Exporting Timber in International Markets

David Hopkins

CEO

Timber Development, UK

Timber Trade Federation, UK

Timber
Development
UK

David Hopkins

CEO,
Timber Trade Federation
Timber Development, UK


Timber Development UK

Content

- **About TDUK**
- **UK Timber Market overview**
  - Overview
  - Timber from Namibia to UK
  - Possible challenges / barriers
- **UK market expectations and requirements**
  - Species – Design - EU/UK TR – UK CA – EPD – Packaging – Quality and performance
- **Opportunities for Namibia – UK timber trade**
- **Global Tropical Forests need Global Governance**
- **Q&A**

About TDUK

TIMBER DEVELOPMENT UK CREATES A DIRECT CONNECTION BETWEEN SUPPLIERS, SPECIFIERS AND THEIR CLIENTS

300 SUPPLIERS

1500 SPECIFIERS

CLIENTS
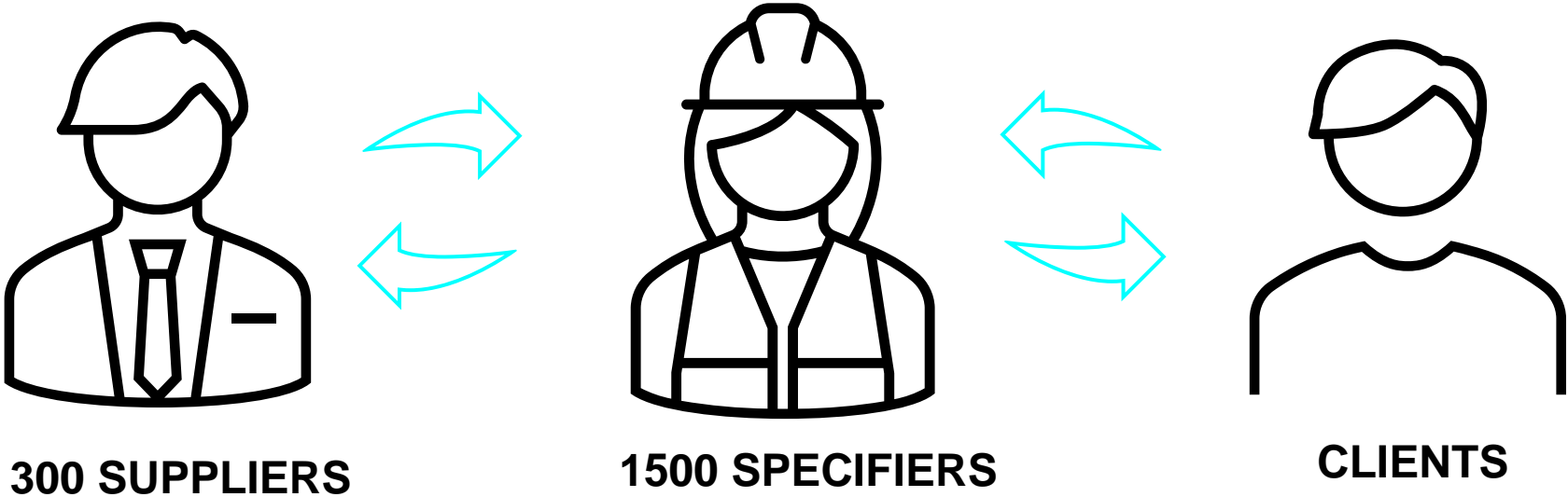
Through this organization importer/ supplier members can better promote their products, network, build relationships, and understand their customers.

"ONE SUPPLY CHAIN
ONE VISION
ONE ORGANISATION"

GLOBAL NETWORK, LOCAL OUTLOOK

When there are crises such as Ukraine, Covid-19, or Brexit, we are **a trusted, authoritative source of information** for the timber supply chain to get to overcome these issues.

