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Industry Statement in Ministerial Briefing

As representatives of timber trade, retailers, private forest owners and forest product industries we appreciate the opportunity to give this statement and also to participate in the ENA FLEG -process. We have found this opportunity to work together with NGOs in order to give input and communicate with the representatives of the participating governments extremely useful, important and fruitful.

Being committed to tackling illegal logging the private sector is already implementing numerous measures addressing the problem. During these days we have seen several examples of this: CEPI has launched its code of conduct of legal sourcing of wood, several companies have demonstrated their third-party-verified wood tracking systems etc.

The private sector has had good cooperation with the civil society. We have agreed on several priorities and formulated a joint document consisting of 11 items which we consider should be part of the ministerial declaration.

We want to underline the importance of promoting measures taken against illegal logging and hope that all countries approving the declaration would take appropriate follow-up actions. Especially we would like to highlight the following three important aspects:

1. National action plans should be consistent and time bound

NAPs should be formulated within a reasonable timeframe, be consistent with the Declaration and comprise clearly defined targets, activities and indicators of success

2. Legal frameworks should promote good governance and SFM

Governments should enforce existing legal frameworks and adopt legal reform where necessary to ensure good governance and sustainable forest management. Forest regulations should be consistent with other laws and policies and developed in a transparent way ensuring

meaningful public participation. Such regulations should be avoided which could lead to greater social injustice or create perverse incentives by raising the cost of legal forest products.

3. Trade of legally, equitably and sustainably produced forest products should be promoted.

The demand of forest products exists - an efficient way to substitute illegal products from the market is to promote the trade of legal products.

The forest products industry wants to emphasize one issue: it is essential that policy responses do not create negative incentives by raising the costs of legal forest products. This would

- 1. Make illegal logging and illegal forest products trade even more profitable**
- 2. Undermine the competitiveness of forest products relative to non-wood alternatives like steel, cement, plastics – which are not renewable, have higher energy intensity and are not as recyclable.**

When the public sector considers practical measures to combat illegal logging, it is important that tools such as public procurement policies are not discriminatory, don't break WTO rules and do not impose unwarranted compliance costs.

As a summary we would like to underline, that law enforcement is a government function, we hope that no regulations be imposed on legitimate businesses that will hamper their competitiveness. We also want to express our readiness to cooperate with different stakeholders to find the most cost efficient and effective tools against the problem of illegal logging.