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# Timber legality- why does it matter

Globally integrated markets

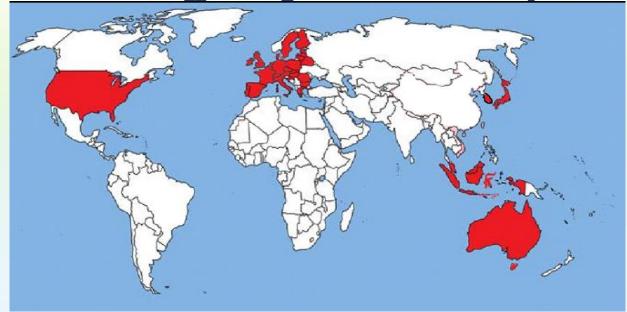


- INTERPOL estimates value of illegal logging is US\$50 to US\$150 billion annually
- Economic: drives down prices for legal wood products; costs governments ~US\$6-9B annually in lost tax revenue
- Environmental: creates degraded forest ecosystems, driving loss of biodiversity
- Social: creates conflict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





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





# 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







## 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







#### **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







## Canada

- 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





# Thank you

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