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THE STATE OF PRODUCTION AND EXPORT OF TIMBER IN THE CONGO BASIN: OPPORTUNITIES AND CHALLENGES

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Introduction

- **Congo Basin:** second largest expanse of tropical forest after Amazon Basin.
- **Estimated surface:**
  - area of 200 million hectares
  - nearly 91% of Africa's rain forests
  - main forest resources across the continent.
- **Rich biodiversity:**
  - big potential for the socio-economic development of the continent.
  - over 10,000 species of higher plants of which 3000 are endemic and nearly 600 species of timber.
  - 17 million hectares of these forests are under development.
  - protected areas represent about 16 million hectares of forest that is 12% of the dense rain forests surface area.

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1) The surface area of the conceded forests

Table 1: Area of forest concession in Cameroon, Congo, DRC and Gabon

Country	Forest surface area in 2010 (*) (ha)	Total surface area of forests concession (ha)	Surface area of forests concessions granted to Chinese/Malaysian	Year
Cameroon	18, 640,192	7, 058, 958	Information not available	2013
Congo	17, 116,583	12, 596,000	4, 937,000	2013
Gabon	22, 324,871	14, 219,000	3, 935,000	2013
DRC	101, 822,027	12, 184,130	Information not available	2013
TOTAL	159, 903,673	38, 584,964		

Sources: *Verhegghen & Defourny, 2010 - Geodatabases DRC; SIAF Congo; WRI & MEFDD card (2013) + Figures MEFDD (ACTED, 2012); OFAC; jeuneafrique.com*

2) Log production in the formal sector

In 2007, the forest sector in Central Africa produced nearly 9 million m³ of logs. Production dropped in 2008 because of the international economic crisis, which affected the tropical timber market.

Table 2: ***Global tropical timber production*** **(x 1,000 m³ / year) in 2010**

	Log	Sawing	Plywood
Congo basin	6,000 (3 %*)	1.524 (2 %*)	117 (1 %*)
Africa except Congo basin	1,248	3,077	290
Asia-Pacific	94,413	29,346	12,834
Latin America / Carribean	122,615	31,941	4,282
World total production	235,091	65,888	17,523

(*) Share of total world production. Source: WRI 2011 (Cameroun), Gally et Bayol 2013 (Congo), Projet PAPPFG (Gabon), Projet AGEDUFOR (RDC), Projet ECOFORAF (RCA et certification)

3) Production by country

➢ **Gabon** was until 1999 the largest log producer in the Congo Basin, with an annual average production of more than 3 million m^3:

- The forest industry accounts for 2.6% of GDP in 2012 and 4.7% of exports.
- The government prohibited log exports in May 2010.
- Timber industry is benefiting from a favorable tax system, as well as certain grants for exports.
- These measures helped to increase between 2009 and 2013 exports of processed timber from 690,000 m^3 to more than 800,000 m^3 and the number of processing units from 81 plants to 114 plants.

- **Cameroon** has the third largest forest expanse in Central Africa.

- Forests cover 40% of the national territory; that is 22.5 million ha of which 17 million are exploitable.
- Nearly 300 wood species of which only 60 are logged.
- Forest law encourages the local processing of timber before export. Transformation is still low however.
- This sector, with an average annual production potential of 2.7 million m^3 needs more investors to promote advanced technology and improve conversion rates and current levels of recovery.
- Timber production has remained constant for 2 decades at just over 2 million m^3 of logs (not counting the crisis year).

