

EU sanctions on the Ivory Coast impact trade

EU sanctions imposed on the Ivory Coast on 14 January 2011 are now having a significant effect on the wood trade. The sanctions are designed to choke off funding to Ivory Coast's president Laurent Gbagbo and pressure him to cede power. According to an EU spokesman quoted by the Bloomberg news agency last month, "an important consequence is the prohibition to make available, directly or indirectly, economic resources to or for the benefit of the persons or entities subject to sanctions. Therefore, payments and transfers to sanctioned entities become illegal."

The measures block most trade between the EU and Ivory Coast by barring any financial transactions between Europe and any of the people or entities on the sanctions list, which includes the country's two main ports at Abidjan and San Pedro.

The timber trade journal EUWID reports that the trade embargo and the ensuing standstill to Fuma peeled veneer shipments is now creating problems for European blockboard manufacturers trying to source outer veneers. The Ivory Coast had become the main supplier of outer veneers to European blockboard manufacturers because the country provides the grades and large sizes demanded in this industry.

According to EUWID, German and Romanian blockboard producers are especially hard hit, having increasingly switched production of Gabon or similar grades to outer veneers from Ivory Coast traded under the Fuma name over the past few years. This shift mainly replaced okoumé veneers which had become too expensive. Italian blockboard producers have been less affected because they have been switching to poplar veneers, thin particleboard or thin MDF as the outer layer. Blockboard with Gabon or Fuma veneers currently accounts for an average of 20% of Italian output compared with 50% to 70% of German and Romanian output.

According to UK importers, the EU embargo is also now having a significant effect on the EU market for iroko, samba and framire sawn lumber as existing landed stocks of these species in Europe are already very low.

Long delays for new orders of bangkirai

EUWID reports that many of the larger European importers concluded their procurement activities for bangkirai hardwood decking in December and are now reasonably well stocked. As a result, the volume of new orders from European buyers has been low this year. Due to on-going log supply problems in South East Asia this year, those European importers that delayed purchasing are likely to struggle to find exporters with stock on hand and face rising prices and protracted lead times of at least two months.

However EUWID notes that the supply and demand situation for meranti products is different. Although shippers have had to deal with log supply problems, meranti lumber stocks have built up due to very low levels of demand and are available for prompt shipment at stable prices. On the other hand, supplies of meranti scantlings are more restricted.

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For [ITTO Market Information Service](#)

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Latest reports from European importers indicates that demand for meranti lumber remains very subdued, a fact explained both by low and inconsistent levels of consumption, and by the presence of significant existing landed stocks of sapele sawn lumber at highly competitive prices.

However currency movements are beginning to turn in favour of meranti . At present European economies are taking a more hawkish line on inflation than the US and are likely to raise interest rates more rapidly. All other things being equal, this implies that the dollar is likely to weaken further against the euro this year, generally improving the price competitiveness of Malaysian hardwoods (mainly invoiced in dollars) in comparison to African hardwoods (mainly invoiced in euros). With very long lead times on new orders of African hardwoods, meranti products also have an edge in terms of delivery times.

TTF steps up efforts to tackle plywood mislabelling

In an effort to improve quality standards and crackdown on malpractice in the imported plywood sector, the UK Timber Trade Federation is encouraging members to submit photographic examples of inappropriate or fraudulent labels. The TTF will also tighten up its code of conduct in relation to mislabelling and misleading claims when it comes up for review in June.

The initiative which was launched by the TTF's National Panel Products Division is designed to safeguard the reputation of an industry that is coming under increasing threat from a range of alternative products.

Common mislabelling issues include incorrect detailing of the species used to manufacture plywood, illegitimate use of environmental certificates, and misleading claims of a product's suitability for structural applications (Source: TTJ).

20 years on, B&Q becomes the first major retailer to buy 100% traceable timber

Kingfisher's operating company, B&Q UK, has announced achievement of its goal of only buying timber products from proven responsible sources. Last year just over 90% of B&Q's timber products were traceable to responsible sources. From February 2011, the UK's largest home improvement retailer, can ensure that 100% of timber products that it buys can be traced back to well managed sources.

All credit to B&Q for becoming the first to achieve this goal but, in a sense, the announcement has been a long time coming. In 1993, B&Q was amongst a group of large UK retailers that committed to 100% procurement of FSC certified timber by the year 1995 as part of the WWF "1995 Group". The impracticality of this target soon hit home and the Group shortly after morphed into the "1995+ Group" before becoming a cornerstone of the WWF's Global Forest and Trade Network. Meanwhile, over the years, the commitment to "FSC only" has been adjusted to accommodate the rival PEFC scheme.

