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Cote d'Ivoire

Solid Wood Products

Annual

2000

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Report Highlights:
In 2000, socio-economic problems resulting from the coup d'etat have slowed Cote' d'Ivoire's reforestation efforts. In 1999, Cote d'Ivoire started importing logs from Liberia and Guinea to supplement the stagnant local supply. Newly applied tariffs are generally lower for imported and exported products. New land tenure law was published in 1999 and guarantees land ownership for traditional rulers.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary 1

Forest Area 1
Solid Wood Overview 5
Lumber 6
Veneer 7
Plywood 7

Executive Summary

Summary

In 1999, wood and wood product exports fell to $270 million, a drop from 1998 exports of $310 million, due to a fall in product prices. Wood and wood product exports in 1999 accounted for 6 percent of Cote d'Ivoire's total export earnings and were the fourth export earner after cocoa, coffee and petroleum. The major export markets were Spain, Italy, Germany, France, India, Netherlands, Republic of China, Thailand, Senegal and Morocco. The major wood products are logs, lumber, veneer and plywood. Cote d'Ivoire's imports of wood and wood products in 1999 were only $9 million and represented an insignificant proportion of total imports. In addition to the usual import of finished products, Cote d'Ivoire started importing logs from its neighboring countries, Liberia and Guinea, for the first time in 1999.

Imported logs will contribute to maintaining marginal increases in wood product production for the next five years. With the domestic log supply situation stagnant, new investments in processing facilities are expected to be limited. Product varieties are expected to remain unchanged. However, production of veneer and plywood will continue to remain prominent due to favorable export prospects.

The newly applied common external tariffs (TEC) for the UEMOA (Economic Community of French West African countries), are lower for exported and imported products than under the previous tariff schedule. UEMOA exempts bulk product imports from member countries from import tariffs. Unfortunately, Guinea and Liberia which now supply logs to Cote d'Ivoire, are not members of the economic community.

Cote d'Ivoire log export ban remains in force and only teak logs are currently permitted for exports.

Exchange Rate: U.S. $1 = 762 F CFA on October 18, 2000.

Forest Area

The Ivorian forest is a natural rainforest. The planted area remains small, about 120,000 HA in June 2000. The natural forest is divided into two zones: a "Permanent Domain" and a "Rural Domain". The Permanent domain consists of classified forest areas, national parks and reserves. A classified forest is a government gazetted forest where forest exploitation activities are prohibited, except for forest maintenance purposes when limited log production is allowed. The total area of classified forest is estimated at 3.8 million HA and national parks and reserves area is 2 million HA. Logging is undertaken in the "Rural Domain". The exploited area is divided up into 192 concessions of between 25,000 and 75,000 HA each and covers about 10 million HA. However, the area appropriate for logging is estimated at 2.9 million HA, with a high proportion of this area located in the west and southwest. The exploitation quota for log per concession ranges from 150 to 250 M3/HA depending on the nature of the forest. All the concessions are situated below the 8th degree latitude. The timber species are mainly hardwoods of mixed stand. The minimum diameter for logging is 60 cm, but this minimum is sometimes circumvented or ignored.

SODEFOR (the government agency responsible for forest development) manages 177 classified forests. Its functions include identifying new forest areas to be included in the classified forest domain, reforesting and rehabilitating classified forests which have been illegally logged and over cut. The extensive system of cultivation and the rapid expansion in cocoa and coffee production contribute to illegal exploitation of the classified forest. Cultivation of cocoa under canopy and the quest for new agricultural land due to expansion in area and the entry of new farmers; deterioration of existing agricultural lands as a result of erosion; underutilization of fertilizer; and land tenure problems have also rendered the classified forest a target of continuous illegal occupation for farming.

A major task of SODEFOR is to flush out the estimated 300,000 to 500,000 illegal occupants of the classified forest. This task has been rendered more difficult as some of the occupied areas have developed into large settlements, with government amenities such as schools, electricity and wells provided in some cases. The World Bank and other donor agencies want the occupancy rate minimized and the classified forest rehabilitated to compensate for the slow rate in hardwood reforesting. The government's objective is to increase permanent forest cover from 14 percent to 20 percent by the year 2005.

In 2000, the socio-economic problems resulting from the December 1999 coup-d'etat have stalled many government development projects. Lack of funds has caused the government's 2000 budget to be revised several times suspending many development projects including forest projects.

Private sector participation in reforestation started with popular participation which resulted in creation of about 29,000 HA of forest by 1994. This popular participation has been supplemented by involvement of industrial or private entities with allocated concessions. The 1995 forestry reforms obliged these firms to rehabilitate and reforest their concessions resulting in about 35,000 HA of forest created by 1999.