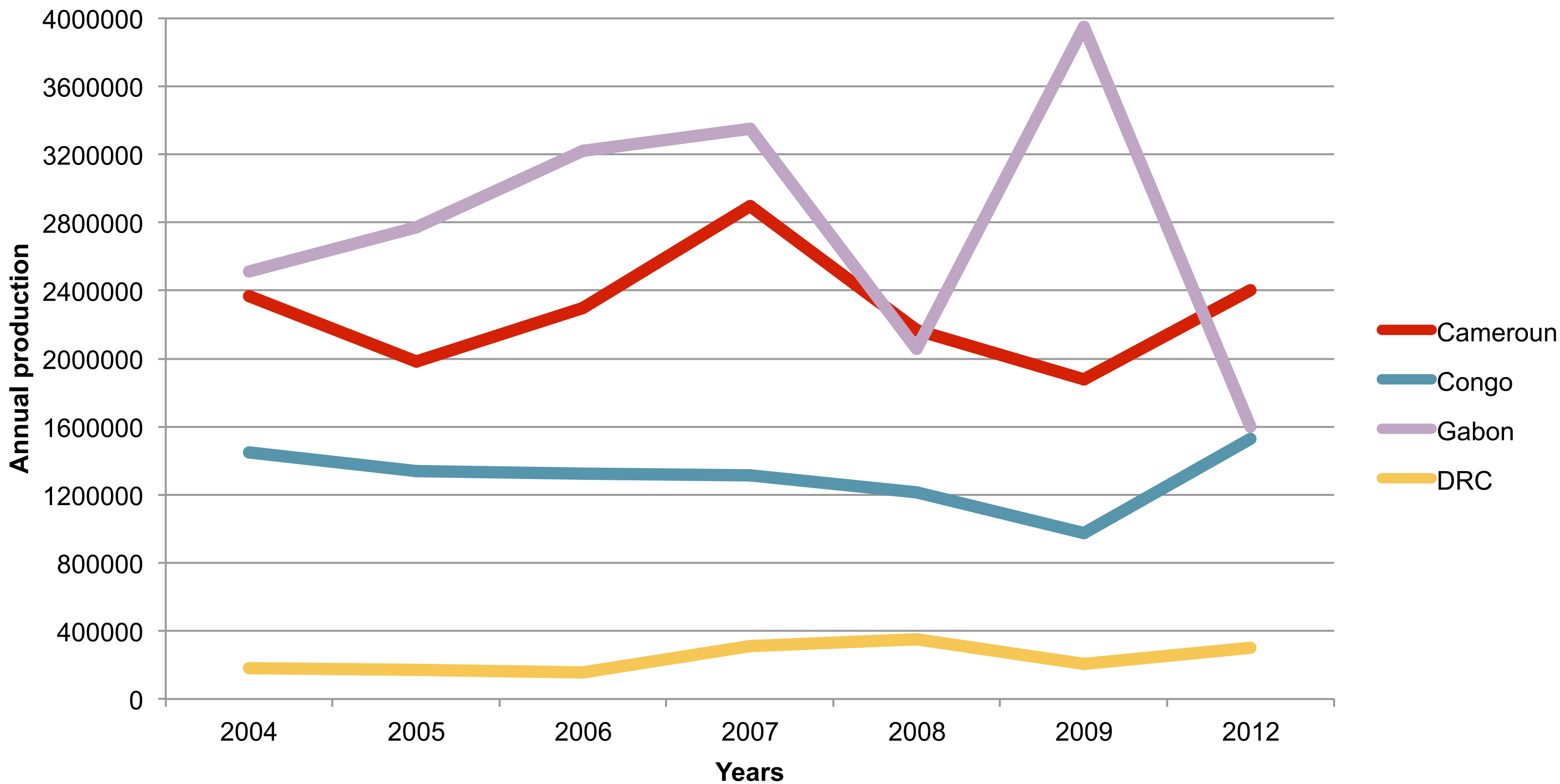
Congo (Brazzaville):

- Annual log production which was around 600,000 m^3 in the 1990s has doubled to 1.3 million m^3 in the 2000s.

- The rate of forest degradation has also doubled over the same period. Timber production has increased over the past few years, resulting to the highest production value ever recorded by Congo in 2012.

➢ DRC (KINSHASA):

- Annual potential is estimated at 10, 000, 000 m^3 all species
- Annual log production is around 300,000 m^3
- The informal and often illegal production is estimated at 4 million m^3, of which 600,000 m^3 are exported mainly to the east or across the Congo, on African and international markets, including Asia.



<u>Figure 1</u>: Evolution of log production in Cameroon, Congo, Gabon and DRC (m^3 / year) - official data

<u>Source:</u> COMIFAC, State of the Forests 2010, Assembe and Billard study on Chinese activities in Gabon and Republic of Congo.

4) Production related to specific wood species (1/3)

- "**Okoumé**" *(Aucoumea klaineana)* popular in the veneer industry (for the production of plywood) remains, with 1.4 million m^3 of logs produced in 2008, the first harvested species in Central Africa. Gabon has a potential of 130 million m^3 of "Okoumé". Congo, the second "Okoumé" producer, accounts for about 20% of production in Central Africa. China has been the largest importer of "Okoumé", followed by France.
- "**Sapelli**" *(Entandrophragma cylindricum)* ranks second with 1.3 million m^3 / year, and production spread throughout Central Africa, but with Congo and Cameroon as the main producers. Sapelli is most commonly used for flooring.
- "**Ayous**" (*Triplochiton scleroxylon)* is the third most exploited species, with about 900,000 m^3 / year, mainly from Cameroon. Ayous is mainly use for moulding.

