Domestic timber markets: An overview

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Processing
Carrying
Transport
Distribution (road)
Distribution (rail)
Distribution (river)...

THINKING beyond the canopy
"Marketing"
Consumption
What is « domestic » timber?

• Lumber (sawnwood, logs)

<table>
<thead>
<tr>
<th></th>
<th>National Production</th>
<th>Imports</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Industrial</td>
<td>small-scale</td>
</tr>
<tr>
<td>Consumption</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Exports</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

• Different sources:
  – Industrial scraps (not processed with chainsaw)
  – Small-scale logging titles (harvested with chainsaws, mobile saws, …)
  – Informal small-scale harvesting
Who is concerned?

- Several groups of citizens:
  - At the local level: customary owners, chainsaw millers and their teams, administrations, local governments
  - Along the chain (« on the road »): road hauliers, administration (*corps habillés*)
  - At the market level (generally urban): traders, buyers, administrations, local governments
Who is asking for domestic timber?

Annual domestic consumption per capita

(Source: ETFRN News 52, December 2010)
Who is asking for domestic timber?

- A national private demand
- A foreign demand: Cameroon → Chad & Nigeria
Who is asking for domestic timber?

- A national private demand
- A foreign private demand
- A public demand, but usually without a clear public procurement strategy in favor of legal timber
Organization of domestic timber markets

• Many selling points
  – Dedicated markets or hardware stores
  – Recognized by the public authorities
  – Trade Unions, Syndicates, Associations,…

• A significant sector, very well organised
• Domestic timber market will not be easily entered by logging companies or other forms of legal timber production

<table>
<thead>
<tr>
<th>Country/city</th>
<th># sale points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon (Yde, Dla, Brta)</td>
<td>882</td>
</tr>
<tr>
<td>Congo (Pte Noire)</td>
<td>127</td>
</tr>
<tr>
<td>Gabon (Lbv)</td>
<td>210</td>
</tr>
<tr>
<td>DRC (Kin)</td>
<td>170</td>
</tr>
<tr>
<td>CAR (Bangui)</td>
<td>140</td>
</tr>
</tbody>
</table>
Intra-annual seasonal fluctuations (Yaounde)
Inter-annual seasonal fluctuations (Libreville)
Upstreaming the domestic timber sector

Operating ways and socio-economic impacts
All you need to become a chainsaw miller

<table>
<thead>
<tr>
<th>Country</th>
<th>Recovery rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bolivia</td>
<td>33%</td>
</tr>
<tr>
<td>Cameroon</td>
<td>34%</td>
</tr>
<tr>
<td>Ghana</td>
<td>27–40%</td>
</tr>
<tr>
<td>Guyana</td>
<td>19–44%</td>
</tr>
<tr>
<td>Kenya</td>
<td>23–30%</td>
</tr>
<tr>
<td>Uganda</td>
<td>20–25%</td>
</tr>
</tbody>
</table>
Chainsaw milling: Costs distribution
Chainsaw milling: Profitability

(Source: ETFRN News 52, December 2010)
Global economic impact

- Much employment in rural and urban areas

<table>
<thead>
<tr>
<th>country</th>
<th>estimated employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>45,000</td>
</tr>
<tr>
<td>Ghana</td>
<td>97,000</td>
</tr>
<tr>
<td>Guyana</td>
<td>8,000</td>
</tr>
<tr>
<td>Liberia</td>
<td>1,500–3,850</td>
</tr>
</tbody>
</table>

(Source: ETFRN News 52, December 2010)

- Formal and informal revenues: a real contribution to livelihoods

<table>
<thead>
<tr>
<th>Beneficiaries (Cameroon)</th>
<th>Sources of revenue</th>
<th>Amount (US$/yr)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural populations</td>
<td>Wages; sale of trees; profits</td>
<td>40 million</td>
</tr>
<tr>
<td>Urban populations</td>
<td>Wages; outlets’ rent; profits</td>
<td>23 million</td>
</tr>
<tr>
<td>Administration</td>
<td>Informal payments</td>
<td>14 million</td>
</tr>
<tr>
<td>representatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council</td>
<td>Tax</td>
<td>1 million</td>
</tr>
</tbody>
</table>

(Source: ETFRN News 52, December 2010)

- Taxes: a significant loss for the State and the local governments

<table>
<thead>
<tr>
<th>country</th>
<th>lost stumpage revenue (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cameroon</td>
<td>13.1 million</td>
</tr>
<tr>
<td>Gabon</td>
<td>2.4 million</td>
</tr>
<tr>
<td>Ghana</td>
<td>18.0 million</td>
</tr>
<tr>
<td>Liberia</td>
<td>18.0–42.0 million</td>
</tr>
</tbody>
</table>

(Source: ETFRN News 52, December 2010)
Secure, legalise, perpetuate the domestic timber sector

Food for thoughts
(with a Central African bias)
Demand side interventions

- Increase the domestic demand for legal (but more expensive) timber
- A private demand influenced by the price level instead of quality/legality/sustainability of timber
- Greening the (domestic) demand mainly through public procurements
Increasing legal timber supply

- **Revision of the forest law**
  - Facilitate access of chainsaw millers to small-scale logging permits
  - Promote partnership between industrial (legal, certified) companies and small-scale loggers
- **Extend timber plantations**
- **Reduce the costs of legal production of sawing to reduce the price difference with informal sawn timber**
- **Improve the concrete enforcement of the forest law**
  - Discussion and negotiation platforms at the national scale
  - Real sanctions against corrupted forest officers at all level
  - Economic incentives: financial compensation to decrease corruption (performance-based payment)
Cameroon’s hidden harvest

The trade in illegally harvested timber provides a living for more than 45,000 people, a major source of income for corrupt officials and not a cent for the state.

Charlie Fye-Smith
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