Our position within European and global networks means we are continually strengthening our access to data, guidance and information

We are a channel through which members are able to keep up to date with the latest regulatory information, trade statistics, construction market data, as well as providing the ability to help shape future legislation through our advocacy.
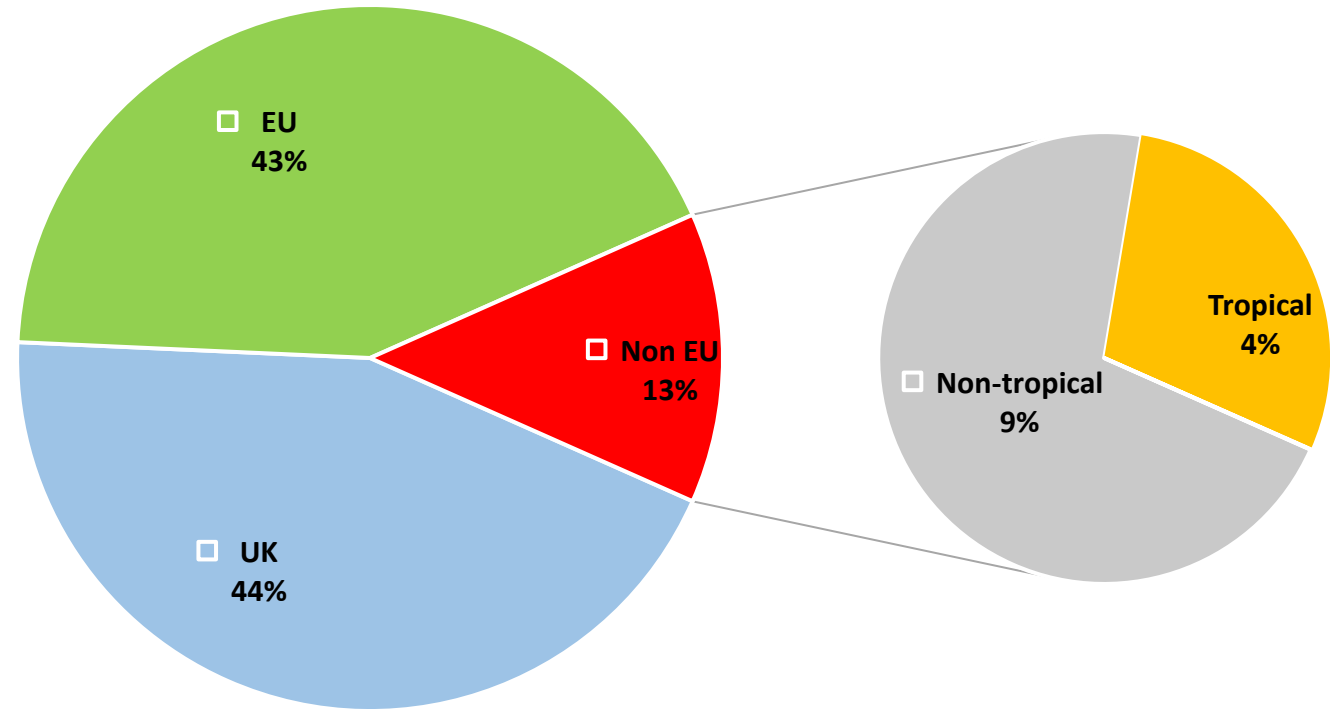