4) Production related to specific wood species (2/3)

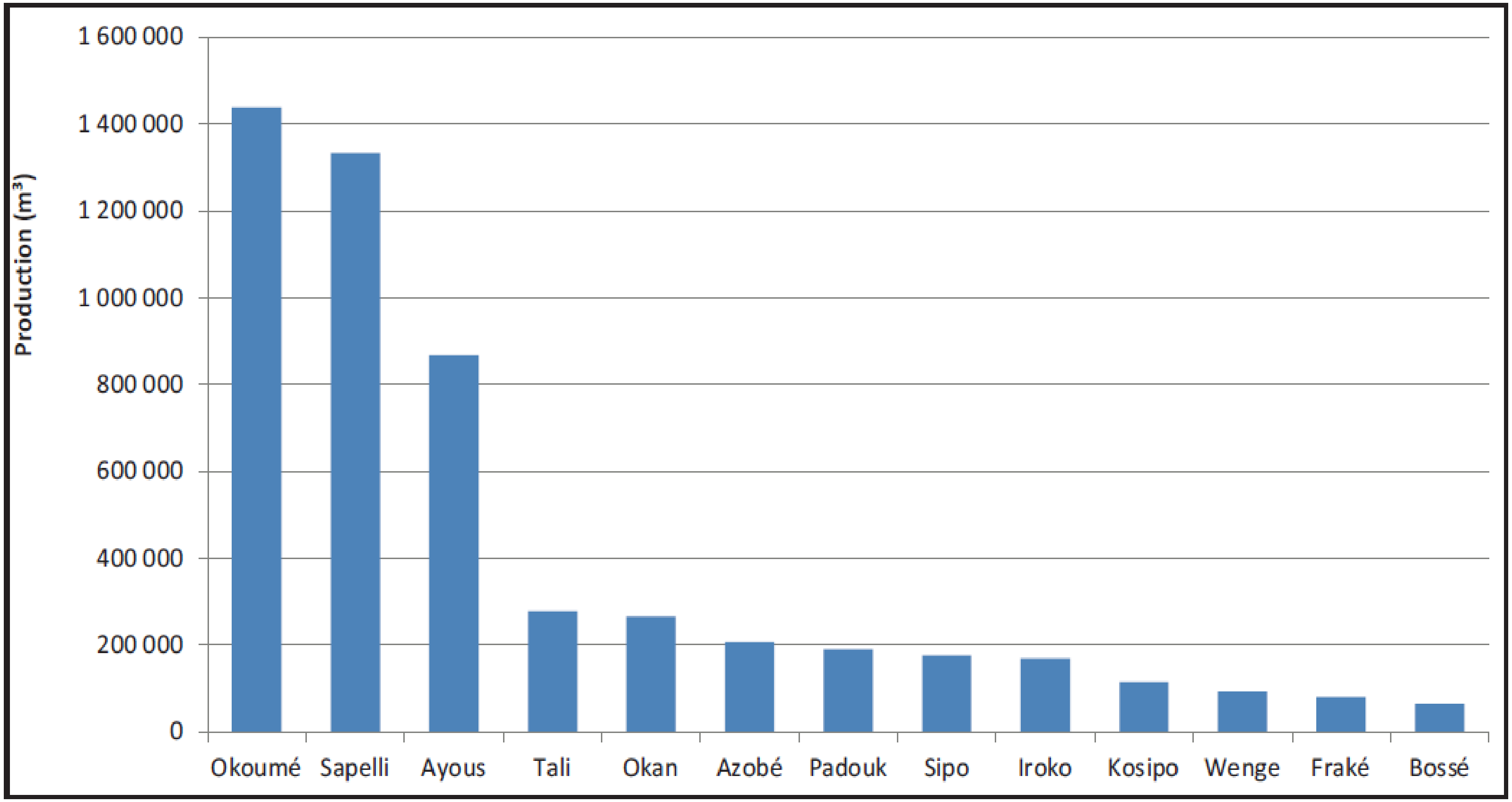


***Figure 2:* Production by species in the Congo Basin in 2008 (m³ / year) / *Source:* OFAC**

4) Production related to specific wood species (3/3)

