

Trade and sustainable forest management

Between 1993 and 2003 the value of international trade in wood and wood products grew by 50 percent (from US\$100 billion to \$150 billion). Meanwhile, in the last decade of the twentieth century, the world lost 9.4 million hectares of forest. What is the relationship between trade and the state of the world's forest resources?

A recently concluded research and analysis project undertaken by FAO and the Government of Japan explored this question, seeking ways to help the relationship be a positive one. The project "Impact Assessment of Forest Products Trade in the Promotion of Sustainable Forest Management", which engaged international organizations, the private sector and non-governmental organizations (NGOs), provided the foundation for many of the articles in this issue of *Unasylva*.

In the first article, C. Mersmann gives an overview of the links between trade in forest products and services and sustainable forest management, concluding that cross-sectoral collaboration, coherent policies and good governance can help the two be mutually supportive. Although most observers (and indeed most articles in this *Unasylva* issue) focus primarily on international trade, Mersmann also highlights domestic trade considerations, since the greatest part of roundwood and non-wood forest products is traded domestically. Next, a brief contribution (M. Shimamoto, F. Ubukata and Y. Seki) questions whether free trade is compatible with sustainable forest management, based on case studies from the Philippines, Thailand and Indonesia.

What can forestry learn from trade in other sectors? M. Arda looks beyond the forest sector to give a general picture of the world commodity economy, drawing some parallels for forest products.

The next article, by O. Hashiramoto, S. Johnson and J. Castano, surveys global trends in the trade of wood products, focusing on new players such as the Russian Federation, eastern Europe and especially China, as well as the recent expansion of processing industries in tropical countries.

Indeed, the emerging role of China is one of the most striking changes in world timber trade in recent years. W. Lu details how, with the country's rapid economic growth, China has become the world's largest importer of industrial logs (with potential consequences for other countries' forest resources) as well as an important exporter of processed products such as panels, paper and furniture.

For countries like China that are seeking to maintain or increase their market share in developed countries, certification – one of the first and most direct efforts to link trade to sustainable forest management – is important. However,

most certified forests continue to be in developed countries. S. Ozinga points out that it is time to measure the potential positive and negative environmental, social and economic impacts of certification on sustainable forest management on the ground.

Illegal harvesting and trade of forest products (evidenced by discrepancies between export and import statistics for some products) is a threat to forest sustainability in some regions. M. Richards questions the potential of trade liberalization (e.g. reduction or removal of potential trade barriers such as tariffs, log export bans, phytosanitary regulations, quotas and product quality standards) to improve forest governance, pointing out that policies in other sectors are likely to have a greater impact.

H.K. Chen and S. Zain describe how the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), formerly often perceived as a trade ban mechanism, is evolving with the recognition that sustainable trade can provide economic incentives for species' conservation. One of the main ways in which CITES addresses sustainable forest management is by requiring non-detriment findings – i.e. documentation that trade is not detrimental to a species' survival.

Commercial development of non-wood forest products can provide market-based incentives for the sustainable management and conservation of the resources. A good example in sub-Saharan Africa regards nuts from the shea tree, *Vitellaria paradoxa*, which yield a vegetable fat used in food, cosmetics and pharmaceutical products. E.T. Masters, J.A. Yidana and P.N.C. Lovett describe the local and export markets for shea products and recent efforts to enhance market opportunities and increase returns to the primary producers.

In addition to wood and non-wood products, market-based development of environmental services from forests (biodiversity conservation, carbon sequestration, watershed protection and nature-based tourism) is attracting attention as a tool for promoting sustainable forest management. M. Katila and E. Puustjärvi point out that expansion of these markets, with the possible exception of carbon offset trade, is likely to remain slow and to depend on government intervention.

Concluding the issue, J.L. Bowyer summarizes changing realities in forest sector markets: the shifting of industrial capacity to countries where costs are lower; emerging supplies of industrial wood, especially from tree plantation development; new technologies in wood processing; and the emergence of new key players. Bowyer predicts some of the implications of these trends for the future of trade and sustainable forest management.

We hope that the discussions here will contribute to the elaboration of trade policies that encourage sustainable forest management.