DIRECT IMPORTS OF TIMBER TO THE UK FROM RUSSIA, BELARUS, & UKRAINE IN 2021

Overview of UK Timber Supply

- Where does our timber come from?
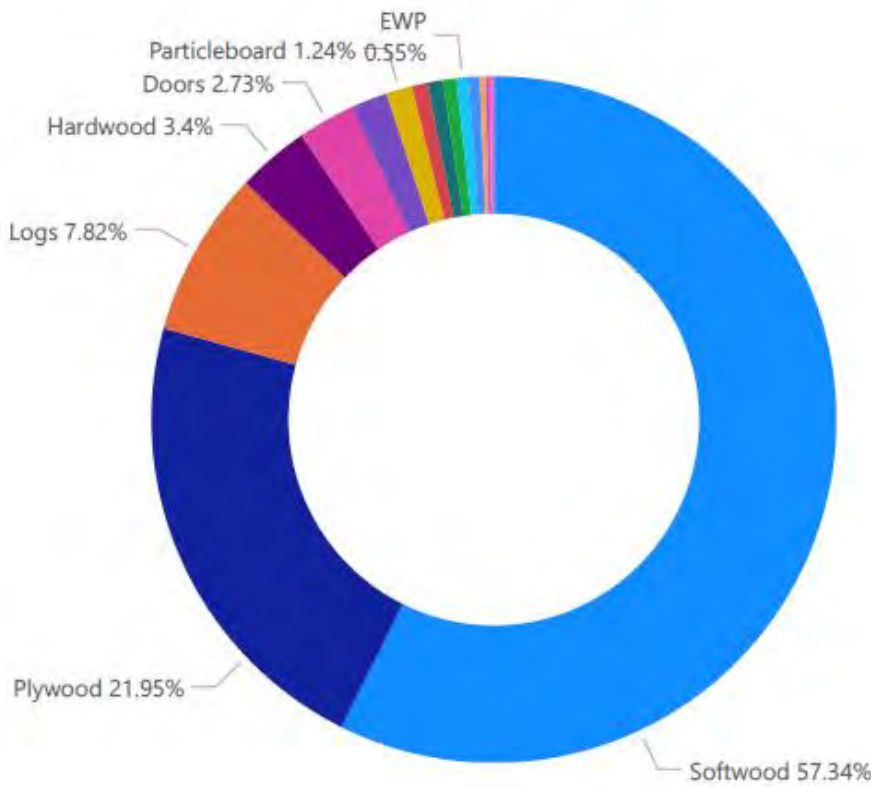- UK timber supply – recent trends

Source of supply – TTF member

- Timber imports dominated by Softwood from the EU (43%). **Tropical (4%)**; Non-Tropical (9%) .

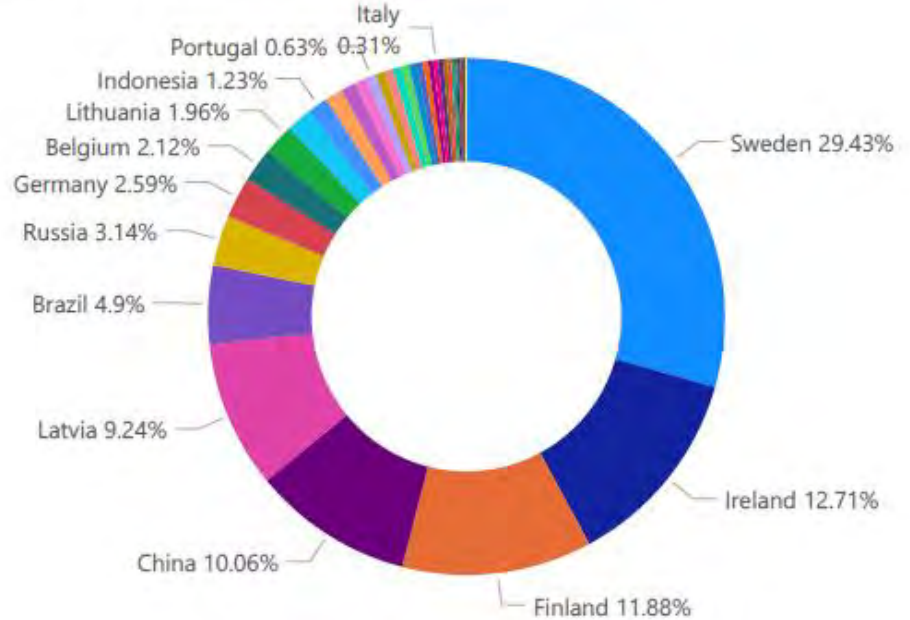- Namibia currently not a major supplier country for TTF members

TTF supplier countries -- 2019-2020

Type of products imported (excl. UK purchases)

- Softwood 57.34%
- Plywood 21.95%
- Logs 7.82%
- Hardwood 3.4%
- Doors 2.73%
- Particleboard 1.24%
- EWP 0.55%

Top products imported is dominated by Softwood from EU such as Sweden/Finland and Plywood from China/Brazil.