<u>Table 3</u>: production per species in Cameroon, Congo, DRC and Gabon

<u>Source: OFAC (The Observatory for forests of Central Africa)</u>

Country	Main produced wood species
Cameroon	Ayous, Sappeli, Tali, Azobé, Iroko
Congo	Sappeli, Sipo, Bossé, Iroko, Wengué
Gabon	Okoumé, Azobé, Okan, Movingui, Ozigo
DRC	Sappeli, Wengué, Sipo, Afromosia, Iroko

5) The industrialization of the sector

Sources: from 1993 to 1999: International Tropical Timber Organization; from 2005 to 2008: Observatory for the forests of Central Africa.

Table 4: Calculation of processing rates (%)

Country	1993-1999	2005-2008(*)	Legal required rate
Cameroon	57	88	100
Congo	42	57	85
Gabon	15	37	100
DRC	69	39	70

(*) Assessed for the COMIFAC report "State of the forest 2010"

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6) Exports

Cameroon:

- The official production is rising and reached around 2.4 million m³. The government expects an increase of around 2.9 million in the year 2014.
- In 2003, 54% of the exports went to the EU and 46% to the rest of the world; in 2012, the export rate was 6% to the EU and 94% to the rest of the world.
- China was the number 1 importer of Cameroonian timber in 2012.

Source: http://www.financialafrik.com/2013/07/05/lasie-principale-importatrice-du-bois-camerounais/

6) Exports

Congo:

- In 2011, approximately 60% of the timber production is exported as logs, and most of the remaining volume in the form of sawn wood.
- Very few secondary processing takes place. Although more than 80 species are harvested, two-thirds of the timber come from only two species: "**Okoumé**" and "**Sapeli**".
- "**Okoumé**" is harvested from forests in the South and "**Sapeli**" in the North. China (60%) and Europe (25%) dominate the market for timber exports from Congo.

Source:

http://www.illegal-logging.info/sites/default/files/Lawson_Republic_of_Congo_PP_2014_FR.pdf

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6) Exports

Gabon:

- In 2008, China was by far the largest customer, with 1,103,274 m^3 purchased in Gabon.
- The export of processed wood accounted for over a third of timber exports to China.
- In 2012, Europe was the primary beneficiary from transformed Gabonese wood products: 42% of them are sold to EU, 36% to Asia and 22% to Africa / America.

Source:

http://www.presidentalibongo.com/le-projet-de-societe/tribune/les-cahiers-de-l-emergence-l-

6) Exports

DRC:

