

Changing International Markets For Timber – What African Producers Can Do



Market Report Draft – France

Ole Pedersen

Market Overview

France enjoys close historical ties with the three francophone countries, Cameroon, Gabon and Congo Brazzaville. French companies played a key role in the development of the timber production, industrialisation and export sectors, establishing close ties with the French market. The French influence has gradually diminished, as other investors from other countries have become increasingly involved in the timber sectors in each of the producing countries.

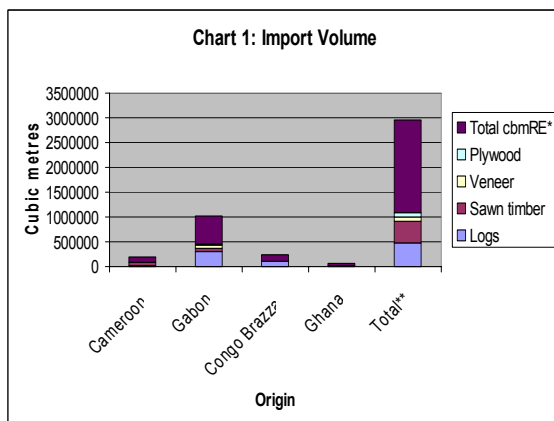
However in today's world, the international trade in timber is conducted on a competitive bases, price plays a more important role than historical ties.

Trade Structure

In the producing countries the trade is dominated by major producers who are themselves exporters and in France by the importer/distributors and importer/manufacturers. Intermediaries play a decreasing role in the trade supply chain.

Smaller loggers and sawmillers, notably in Gabon, still employ the services of the exporters who assist with a number of services such as documentation, international marketing and financing. These exporters are mainly the larger producers, and international timber trading companies.

Trade Summary



Source: Le Commerce de Bois and Customs Service, 2004 data

*cbm RE = cubic metre roundwood equivalent

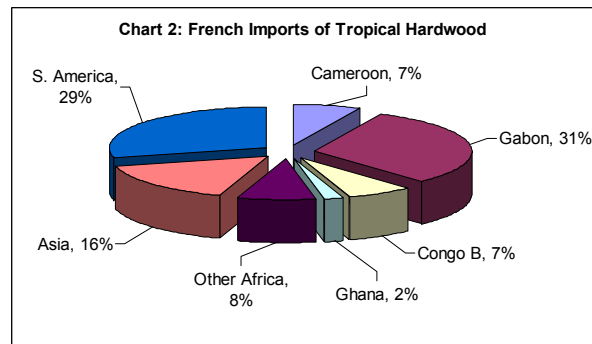
**Total = total French imports of tropical wood from all origins.

France is the only European country still importing significant quantities of okoumé logs for the production of plywood (193,000m³ in 2004). Although the import of okoumé logs has declined, it

has been replaced to a greater extent by imports of veneer and plywood, principally from Gabon.

France is the second most significant importer of tropical hardwood sawlogs in Europe, behind Italy. The import of sawlogs is declining and being replaced by sawn timber. France is a distant third, behind Spain and Italy in terms of imports of sawn timber. France is the main export destination for okoumé veneer and plywood from Gabon. The French trading relationship with Ghana is more recent and France is now the third most important destination for Ghanaian exports, after Germany and Italy. Due to the Cameroon log export ban on certain species, only 4% of imports are from here, whereas 21% of France's round log import comes from Congo Brazzaville.

Chart 2 shows the origin countries of French imports of tropical hardwoods in 2004.



Source: Le Commerce de Bois and Customs Service, 2004 data, percentage share of cbm rwe imports.

French imports from Gabon have increased in value terms, logs have decreased, but sawn timber, veneer and plywood have increased dramatically. Gabon supplies 11% of sawn tropical timber imports, Cameroon 13%, Ghana 5% and Congo Brazzaville 3%. Gabon however supplies 86% of tropical veneer imports to France, compared with 2% from Cameroon, 4% from Ghana and 1% from Congo Brazzaville. For tropical plywood Gabon's market share is 11% and Cameroon's is 1%.

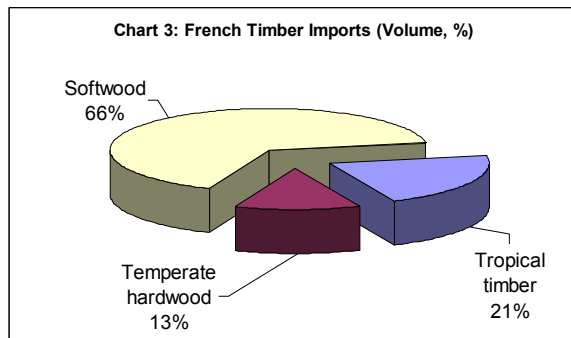
The main species imported from Gabon are okoumé and other peeler species, together with logs and sawn timber in movingui, moabi, douka, iroko, sipo, sapeli, azobe, kewazingo, badi, ogoué.