Top supplier country (EU and Non-EU)

- Sweden 29.43%
- Ireland 12.71%
- Finland 11.88%
- China 10.06%
- Latvia 9.24%
- Brazil 4.9%
- Russia 3.14%
- Germany 2.59%
- Belgium 2.12%
- Lithuania 1.96%
- Indonesia 1.23%
- Portugal 0.63%
- Italy 0.31%

Supplier countries in EU and Non-EU

Supplier Country (EU, non-E... ● EU ● Non-EU

TTF timber import overview – 19/20

Non EU - Tropical - Supplier countries (products with certification claims)
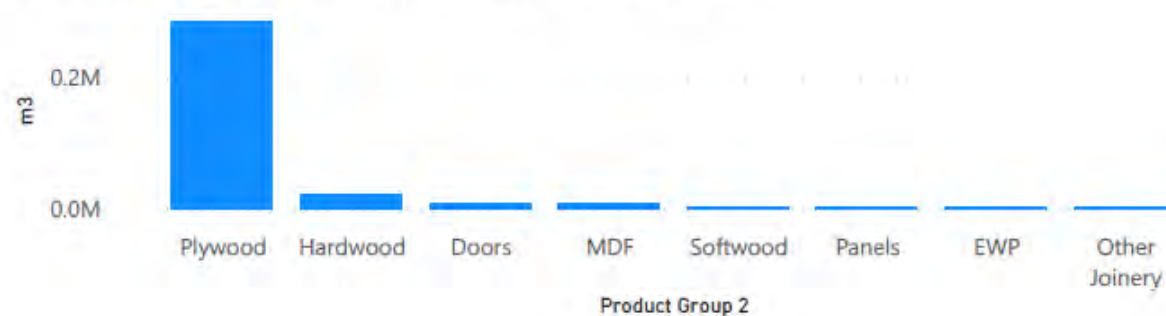
Non EU - Tropical - claim types
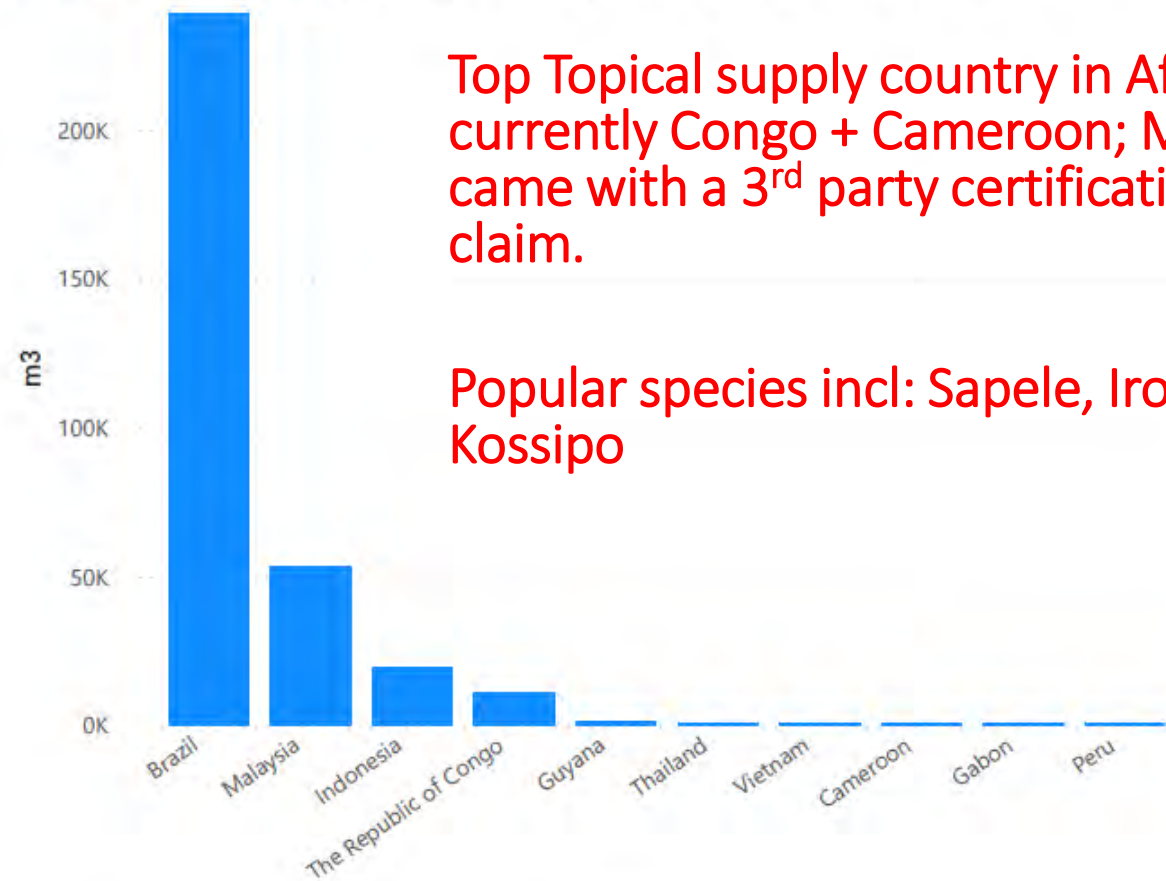
Top Topical supply country in Africa is currently Congo + Cameroon; Most came with a 3rd party certification claim.