Besides agriculture, major causes of deforestation include bush fires, and charcoal and firewood production. The traditional method of clearing - slash and burn - encourages bush fires and is more rampant in dry periods and in areas of strong winds. Several hectares of forest are destroyed each year through the negligence of farmers despite education programs organized by the government. Firewood and charcoal remain the main energy source for most of Ivorians. Their use continues to increase with rising population and is about 21 million cubic meters of wood annually. In the urban areas, the proportion of population using firewood and charcoal remains dominant, despite the increasing use of gas. In the rural areas, few households use gas due to unavailability and fear of accidents. Producers of charcoal and firewood use rejects from industrial logging operation and trees felled during clearing for farming, and also negotiate with landowners or village chiefs to harvest young trees. They do not reforest because they are not bound by any official concession contract. The production of firewood and charcoal is now seen as the main source of deforestation.

However, the government is incapable of reducing such activities because of the political sensitivity of the population it is serving. If the situation continues unchecked, annual log production will fall below the 2.1 million M3 currently authorized from the concessions in the next five years. The rarity of logs is being felt in most concessions and Cote d'Ivoire imported 56,000 M3 and 28,000 M3 of logs from neighboring Guinea and Liberia, respectively, in 1999.

The new land law recognizes that all land belongs to the state but could be accessible to all persons of good morals. However, only the state, public collectivities and individual Ivorians could be owners. The forests in the "Rural Domain" are confined to the customary chiefs and all titles to the land must be registered according to the new land law within three years of 1999. All non-registered lands are considered without owners and become automatically property of the state. Transfer of titles through sales are recognized under the new law. Reaction to the new land law is imperceptible given the current chaotic political situation.

STRATEGIC INDICATOR TABLE: FOREST AREA (million hectares/million cum)			
Country: Cote d'Ivoire	Previous	Current	Following
Report Year:2000	Calendar Year	Calendar Year	Calendar Year
Total Land Area	33	33	33
Total Forest Area	16	16	16
--of which, Commercial	10	10	10
----of commercial, tropical hardwood	10	10	10
----of commercial, temperate hardwood			
----of commercial, softwood			
--of forest area, non-commercial	6	6	6
Forest Type			
--Of which, virgin	4	4	4
--Of which, plantation	0	0	0
--Of which, other commercial (regrowth)	12	12	12
Forest Ownership			
--Nationally owned and no commercial access	2	2	2
--Nationally owned, commercial logging permitted	0	0	0
--Other publicly owned land, no commercial access	4	4	4
--Other publicly owned, logging permitted	10	10	10
--privately owned commercial forest	0	0	0
Total Volume of Standing Timber	5	5	5
--Of which, Commercial Timber	3	3	3
Annual Timber Removal	21	22	23
Annual Timber Growth Rate	10	6	7
Annual Allowable Cut	N/A	N/A	N/A
NB: N/A - Not Applicable			

Solid Wood Overview

PSD Table						
Country	Cote d'Ivoire					
Commodity	Tropical Hardwood Logs				1000 CUBIC METERS	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Production	2140	2163	0	2165	0	2170
Imports	0	84	0	90	0	95
TOTAL SUPPLY	2140	2247	0	2255	0	2265
Exports	60	105	0	108	0	115
Domestic Consumption	2080	2142	0	2147	0	2150
TOTAL DISTRIBUTION	2140	2247	0	2255	0	2265

The major wood products are lumber, peeled and sliced veneer, and plywood. Government’s policy is to encourage wood processing and to give preferences to value added product industry. These industries benefit from tax holidays, and exoneration of import duties on machinery and other essential inputs, and also enjoy export bonuses. With the exception of teak, log exports are banned. Log imports are allowed to ensure availability of raw materials for local processing.

There are no published prices on logs. Prices are fixed by the market. The GOCI instituted taxes on tree felling are as follows: (Taxes vary according to tree species which are, in turn, grouped into three categories according to their importance, with category 1 containing species with the highest value).

Cote d’Ivoire: Taxes on Tree Felling

Category	Tax/M3	Species
1	1,500 F CFA	Aboudikrou, Acajou, Avodire, Bosse, Sipo, Dibetou, Iroko, Makore, Tiama, Niangon, Bete, Framire, Lingue, Assamela, Aniegre, Kossipo, Amazakoue, Kotibe, Bahia, Akatio
2	1,000 F CFA	Samba, Ilomba, Frake Essessang, Fromager, Ako, Badi, Azobe, Akosika, Iatandza, Movingui, Aiele, Faro, Kondroti, Tali, Kapkier, Naga
3	300 F CFA	Ba, Kekele, Lohonfe, Difou, Dabema, Lotofa, Melegba (Ebia), Pocouli, Limbali (Vaa), Eyong(Bi), Pouo, Emien, Etimoe, Bodo, Broutou, Zaizou, Alone, Meblo, Akoua, Boire