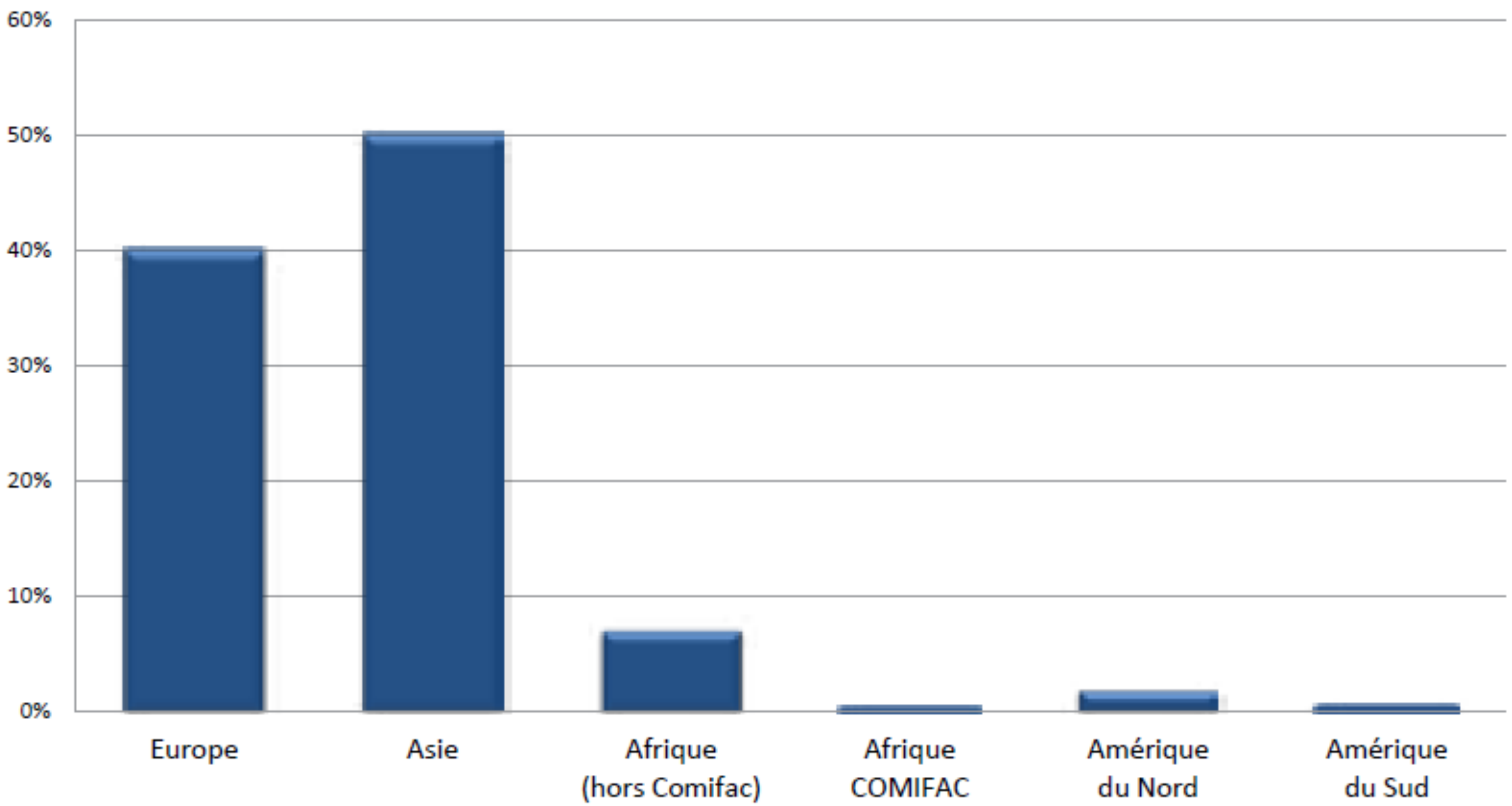
- From January to May 2012, the amount of Congolese timber exported to China for the first time exceeded that for the entire European Union.

- No Chinese company has any industrial concession in the DRC, and European and Lebanese timber companies continue to export mainly to the European markets.

- Significant proportion of exports to China is related to the increase in the number of businesses using the craft cutting license or buying timber harvested in non-managed forests from producers bearing "Small Permits".

Source: http://www.illegal-logging.info/sites/default/files/Lawson_DRC_PP_2014_FR.pdf

6) Exports



<u>Figure 3</u>: 2012's COMIFAC countries exported volumes by destination;
<u>Sources</u>: OFAC data, ministries in charge of forest of concerned countries

Conclusion: challenges

Regarding forest management:

- Improvement of the capacity building within the forestry administrations to implement sustainable forest management of forest resources and legality in compliance with current forest policies;

- Mainstreaming sustainable forest management in all forest production areas, with the adaptation to new situations (smaller concessions, new operators);

- Ensuring the monitoring of the effective implementation of management plans of FMU (Forest Management Units), through strengthening of their institutional capacity;

- Periodically reviewing management plans, their necessary adjustments to management prescriptions, and constantly raising awareness of the operator for the challenges, benefits and constraints of sustainable forest management.

Conclusion: challenges

Regarding the timber industry:

- Substantial quantitative and qualitative improvement of forest product supply in the region (drawing in particular on the potential of the DRC);

- Larger variety of products offers (logs, sawn wood, plywood, veneer and products of secondary world processing) derived from forest concession meeting FSC and others standards;

- Improved opportunities for Chinese investments in the forestry sector on the basis of the Yaounde Declaration of the Central Africa Heads of States (forest sector orientated towards sustainable management, the concession being logged on the basis of management plans and being capable of leading to FSC certification, compliance with legal prescription)

Conclusion: challenges for the coming

Regarding the timber industry:

- We must provide adequate answers in response to the expectations of the American and European markets concerning legality of imported timber through the implementation of agreements such as FLEGT and the Lacey Act;

- Diversifying the offer of transformed wood products by strengthening local chains of production, while better meeting the demand of African markets;

- Improving the supply of wood products through support programs for the informal sector.

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Sources of picture: www.dailymail.co.uk