Popular species incl: Sapele, Iroko, Kossipo

Supplier Country axis: Brazil, Malaysia, Indonesia, The Republic of Congo, Guyana, Thailand, Vietnam, Cameroon, Gabon, Peru

FSC, PEFC 2.12%
PEFC 12.84%
FSC 85.04%
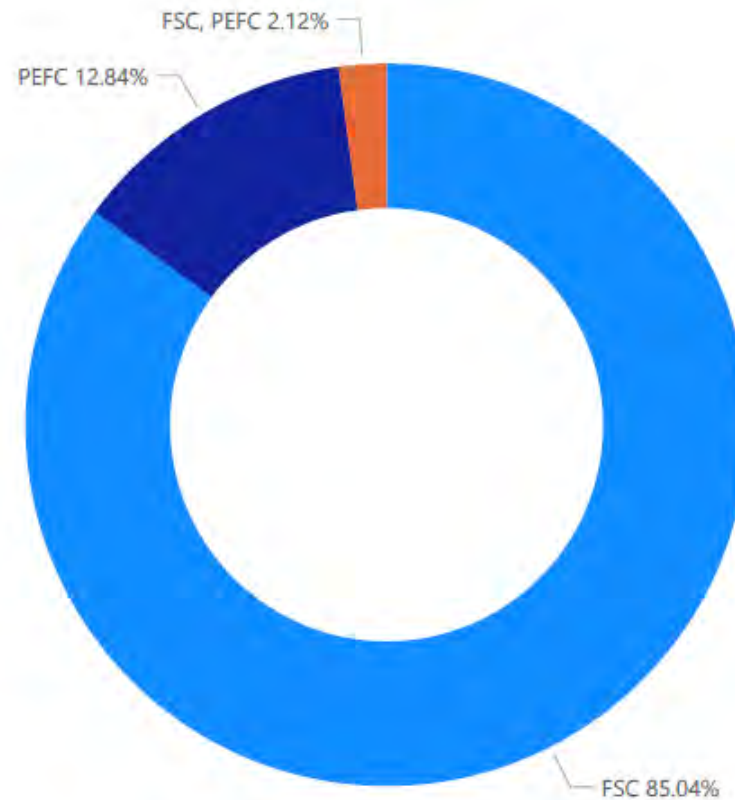
Non EU - Tropical - Products with certification claims

Product Group 2 axis: Plywood, Hardwood, Doors, MDF, Softwood, Panels, EWP, Other Joinery

Use of certification in Tropical region (Non EU) - top supplier countries and product groups

