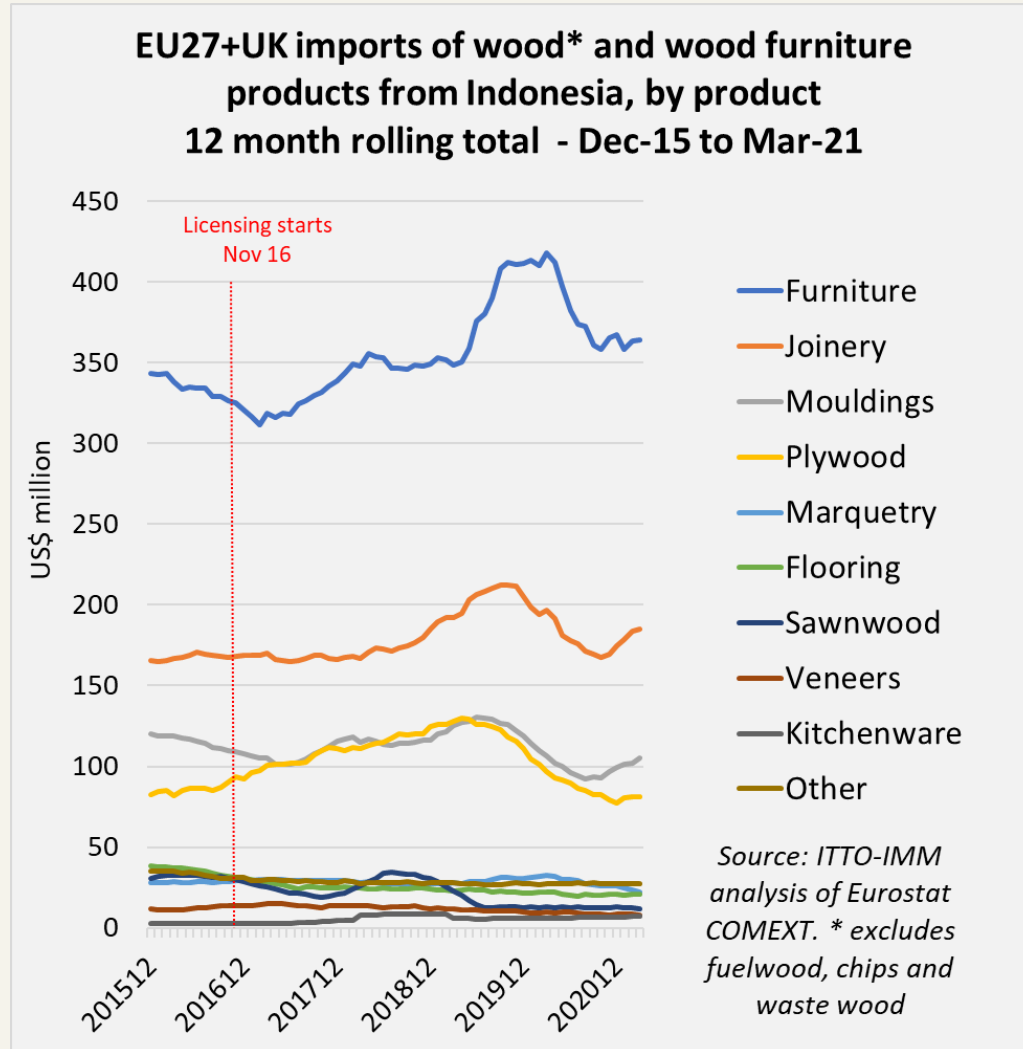


**By destination**

Annual 2013-2020, US\$ value

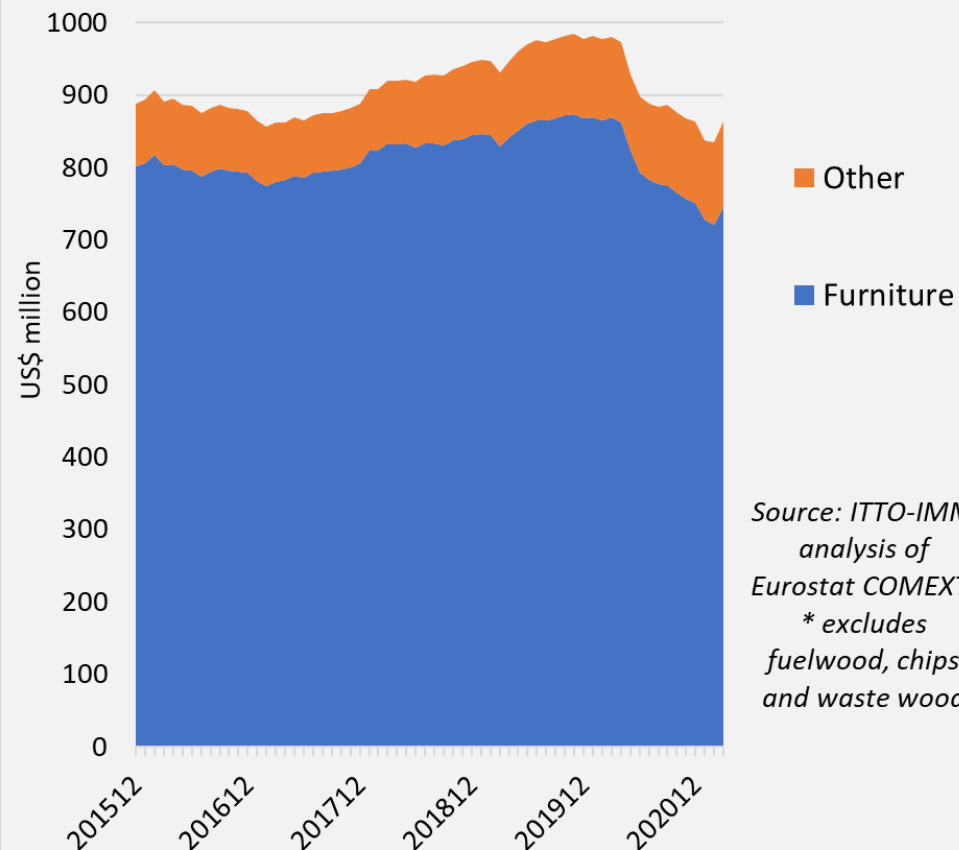


# 12-month rolling EU+UK imports of wood (HS 44) and wood furniture (HS 94) products