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CANADIAN FOREST SERVICE

SPOTLIGHT

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Illegal Logging and the Illegal Timber Trade: Why They Matter to Canada

Over the past decade, illegal logging and the trade in illegal timber have increasingly become major international problems.

In 2012, the World Bank estimated that illegal logging and the trade in illegal timber generate annual worldwide revenues of up to US\$15 billion¹. These revenues are not regulated or taxed and often remain in the control of criminal groups. Governments lose an additional US\$5 billion each year in royalties on the timber that is harvested illegally. In fact, exports of illegally harvested logs and timber products now outpace those harvested legally in some countries.

Beyond these financial costs, illegal logging and the illegal timber trade have negative environmental, economic and social implications. These include deforestation, forest degradation, increased carbon emissions and harmful impacts on biodiversity. Illegal activities also discourage forestry businesses focused on sustainable forest management and affect the livelihoods of rural communities.

Many governments around the world are determined to combat illegal logging and the illegal timber trade. Several developed economies, for instance, have adopted laws and regulatory measures to halt illegal timber imports at their borders. They have also taken steps to ban the illegal timber trade within their borders. To date, these economies include the United States, the European Union and Australia.

Under the legislative and regulatory measures adopted in these economies, importers and traders of wood products must comply with new requirements that ensure their supply chains are free of illegally harvested timber. If they do not comply, they could be subject to financial penalties or criminal prosecution. The measures are also intended to level the playing field for producers and exporters of legally harvested timber. Imports of

illegal timber depress market prices and competitively disadvantage those involved in the legal timber trade.

The Government of Canada supports initiatives to combat illegal logging and the illegal timber trade. In collaboration with its provincial, territorial and forest industry partners, it is actively engaged in international discussions and multilateral initiatives on these two issues. It also closely monitors new legislative measures to minimize any potential market access issues for Canadian forest products in those markets. For example, Canadian exporters may be asked to document the legality of the wood in their products to customers in the United States, the European Union and Australia. This may increase administrative burdens and costs associated with exporting their products into these markets.

Canada is a global leader in [sustainable forest management](#) and a major [exporter of forest products](#). To provide Canadian forest products with a competitive advantage in the marketplace, the federal government will continue to work at having Canada recognized as a supplier of legal and sustainable forest products.

Does Canada have legislation banning illegal timber?

Canada is a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). CITES is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

As a party to CITES, Canada has adopted legislation for enforcing the Convention. This legislation is the *Wild Animal and Plant Protection and Regulation of International and Interprovincial Trade Act* (WAPPRITA). Environment Canada is the lead federal agency responsible for enforcing WAPPRITA.

¹ Gonçalves, M.P., M. Panjer, T.S. Greenberg and W.B. Magrath. 2012. *Justice for Forests: Improving Criminal Justice Efforts to Combat Illegal Logging*. World Bank Study. The World Bank, Washington, D.C., USA. p.1.

In addition to the trade rules for CITES-regulated tree species, Section 6 (1) of WAPPRITA states that “no person shall import into Canada any animal or plant that was taken, or any animal or plant, or any part or derivative of an animal or plant, that was possessed, distributed or transported in contravention of any law of any foreign state.”

Environment Canada works with a broad range of partners to ensure compliance with CITES and with legislation and regulations in foreign countries for non-CITES species. However, differentiating between legally and illegally-harvested timber is difficult and technically challenging.

To help address this problem, Canada has created and distributed internationally the *CITES Identification Guide – Tropical Woods* and is working on means to increase the reliability of species identification on trade permits, customs forms, border declarations, etc. For instance, Canada is promoting a digital coding system that international customs authorities could use to better capture trade data for plants and animals. Digital coding would enhance the ability to intercept timber and timber products from protected tree species, and perhaps also those harvested illegally.