TIMBER SUPPLY
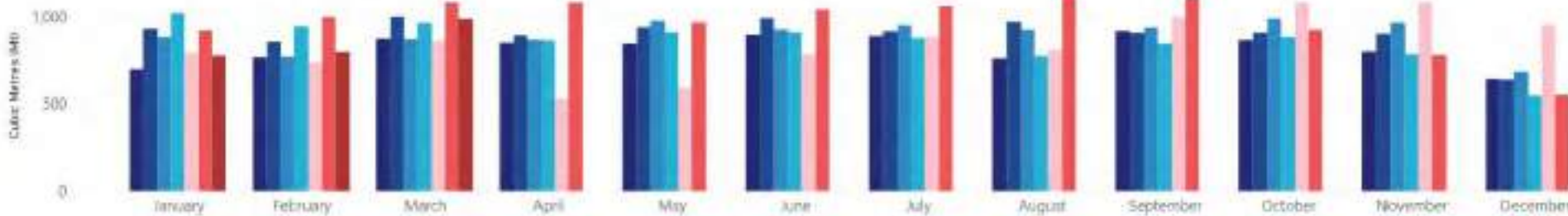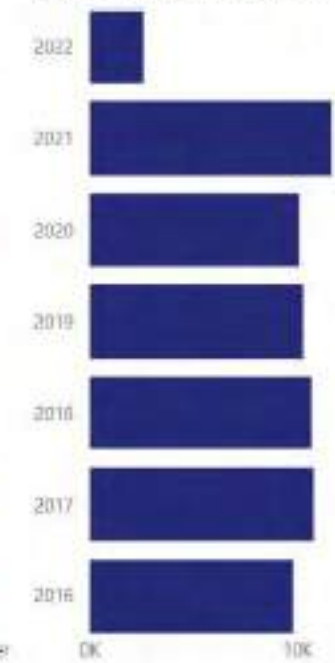
Current supply from Namibia to UK & possible barriers / challenges

In 2021, only **94m3** of hardwood were imported from Namibia to UK, although this was at the reasonable value of **£96,417** – *data from TTF statistics dashboard.*
https://ttf.co.uk/statistics/dashboard/

Products unknown presumably wood chips / charcoal.

Species unknown.

There seem to have been an increase in timber import from Namibia to UK , particularly for **Furniture / Paper** – *data from EU timber trade dashboard 2020*

https://app.powerbi.com/view?r=eyJrIjoiYzQ2N2U5MWEtMj E3MS00NzBlLTg0M2EtYTNjM2FlOTQ0ZWExIiwidCI6IjJmYWFi ODU4LWQxZjQtNDhhZi04NmY2LTQ4NjE5NmQ1OTY5ZCIslm MiOjh9

Why so few? Possible challenges and barriers

1. Species availability and product application
2. **Buyer awareness**!
3. Consistent supply of volume
4. Logistics / cost of shipping
5. Legality risks
6. Availability of data and evidence for EU/UK regulatory requirements, e.g. UKTR, UKCA
7. Sustainability credentials, e.g. availability of third-party certification

UK market expectations and regulations

UK market demands

Species application / design / product specification

Responsible sourcing – EU and UK Timber Regulation (UKTR)

Sustainability credentials, e.g. Certification

Getting ready for EUDR – EU Deforestation Regulation

EU CE Marking / UK CA marking

Plastic packaging tax

Product quality and standard

EPD

Others

UK Timber Regulation (UKTR)

All UK importers are required by law to carry out Due Diligence on timber legality. Suppliers to the UK may be asked to complete the following:

- *Supplier questionnaire [DOWNLOAD HERE]*

- *Supply chain map [DOWNLOAD HERE]*

- together with **supporting documents** proving supply chains and legal origin

UK importers may also need further assistance from their suppliers when completing due diligence summary report

- *Due Diligence summary report [DOWNLOAD HERE] [DOWNLOAD HERE]*

UK CA marking

From 1 January 2023, companies exporting specific construction products into the GB will need to ensure the product has valid **UKCA Mark by UK-approved body**

Manufacturers outside of UK **must** prepare for the end of recognition of the CE mark in GB and affix the UK marking using a UK-approved body

As part of the *Article 13 of the Construction Production Regulation*, UK Importers are required to conduct ongoing **due diligence** to ensure that the manufacturer has carried out assessment and verification of constancy of product performance. This may require gathering and assessment of the following product information and documents:

- *Declaration of Performance (DoP) / Factory Production Control (FPC) / Evidence of in-house factory testing / Involvement of a 3rd party body to oversee FPC / Product marking*

More guidance: https://ttf.co.uk/trade/ukca-marking/

Environmental Performance Declaration (EPD)

Get ready to be asked for a EPD from your EU/UK client – data and information on the environmental performance / impact of your product over its lifetime.

