



TRADE & MARKET TRANSPARENCY PROGRAMME

*A mature *Gonystylus bancanus* (Ramin) reaching more than 30m in Pahang, Malaysia.
Photo: K.A. Hamzah/FRIM*

TMT
TRADE & MARKET
TRANSPARENCY
PROGRAMME

Provides comprehensive information about market conditions to promote international trade.

Improves market transparency to help countries develop a sustainable and profitable tropical timber trade.

Strengthens tropical timber producers' capacity in trade development and marketing.

INCREASING
TROPICAL TIMBER
PRODUCERS'
CAPACITY TO
DEVELOP &
APPLY MARKET
INTELLIGENCE &
IMPROVING MARKET
TRANSPARENCY BY
ENHANCING
INFORMATION
SHARING.

WHY IS TRADE & MARKET TRANSPARENCY NEEDED?

ITTO PROVIDES THE WORLD'S MOST COMPREHENSIVE SOURCE OF DATA & STATISTICS ON TROPICAL TIMBER PRODUCTION & TRADE THROUGH ITS **BIENNIAL REVIEW & ASSESSMENT OF THE WORLD TIMBER SITUATION**¹ WHICH IS DISTRIBUTED TO OVER 3,000 PEOPLE & RECEIVES OVER 6,000 HITS ON ITTO'S WEBSITE ANNUALLY.



Forestry professionals undergoing training at the Forestry Training Centre Incorporated (FTCI), Guyana. Photo: Ramon Carrillo

International markets for timber and non-timber forest products (NTFPs) are undergoing significant changes due to shifting global demand and supply patterns, and evolving market requirements. While transparency is essential for promoting international trade in sustainable timber and other forest products, inadequate market intelligence and gaps in marketing capacity present significant challenges for timber producers in tropical regions and can severely hinder their ability to remain competitive.

Market information provides the foundation for the sustainable development of tropical timber industries, including emerging markets for NTFPs. Regional market knowledge among potential exporters is limited, however, highlighting the need for assistance in developing intra-regional trade in tropical timber.

With more comprehensive and accurate market knowledge, local and regional timber producers are better placed to access new opportunities. For example, a recent analysis of the intra-African trade revealed that less than 10% of the region's imported timber products (an estimated value of US\$4.4 billion) originated from the region itself, suggesting major opportunities for the expansion of timber trade between African countries. Similar opportunities for intra-regional trade also exist in the Asia-Pacific and Latin American regions.

CASE STUDY: GUYANA

Located on the north eastern seaboard of South America, an estimated 80% of Guyana's landmass is covered by forests. These large areas of intact forest ecosystems not only have a very high conservation and ecological value, but they are also economically vital with roughly 3.5% of Guyana's GDP coming from forest-based activities.

One major challenge facing the Guyana Forestry Commission (GFC) is an underdeveloped market information system, which hinders efforts to promote trade resulting in a loss of revenue from both domestic and foreign trade. To address this issue, ITTO, in partnership with the GFC, implemented a project that successfully developed a framework to strengthen market and trade data collection. The second phase of the project is now underway and will establish technical capacity (from human resources to hardware and software implementation) through local training to sustain the project's outcomes.

By enhancing market information systems in Guyana, ITTO is helping to create a more diverse forestry market and trade environment that will pave the way for a sustainable and dynamic forest industry, benefiting both local and global stakeholders.

¹ www.itto.int/annual_review/

² www.itto.int/market_information_service

PROGRAMME OVERVIEW

ITTO's Trade and Market Transparency (TMT) Programme is designed to assist member countries to sustainably realize the potential of their tropical forest resources. By strengthening tropical timber producers' capacity in trade development and marketing, and filling the gaps in market transparency, TMT is helping producer countries develop a sustainable and profitable trade in timber and timber products.

The TMT Programme implements projects and activities proposed by stakeholders in ITTO member countries. Supported by a streamlined and effective funding process, forest communities, civil society organisations, government agencies, donors and the private sector are invited to submit project proposals, which are then assessed and prioritized to determine those that will create dynamic partnerships among stakeholders.