Lumber

PSD Table						
Country	Cote d'Ivoire					
Commodity	Tropical Hardwood Lumber				1000 CUBIC METERS	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Production	700	620	0	635	0	650
Imports	0	0	0	0	0	0
TOTAL SUPPLY	700	620	0	635	0	650
Exports	500	460	0	485	0	495
Domestic Consumption	200	160	0	150	0	155
TOTAL DISTRIBUTION	700	620	0	635	0	650

Production is expected to increase in 2000 and in 2001 due to existence of unused capacity and raw material availability supplemented with log imports. The setting up of sawmills requires relatively low initial capital and little technical expertise. As a result, there has been an influx into the industry to take advantage of the government concession allocation which favors forest exploiters with processing facilities. Production for the first six months of 2000 was 298,934 M3 compared to 290,132 M3 for the same period of 1999.

There are about 115 officially sanctioned sawmills with a total processing capacity of 3.8 million cubic meters. In addition, there are many other portable mills operating unofficially. All mills are privately owned.

Veneer

PSD Table						
Country	Cote d'Ivoire					
Commodity	Hardwood Veneer				1000 CUBIC METERS	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Production	300	272	0	285	0	295
Imports	0	0	0	0	0	0
TOTAL SUPPLY	300	272	0	285	0	295
Exports	175	152	0	167	0	170
Domestic Consumption	125	120	0	118	0	125
TOTAL DISTRIBUTION	300	272	0	285	0	295

Veneer production is expected to increase in 2000 and 2001 due to increased export demand and raw material availability. Production for the first six months of 2000 were 145,304 M3 comprising 138,450 M3 of peeled veneer and 6,854 M3 of sliced veneer, compared to 130,629 M3 for the same period of 1999 comprising 123,782 M3 peeled veneer and 6,847 M3 sliced veneer.

There are 14 firms which produce peeled veneer and eight firms for sliced veneer for a total processing capacity of 650,000 M3 of logs.

Plywood

PSD Table						
Country	Cote d'Ivoire					
Commodity	Hardwood Plywood				1000 CUBIC METERS	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Production	75	69	0	72	0	75
Imports	0	0	0	0	0	0
TOTAL SUPPLY	75	69	0	72	0	75
Exports	25	23	0	28	0	30
Domestic Consumption	50	46	0	44	0	45

TOTAL DISTRIBUTION	75	69	0	72	0	75

Production is increasing due to raw material availability and good performing machineries. Production for the first six months of 2000 was 37,929 M3 versus 34,606 M3 for the same period of 1999. Production is undertaken by seven firms.

STRATEGIC INDICATOR TABLE: FOREST PRODUCT TARIFFS AND TAXES (percent)						
		Tariff	Tariff	Other		
Country:	Product	Current	Following	Import	Total Cost	Export
Report Year: 2000	Description 1/	2000	2001	Taxes/Fees	of Import	Tax
4401	Fuel Wood, Charcoal	5	5	22	27	35
4403	Logs	5	5	22	27	5-35
4404	Hoopwood, Split pole	5-10	5-10	22	27-32	0
4405	Woodwool	10	10	22	32	0
4406	Cross-ties of wood	10	10	22	32	0
4407	Lumber	10	10	22	32	2-35
4408	Veneer	10	10	22	32	1-5
4409	Wood shaped along					
	edges or faces	10-20	10-20	22	32-42	0
4410	Particle board	10	10	22	32	0
4411	Fiberboard of wood	10	10	22	32	0
4412	Plywood	10	10	22	32	1
4413	Densified wood	10	10	22	32	1
4414	Wooden Frames	10	10	22	32	1
4415	Containers	10	10	22	32	0
4416	Casks, Barrels	10	10	22	32	0
4417	Tools, Tool handles	10	10	22	32	0
4418	Builders' joinery	20	20	22	42	0
4419	Table & kitchen ware	20	20	22	42	0
4420	Statuettes	20	20	22	42	0
4421	Clothes hangers &					
	match sticks	10-20	10-20	22	32-42	0
4422	n/a	n/a	n/a	n/a	n/a	n/a
4423	n/a	n/a	n/a	n/a	n/a	n/a
4424	n/a	n/a	n/a	n/a	n/a	n/a
4425	n/a	n/a	n/a	n/a	n/a	n/a

Pre-fabricated Houses, a subsection under chapter 96	n/a	n/a	n/a	n/a	n/a	n/a
1/ Insert additional lines for Commodity tariff identification should tariffs vary within						
the four-digit designation.						