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There is a serious side to this history lesson. It has taken 18 years of concerted effort and leadership for B&Q to achieve its goal of 100% certified wood products. The scale of the challenge has been huge. Over 16,000 products at B&Q contain wood. In addition to those products with an obvious wood content such as sawn timber, flooring, and doors, there are many others where the wood is hidden - like wallpaper, mirror backs, even baths.

This puts into perspective the challenge now faced by all European retailers who, within a space of only two years, will be required to conform to the EC's new Illegal Timber Law (ITL) and to demonstrate a negligible risk of any wood from illegal sources entering their supply chains.

But there is another – more positive - lesson from B&Q's achievement for the tropical wood sector. Whereas 18 years ago, B&Q launched its procurement policy on the back of much negative publicity about the international wood trade generally, and the tropical wood sector in particular, their latest announcement includes a justification for B&Q's continuing use of tropical hardwood. B&Q state that their procurement criteria "relies on credible forest certification schemes to set strict standards to ensure that trees are only taken from a forest at a rate that it can replenish...for example, in the case of B&Q's tropical plywood, just six trees from an area the size of three football pitches are felled...this area is then left to regenerate naturally for 20 years".

It seems certification, while very challenging to achieve, has real power to overcome preconceptions and prejudices against tropical hardwood.

Ecobuild dwarfs other construction shows

The UK's Ecobuild show just keeps getting bigger. The show's new larger site at ExCel in the London docklands gave it a 50% bigger footprint than the 2010 event held at Earls Court. Visitors over the three day period 1-3 March are reckoned to have numbered around 50,000, a 20% gain on 2010 and double the numbers seen only two years before. The show boasted over 1,300 exhibitors and a seminar programme hosting over 700 speakers.

Such is the success of Ecobuild that it dwarfs all other construction shows in the UK. In fact its nearest rival Interbuild, traditionally held in Birmingham in October, has been cancelled this year for lack of interest. The rapid growth in Ecobuild, which showcases green building systems and materials, is a clear indication of the significance now attached to sustainability issues in the UK construction sector.

The rapid growth of the show has coincided with efforts to implement the UK's Climate Change Act of 2008 which set tough legally binding emission reduction targets (by 34% in 2020 and a massive 80% in 2050) and introduced five-yearly carbon budgets to help ensure those targets are met. The building sector is a very high priority – UK government figures indicate that 46% of the UK's carbon dioxide emissions come from fossil fuels burnt to provide energy for buildings (split roughly 50:50 between the residential and non-residential sectors).

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A raft of measures has been introduced by the UK government to improve energy efficiency and reduce dependence on fossil fuels in the building sector, including introduction of energy performance certification schemes for various types of building, financial incentives for installation of renewable energy and insulation at existing properties, and tough mandatory energy performance standards in Building Regulations.

Much of the focus to date has been on improving the energy performance of buildings during use. However there is now rising interest in measures to lower the carbon content of building materials, both through process efficiencies and a major effort to re-use and recycle more.

Against the background of a generally depressed construction sector in the UK, the ability of different materials sectors to demonstrate their sustainability credentials has become a critical competitiveness issue. This Ecobuild show demonstrated that timber suppliers – who were out in force – are keenly aware of this and have raised their game sufficiently to at least match the green marketing efforts of other material sectors.

In fact, the timber section included some of the most impressive features of the entire show. The timber industry was represented by around 100 exhibitors, either offering timber products or using these in full-scale structures built at the event. Of these, highlights included Bill Dunster's StramitZED, the latest addition to the ZEDFactory's eco-housing stable built from straw board combined with timber and recycled newspaper insulation. The ecohouse is claimed to achieve the very highest energy efficiency standards while costing 20% less to construct than an average new-build.

Another structural display was Pasquill's "Extreme timber" attraction comprising "a hyperbolic paraboloid" of two large curved and twisting engineered timber structures. This demonstrated not just glulam's aesthetic qualities, but also that, with its low embodied energy, it's a realistic option for large-span structures.

The wood sector was equally keen to show off its increasing ability to build high-rise. With the world's population becoming more urbanised, there is a huge opportunity for wood suppliers able to offer high-rise solutions which are also fast, economic, and truly sustainable. As part of the seminar session, Advantage Austria presented a case study of a modular high-rise timber construction system designed for energy-generating buildings of up to 20 stories.

