



Market access and timber legality: *How international regulations affect Canadian exports*

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Phytosanitary Challenges to the Hardwood Industry
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Timber legality- why does it matter

Globally integrated markets



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- INTERPOL estimates value of illegal logging is US\$50 to US\$150 billion annually
- *Economic*: drives down prices for legal wood products; costs governments ~US\$6-9B annually in lost tax revenue
- *Environmental*: creates degraded forest ecosystems, driving loss of biodiversity
- *Social*: creates conflict within indigenous and local communities and generates violence, crime and human rights abuses
- Creates an uneven playing field for legal producers



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Growing demand to assure legality of forest products



- Growing demand for legality assurances for timber and timber products among major timber markets
- Illegal logging legislation and policies may restrict trade in all forest products.
- Policies must be adhered to and can create additional requirements for Canadian exporters

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Legislation addressing legality of forest product imports

- All require importers to exercise due diligence
- All include hardwood logs & lumber
- Key legislation includes:
 -  Lacey Act; modified in 2008
 -  EU Timber Regulation, 2010; in force 2013
 -  Australia's Illegal Logging Prohibition Act and Regulation, 2012; rev. 2018
 -  Japan Clean Wood Act, 2016

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South Korea

- Act on the Sustainable Use of Timber
 - Restrictions to prevent illegal logging and associated trade
 - Announced March 2017; effective Oct. 1, 2018
 - 1 yr trial period ended Sept. 30, 2019
- Applies to logs, lumber, plywood, wood pellets
- Requires documentation to prove legality of imported forest products
- Canada continues to work with Korea to:
 - explore other acceptable methods to demonstrate legality
 - expand list of acceptable documentation
- **Talk with your customer about documentation required prior to shipping**

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Vietnam

- Government of Vietnam developing a Decree (legislation) on timber legality assurance system
 - Purpose is to meet Vietnam's obligations under FLEGT
 - Anticipated to be adopted in 2020
- Based on the draft reviewed, Canada is anticipated to meet requirements to prove legality of exported wood
- Canada is seeking further clarification on impacts for Canadian exporters, as well as extent of scope (eg. HS codes included)
- We will continue to keep you informed through your association

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- **WAPPRIITA** (*Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act*)
 - Administered by Environment & Climate Change Canada
 - Section 6(1) forbids import of plants [including forest products] obtained in contravention of any law of any foreign state
- **Wood identification tools to support enforcement**
 - CFS, ECCC & CBSA developing science-based tools to identify tree species and their origin

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Thank you

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