TMT

PROJECTS & ACTIVITIES FOCUS ON 3 KEY AREAS

1) Strengthening Market Information Systems.

- Develop market information systems and provide training on statistical and economic information, market intelligence and marketing.

2) Improving Market Transparency.

- Strengthen the capacity of, and cooperation among, national customs authorities.
- Build capacity to monitor existing markets and promote trade in tropical timber from sustainably managed and legally harvested sources.

3) Facilitating Market Access and Trade Development.

- Develop product standards, grading rules and quality control systems for tropical timber products and NTFPs.
- Improve communication regarding the environmental credentials of tropical timber and timber products.

THE **TROPICAL TIMBER MARKET REPORT (TTM)**² IS DELIVERED EVERY TWO WEEKS TO 12,000 SUBSCRIBERS & PROVIDES TIMBER MARKET TRENDS & TRADE NEWS FROM AROUND THE WORLD, INCLUDING INDICATIVE PRICES FOR OVER 400 TROPICAL TIMBER & VALUE ADDED PRODUCTS.



Community-owned wood industry in Oaxaca, Mexico.
Photo: Tetra Yanuariadi

THE TRADE AND MARKET TRANSPARENCY (TMT) PROGRAMME DELIVERS BENEFITS FOR:

GOVERNMENT & THE PUBLIC SECTOR



IMPACT: Enhances exports through improved market access and competitiveness, expands market information to guide policy decisions and strengthens human resources.

DONORS & THE INTERNATIONAL COMMUNITY



IMPACT: Supports improved transparency and efficiency in the sustainable international trade of tropical timber and forest products through a unified and collaborative approach.

FOREST DEPENDENT COMMUNITIES



IMPACT: Helps reduce rural poverty and improve income and employment opportunities through increased market access and strengthened market information and transparency of the tropical timber value chain.

THE PRIVATE SECTOR



IMPACT: Improves transparency and market information systems, strengthens marketing strategies and skills, and increases sales.

WHAT WE CAN **ACHIEVE**

The Trade and Market Transparency (TMT) Programme presents a vitally important opportunity to ensure that the international trade of tropical timber and NTFPs effectively supports the sustainable management of tropical forests. Improving the flow and harmonization of information between producers and consumers will assist producer countries in developing effective policies for growing markets for tropical forest goods and services and remaining competitive in the global economy.

Fostering transparency in the market also ensures that community enterprises, governments and industries can make informed choices and supports producers in applying the most effective production and distribution methods while securing fair prices for their products.

*Port of Yokohama, Japan.
Photo: Alastair Sarre*

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PARTNER WITH **US**

To successfully deliver the Trade and Market Transparency (TMT) Programme over the next three years, ITTO requires an additional US\$3.5 million per year. This will deliver significant improvements for tropical forest industries in Africa, Asia and Latin America by enhancing transparency and competitiveness in global forest product markets.

The TMT Programme is just one of ITTO's key areas of work and we need your support to deliver it successfully. Download our Strategic Action Plan for 2013-2018 at www.itto.int/publicity_materials, which outlines ITTO's programmes of work and opportunities for donor support. For more information please contact tp@itto.int.

By partnering together, we can help sustain the world's tropical forests. Our work over the last 30 years has reduced forest degradation, improved industry governance and enhanced market transparency but there is still much to achieve. To learn more about ITTO, the Trade and Market Transparency Programme and how to support our projects, visit us at www.itto.int.

WHY ITTO TO IMPROVE TRADE AND MARKET TRANSPARENCY?

Since 1989, ITTO has been instrumental in improving market transparency and promoting the sustainable trade of tropical timber and NTFPs. By regularly issuing reviews and reports and developing an online database to share vital information with stakeholders, ITTO has increased transparency in the global tropical timber market.

ITTO has an unparalleled track record of improving forest information systems at the national level with over 26 projects delivered in Africa, Asia and Latin America. ITTO's projects have strengthened forest and market information systems to ensure that a greater proportion of traded forest resources are legal, sustainable and profitable.