The wood window sector was out in force, keen to demonstrate the expanding range of high quality products compliant with the highest possible insulation and environmental performance standards. The Wood Window Alliance stand was supported by eight manufacturers with products including brand new triple-glazed windows from Janex and JELD-WEN, 'A' energy rated Georgian sash and casement windows from AJB Woodworking, Mumford & Wood and West Port, and high performance contemporary windows from Boyland Joinery and Viking. The stand highlighted new research by Imperial College London which demonstrates that Wood Window Alliance windows have a minimum estimated service life of 60 years, a lower Whole Life Cost than comparable PVC-U windows, and carbon negative frames.

Given that so much of the show was focused on structural rather than finishing products, hardwoods – particularly tropical hardwoods - were not prominent. Temperate hardwoods were represented by the American Hardwood Export Council (AHEC) which highlighted on-going research to assess the full Life Cycle environmental impact of US hardwoods in the European market. Preliminary results indicate that US hardwoods used in Europe have a large negative carbon footprint (i.e. store much more carbon in product than they release through all stages of harvesting, processing and transport to the EU).

AHEC was also promoting wider uptake of Environmental Product Declarations (EPDs) by the international wood industry. EPDs provide a valuable mechanism to present unbiased, independently assessed, product-specific, and comparative information on the environmental impacts of all building materials across their full life cycle. EPDs are being used increasingly as the basis for calculating materials credits in green building rating systems such as BREEAM, DGNB, and LEED.

A regrettable feature of the Ecobuild show was that there were no exhibitors making a strong case for the environmental merits of tropical hardwoods – a necessary counterweight in a market where there are so many prejudices against continued use of these products. The PEFC stand at least had Malaysian representation – a sign of how crucial certification has become for continued market access of tropical hardwoods in this sector.

There were, however, plenty of other exhibitors willing to exploit prejudices against tropical hardwoods in their own efforts to gain market share. Perhaps most blatant in this respect was UK-based 2K Manufacturing which – under the strapline “Plywood is Deadwood” - was pushing an Ecosheet exterior plywood replacement product manufactured from recycled plastic. According to 2K, the product is tough, lighter than ply, impermeable to water, and ideal for hoardings and concrete formworks. At the end of its useful life, 2K will come and pick up the product, turn it into new boards and offer a rebate on future orders. 2K recently signed National Framework Agreements to supply the product as the preferred hoarding solution to some of the UK’s largest construction companies including Bovis Lend Lease, Apollo Group, ISG Pearce, Morgan Sindall and Wates. Supplies are currently limited and commercial production at the company’s first UK plant in Luton has only just begun. However 2K has ambitions to rapidly expand production nationwide and reckons it could eventually capture up to 16% of the total UK plywood market.

The Norwegian Kebony product was also being promoted at Ecobuild as a “cost effective, sustainable and independently verified alternative to depleting hardwoods”. Kebony wood is impregnated with a patented mixture based on furfuryl alcohol, a liquid produced from agricultural crop waste, which then reacts within the wood fibres. The process strengthens and increases the durability of the wood making it more durable against biological decay. The process is being applied to maple, pine and beech. Kebony, which operates a 25,000 m³ plant in Norway, has announced that the product will be distributed in the UK by Brooks Bros and is targeting a wide variety of applications including decking, cladding, roofing, windows, indoor and outdoor furniture, yacht decking and other construction materials.

Accsys Technologies was promoting two modified temperate wood products targeting markets currently occupied by tropical hardwoods. Accoya wood is claimed to be “created from sustainably sourced softwood” and to “match or exceed the beauty and quality of the very best tropical hardwoods”. 2010 was apparently a record year for Accoya, which has seen increased sales and global reach.

Medite Tricoya, a new panel product based on MDF and treated for outdoor use which Accsys has developed in conjunction with Coillte Panel Products, was also being promoted heavily. Tests of the product suggest it could have a service life of many decades in exterior applications and could therefore replace hardwood products in cladding, fascias, soffits, counter tops, door skins, and exterior furniture. Accsys forecast that production of Medite Tricoya should reach at least 20,000m³ to 30,000m³ within two years. They also note that the process is easily scalable and, with sufficient demand, production could be rapidly ramped up to much higher levels.

Similarly, a large part of UPM’s stand floor was built of UPM ProFi which the Finnish company says “combines state of the art recycling technology and in-depth material science to produce a new range of exterior building systems”. Certainly the look and feel of ProFi decking seemed superior to earlier examples of wood plastic composites. UPM ProFi is manufactured mainly from recycled raw material and is designed to be tough and humidity resistant. It can be disposed of through incineration or recycled back into the production process.

In contrast to the prominence given to this expanding array of “replacement products to tropical hardwood”, genuine tropical hardwood products were almost invisible at the Ecobuild show.