from Indonesia Data to March 2021

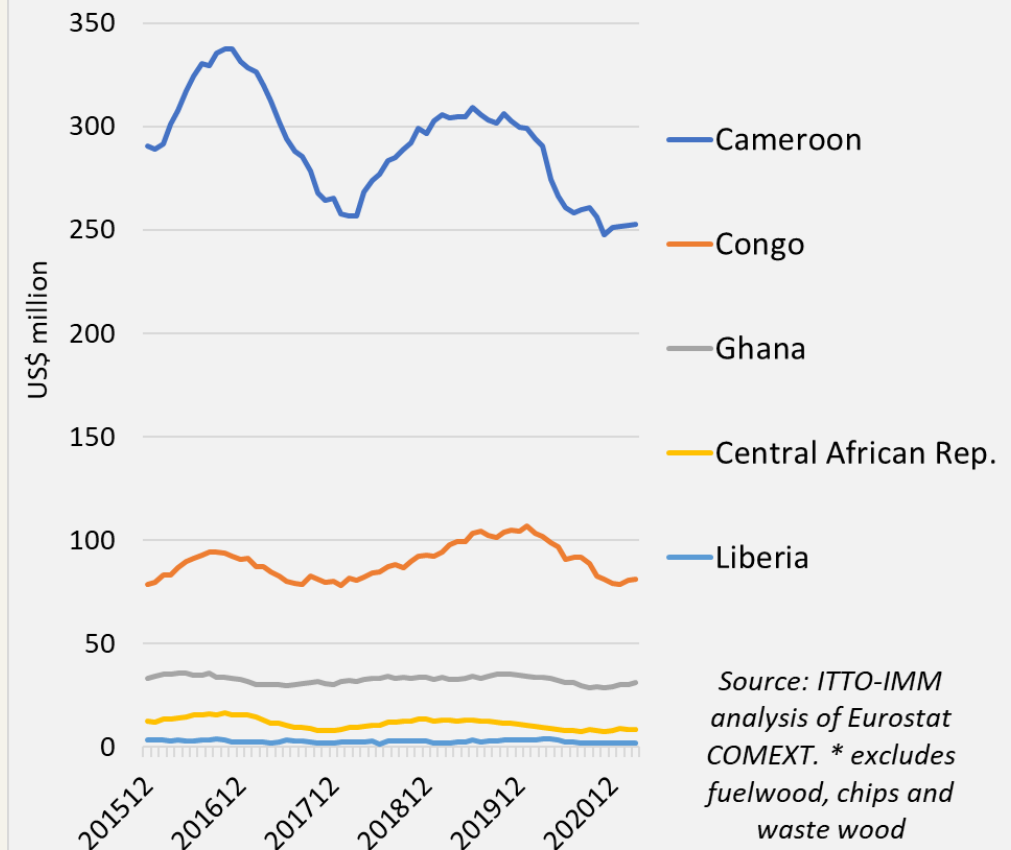


# 12-month rolling EU+UK imports of wood (HS 44) and wood furniture (HS 94) products from VPA Implementing countries Data to March 2021