Here is an example.

Plastic Packaging Tax

From 1 April 2022, UK companies importing plastic packaging components which contain less than 30% recycled plastic are required to pay Plastic Packaging Tax.

The UK importer may need to work with their suppliers to identify the following:

- Amount of plastic packaging used on products imported to the UK, by weight
- Type of plastic packaging material used on products (Primary, Secondary, Tertiary)
- Percentage of recycled content in the plastic packaging

Namibia – UK timber trade Future opportunities

Opportunities

- **Species & Product**
- **Marketing – tell the story about your timber products!**
- **Traceability and legality?**
- **Deforestation-free claims?**
- **Consistent species volume**
- **Logistics!**

There is high potential / availability of forest sources in Namibia as reported by FSC in 2020:

From Bush to Charcoal: the Greenest Charcoal Comes from Namibia

Faced with extreme climate conditions, Namibian farmers have learnt to diversify their activities, especially by producing FSC-certified charcoal.

Share With Friends

March 17, 2020

For three years now, the southern African country of Namibia has seen a succession of droughts.

Namibia is a vast but sparsely populated country where farming is the second most common occupation after mining. Livestock and cattle husbandry are the main sources of agricultural income, but with the drought, it has become difficult for farmers to find grazing areas and water for their livestock.

However, some Namibian farmers have learned to diversify their activities and during the dry season, they produce charcoal.

Namibia Reaches New Milestone with 1.6 Million FSC-certified Hectares

Namibia now has 1,6 million hectares of FSC-certified forest areas managed by approximately 320 landowners and managers.

June 16, 2020

FSC forest management certification has grown at a rapid rate (572 per cent) in Namibia over the last three years.

FSC Southern Africa Coordinator, Manushka Moodley, attributes this significant growth to multiple reasons:
1. the increased market demand for FSC-certified charcoal in Europe,
2. the high availability of forest resources in Namibia,
3. land restoration objectives implemented by local land owners/managers and the Namibian government, and
4. the positive attitude of farmers, skilled consultants and organizations towards certification in the supply chain.

Key timber products :

- Charcoal - EU
- Rosewood (Furniture) – China/Vietnam

Increasing value - Food for thought

- How to increase value of products from Namibia and its demand from global markets?

- Already abundance of knowledge / practices / experience on sustainable forest management / production / auditing for FSC charcoal in Namibia, how to transfer them to other higher value Timber products?

- Needs to establish a recognised national standard for governance of forest supply chains that meet internationally recognised criteria? E.g. *EUTR, UKTR, US Lacey Act, Japan Clean Wood Act, S.Korea Act on the Sustainable Use of Timber*, China

- A recognized export logo - the best way to improve international market acceptance, e.g. MYTLAS, SVLK

- Global Tropical Forests need Global Governance

Global Tropical Forests need Global Governance

Time for a new international tropical timber trade framework

At CoP26 2021, TDUK launched a global call to action, **The Tropical Timber Accord**, from the international forest and timber industry:

- A new approach to promote strong forest law enforcement and trade policy worldwide

- Measures to strengthen forest governance and support legal and sustainable forest industries

- Incentivization of effective forest governance and responsible forest trade by offering support and encouraging foreign direct investment in added-value tropical forest industries …

First working-group established in Spring 2022 led by Indonesia to steer the formation and implementation of the Accord. **Join us!**

THANK YOU

e: dhopkins@ttf.co.uk
t: 0203 205 0067
m: 07912 045 090

TIMBER DEVELOPMENT UK

The Building Centre, 26 Store Street, London,
WC1E 7BT

Timber
Development
UK