STRATEGIC INDICATOR TABLE: WOOD PRODUCTS SUBSIDIES			
Country: Cote d'Ivoire	Previous	Current	Following
Year of Report :2000	Calendar Year	Calendar Year	Calendar Year
Total Solid Wood Export Subsidy Outlay ($US million)	0	0	0
Is there a ban on the export of logs, lumber, or veneer? If yes, which?	Logs	Logs	Logs
Are there export taxes (yes/no)? 1/	Yes	Yes	Yes
If yes, for which products? (Identify export tax level in tariff table)	Lumber, Veneer,logs	Lumber, Veneer,logs	Lumber, Veneer,logs
Source(s) of Export Subsidy Information			
Total Wood Production Subsidy Outlay ($US million)	n/a	n/a	n/a
Are there any programs favoring the development of commercial forestry?	Yes	Yes	Yes
If yes, Post best estimate of scope (thousands of hectares)	10,000	4,000	5,000
If yes, Post's best estimate of financial outlay ($US million)	4	1	1
Source(s) of Production Subsidy Information	SODEFOR : Programme Annuel d' Activite - 2000		
Does the country support export expansion activities similar to the Cooperator Program?	NO	NO	NO
--Which country markets are targeted?	n/a	n/a	n/a
--Which products are targeted?	n/a	n/a	n/a
Are there significant wood products export expansion activities at the provincial or regional level?	NO	NO	NO
--If yes, identify key players	n/a	n/a	n/a
--If yes, identify key market segments	n/a	n/a	n/a
--If yes, identify key country markets	n/a	n/a	n/a
--If yes, identify key products	n/a	n/a	n/a
--Post's estimate for combined outlay ($US million)			

Source(s) of Provincial/Regional Support Information	n/a	n/a	n/a
Are there other wood products export expansion activities? If yes, describe in report.	n/a	n/a	n/a

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Tropical Hardwood Logs		
Time period	Jan-Dec	Units:	M3
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
India	85400	India	90906
Rep of China	10877	Rep of China	11655
Thailand	944	Thailand	1008
Morocco	575	Morocco	623
France	87	France	92
Italy	72	Italy	88
Senegal	132	Senegal	145
Spain	214	Spain	226
Germany	54	Germany	62
Formosa	14	Panama	20
Total for Others	98369		104825
Others not Listed	200		153
Grand Total	98569		104978

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Tropical Hardwood Lumber		
Time period	Jan - Dec	Units:	M3
Exports for:	1998		1999
U.S.	5306	U.S.	6881
Others		Others	
Italy	119232	Italy	121260
Spain	118421	Spain	115840
Senegal	33669	Senegal	34111
Netherlands	20039	Netherlands	22866
Ireland	20686	Irelands	28792
France	32287	France	36498
Morocco	16920	Morocco	15252
U.K.	11815	U.K.	14924
Tunisia	17351	Tunisia	12506
Greece	11329	Greece	12197
Total for Others	401749		414246
Others not Listed	47181		39318
Grand Total	454236		460445

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Hardwood Veneer		
Time period	Jan-Dec	Units:	M3
Exports for:	1998		1999
U.S.	8300	U.S.	12206
Others		Others	
Germany	22286	Germany	24286
Spain	33657	Spain	36561
Tunisia	18322	Tunisia	11842
France	14328	France	13393
Italy	36441	Italy	40293
Belgium	7577	Israel	2140
Portugal	1000	Portugal	1590
Morocco	1379	Belgium	4061
Lebanon	327	Lebanon	872
Cyprus	590	Morocco	740
Total for Others	135907		135778
Others not Listed	2144		3875
Grand Total	146351		151859

Export Trade Matrix			
Country	Cote d'Ivoire		
Commodity	Hardwood Plywood		
Time period	Jan-Dec	Units:	M3
Exports for:	1998		1999
U.S.	0	U.S.	0
Others		Others	
France	7245	France	8645
Germany	622	Germany	711
Benelux	3194	Benelux	3244
Italy	1245	Italy	1381
Senegal	3122	Senegal	3566
Spain	1134	Spain	1432
Gambia	1462	Gambia	1876
Liberia	534	Liberia	627
Mauritania	322	U.K.	423
Burkina Faso	568	Switzerland	365
Total for Others	19448		22270
Others not Listed	568		617
Grand Total	20016		22887

In the next five years, no major investments in processing is expected due to the near stagnant situation of local log supply. Lumber production and exports will continue to dominate the market. However, with the dwindling log supply, the GOCI's policy may compel marginal lumber producers to close down in favor of veneer and plywood producers. In this instance, veneer and plywood production may be more prominent.