**Chart 15: EU27+UK imports of wood\* and wood furniture products from Vietnam - 12 month rolling total - Dec-15 to Mar-21**

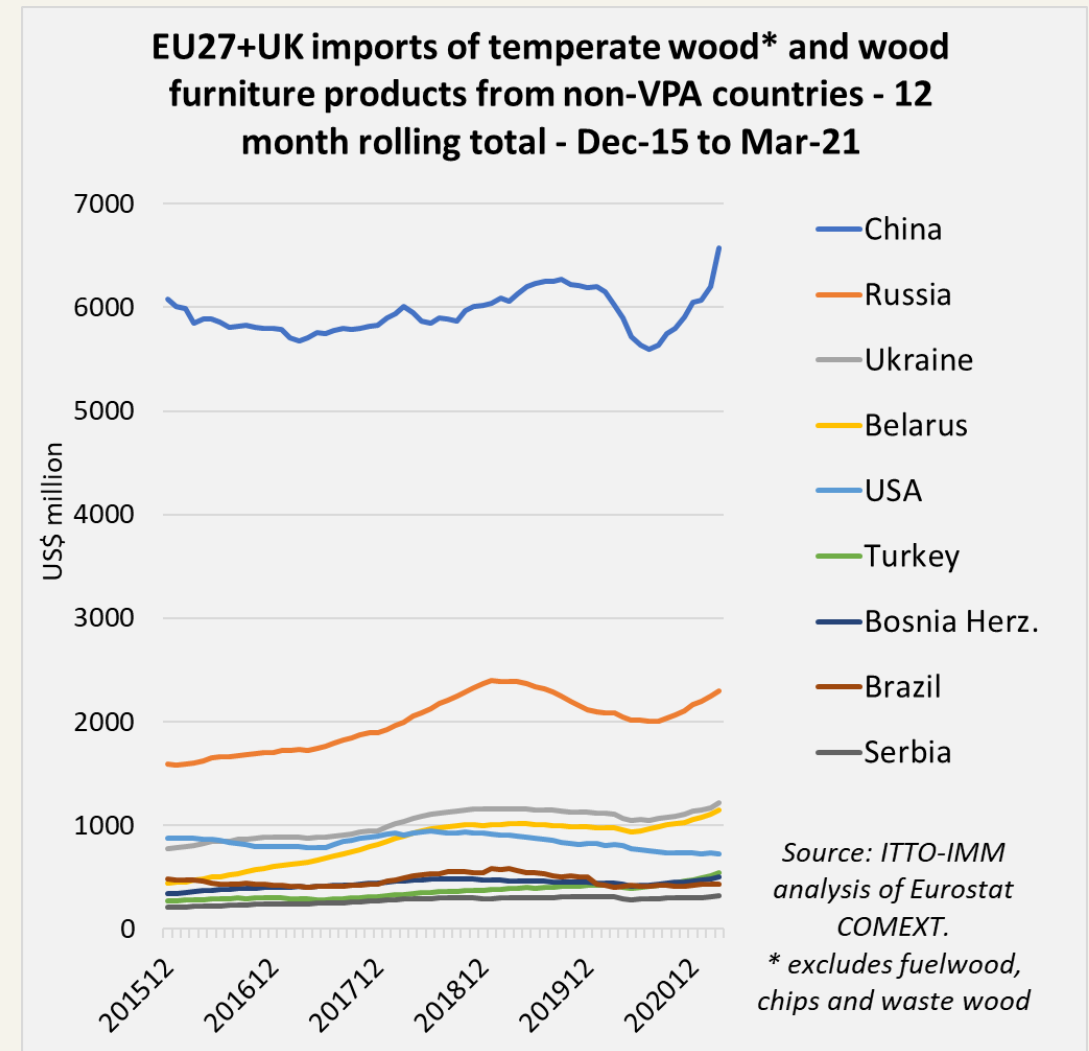
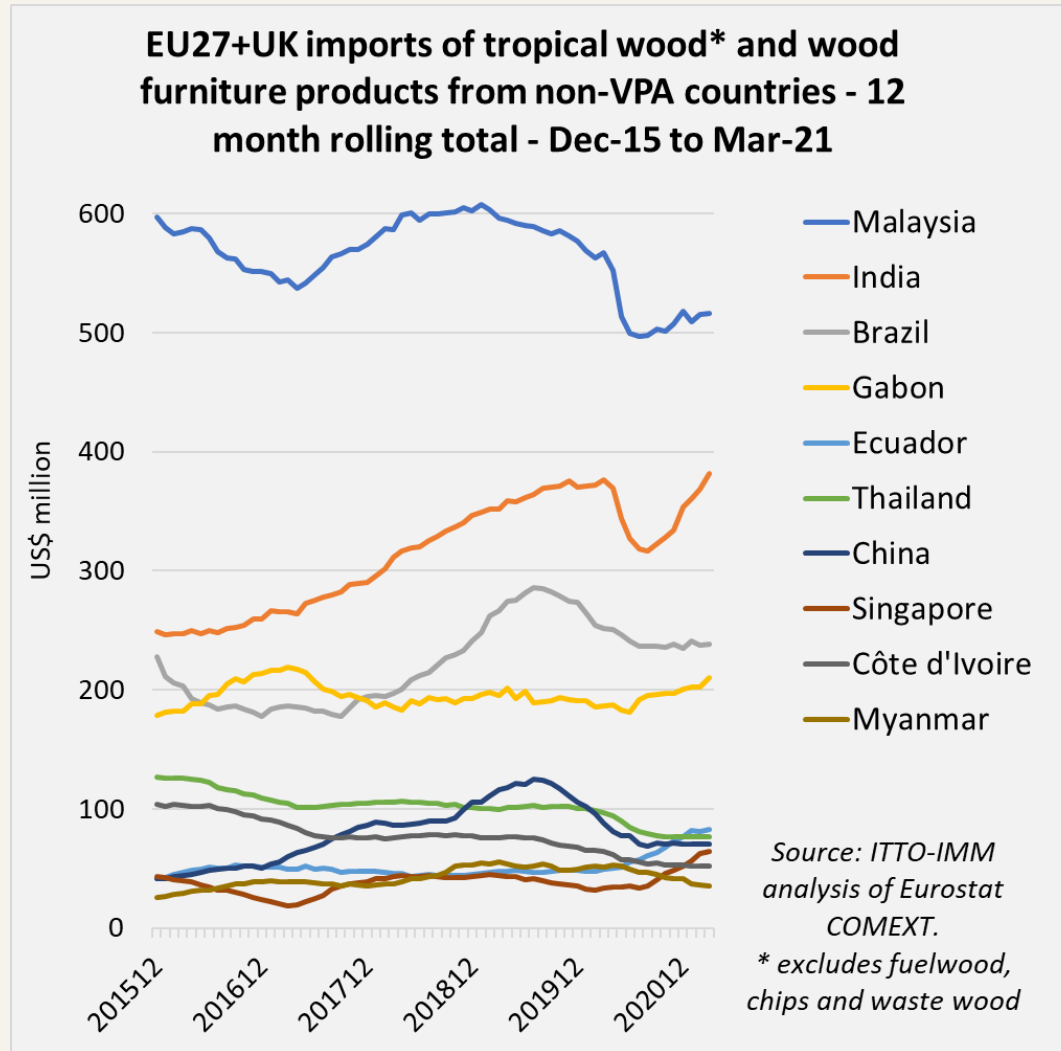


**EU27+UK imports of wood\* and wood furniture products from VPA implementing countries in Africa - 12 month rolling total - Dec-15 to Mar-21**





# EU+UK imports of wood and wood furniture products from non-VPA countries



# Key trade trends

- In 2020, rapid rise in US imports from tropics as economy rebounds sharply & trade dispute reduces dependence on China
- Viet Nam major beneficiary so far, but Indonesia has made gains
- China recovered quickly from pandemic – will remain key market for tropical wood products, mainly for domestic market
- Good growth in EU+UK imports of tropical wood products in 2018 & 2019 - Indonesia leading the way, notably furniture & doors (also paper)
- In 2020, EU+UK downturn in tropical wood imports less dramatic than first feared – good activity in DIY/garden product sales, government support measures & active construction sector, low interest rates
- But Indonesia & other tropical suppliers suffered loss of EU+UK market share as freight & other supply problems increased reliance on more local sources (& China)
- Uncertainty surrounds long term market prospects in EU+UK
- Huge fiscal stimulus, strong focus on green deal, & vaccination rollout are reasons for optimism
- FLEG TLAS & trade due diligence measures have significant & rising global coverage & should be built on

# Thank you

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