Imports from Congo Brazzaville have significantly increased for both logs and sawn timber. Sapeli, sipo, iroko, bosse are the main species.

Shipments from Ghana have however declined. The main species are wawa, ofram, and niangon.

From Cameroon, log imports have declined as popular species such as sipo, sapeli, bosse and iroko can no longer be exported in log form. They are though exported as sawn timber. Log export species consist of ayous, framire, frake, azobe, badi, lotofa, and various peeler species.

However, overall, French timber imports are dominated by softwood with 66% of the market. This market share is relatively lower in terms of value, with a greater share coming from temperate and tropical hardwoods.



Source: *Le Commerce de Bois and Customs Service, 2004 data.*

Market Drivers

There have been a number of drivers in the market, including change in consumer taste, availability of standard products for exterior use such as decking, price and environmental and procurement drivers.

Consumers have changed their taste away from dark coloured, for example, mahogany (species sipo and sapeli), for interior décor (for example for joinery, mouldings, furniture, kitchens and flooring) to that of lighter coloured timbers, such as beech, oak and birch and imported Brazilian tauari. The taste in interior doors and mouldings favours ayous, (wawa, samba or obeche) and aniegré for veneer.

The French consumer, producer and distributor are among the least species-loyal on the world market and are much more driven by price. For example, Brazilian tatajuba has taken over some of the market share from African iroko, due to price. However, if the exchange rate becomes more favourable to the African suppliers, iroko is likely to gain back market share.

Environmental NGOs & Procurement Policies

Environmental pressure groups, such as Greenpeace, Friends of the Earth and WWF are very active in the French market, putting pressure on government timber importers, manufacturers and distributors to ensure procurement of timber takes place in an environmentally responsible manner. Through considerable press coverage, there is growing public support and knowledge for change in the way that timber is procured.

In response to this pressure, Government, trade and industry are now taking a number of initiatives to

source timber responsibly – legal and sustainable timber.

In 2001, the French government decided to develop a timber procurement policy to favour independently certified products, originally for tropical timber but now for all timber. Preparation of guidelines is currently underway and is almost complete. The focus of the procurement policy is for only sustainable timber to be sourced. The timber should of course be legal, but this is seen as a conditionality of certification rather than the main aim of the policy. The proposed scheme simply requires some form of certificate or label for logs and sawnwood. However, there is an expectation that the requirements will become more stringent over time. The French aim to meet the objectives of 50% of publicly purchased timber being legal and sustainable in 2007 and 100% in 2010 (though it should be noted that the definition of sustainable is not as rigorous as in other public procurement policies).

Greenpeace estimates that a quarter of all tropical timber imported into France is used in public and/or publicly financed works, buildings etc.

The French Timber Association, Le Commerce du Bois (LCB), is preparing a "corporate social responsibility guide" for its members to adhere to. This document will consist of 3 chapters: procurement policy; sales policy; and social and environmental affairs. A working group has been set up and consultations on the guide have been launched with LCB members and a range of external stakeholders. LCB say that they will support all internationally recognized certification schemes (PEFC, FSC, SFI, CSA...) and call for mutual recognition between these schemes.

A number of importers, distributors and manufacturers have taken the initiative to ensure the procurement of timber and related products in an environmentally responsible manner. Examples of such policies are:

- Lapeyre has obtained the FSC label for all their standard windows.
- Indubois/Nordisk – DLH Group are selecting their suppliers to conform with environmentally responsible procurement in their GSP - Good Supplier Programme.
- Carrefour (together with 8 other manufacturers /retailers) have signed up with WWF-Buyer Group, to ensure environmentally responsible sourcing.

The WWF Buyer Group in France was established in June 1999. Buyer groups provide a framework for the promotion of sustainable forest management and certification. In addition buyer groups provide a means for awareness and incentive-raising among timber importers.

Therefore in conclusion, future imports to France will depend on suppliers providing a product that is competitive in terms of quality, species etc and in price, and the availability of supply from environmentally responsible sources.

Please note that this factsheet is a draft.

Comments will be gratefully received. Please send them to Emily Fripp at emily.fripp@btinternet.com