



Forests & international trade

Trade in forest products has increased significantly over the past 50 years. In 2000, approximately 1 billion cubic meters (round wood equivalent) of timber, pulp and paper and wooden furniture were imported worldwide, which amounts to an import value of US\$200 billion. Trade negotiations in the forestry sector take place not only within the World Trade Organisation (WTO), but also in the context of bilateral and regional trade agreements (e.g. Nafta, Mercosur, etc).

WWF believes that international trade, in and of itself, is not necessarily a threat to forests and can even provide incentives for sustainable forest management. However, in the absence of appropriate forest management policies and environmental and social safeguards, trade can have far-reaching implications for forest conservation on the ground. In addition, poorly thought-out trade and trade liberalisation agreements can undermine effective forest conservation policies and sustainable forest management, and the welfare of people who depend on forests for their livelihoods (e.g. trade in non-timber forest products). There is a need therefore to deal with the pressures exercised by global and more liberalised markets on the world's forests and its communities.

Further tariff liberalisation in the forest sector is unlikely to have a major global impact on timber trade and forests since tariffs are already very low. However, (i) eliminating tariffs could have a significant impact on some products and some markets (e.g. high volume import countries such as China); (ii) increased liberalisation in agriculture, mining and associated infrastructure sectors is likely to have far reaching implications for forests and forest communities. WWF considers therefore that a comprehensive assessment of trade and its liberalisation on forests is needed. Such assessment should aim at reforming trade measures that have negative effects on forests, such as the practice of tariff escalation, and at implementing preventative and mitigation measures to address any potential harmful effects.

Of great importance is the debate about non-tariff measures (NTMs), such as subsidies, certification and labelling, and log export bans. There are major concerns about eliminating some NTMs that are seen as hindering free trade, but which are critical measures for promoting forest protection and conservation. Discussions are further hampered by lack of analysis and research on the economic, social and environmental impacts of NTMs and because opinions diverge as to what is an NTM and what is not.

WWF will work with governments, international organisations and communities to:

- Promote the use of sustainability assessments as a tool to identify and address the economic, environmental and socio-developmental implications of trade and investment policies, including IMF and WB export-led policies, on forests and forest communities. Such assessment should also consider in priority the impacts of increased liberalisation in the agricultural, mining and associated infrastructure sectors on forests.
- Call on governments to ensure that WTO rules do not restrict the use of non-tariff measures, which are in place to inform consumers or protect the environment. In particular, WTO rules should not threaten or undermine (i) independent third party certification initiatives, such as FSC, and labelling schemes, (ii) measures taken to control the import/export of illegally sourced timber; (iii) MEA provisions, such as in the CBD, CITES and UNFCCC, which are aimed at sustainable use and management of forests and forest protection.¹
- Advocate phasing out environmentally harmful trade distorting forest subsidies and redirecting freed up resources toward environmentally sustainable and socially viable activities, such as forest landscape restoration and community protected areas.
- Work with partners to enhance and strengthen international cooperation on trade and forests linkages among IGOs, governments and a broad range of stakeholders, including NGOs and local communities.

* A policy paper examining the linkages between forests and investment, IFIs and ECAs has also been prepared

¹ MEA: Multilateral Environmental Agreements; CBD: Convention on Biological Diversity; UNFCCC: United Nations Framework Convention on Climate Change; CITES: Convention on International Trade in Endangered Species



Position Paper

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For further details contact

Aimee Gonzales
WWF International
Tel: +41-(0)22-364-9002
agonzales@wwfint.org