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Production and Trade in Tropical Hardwoods: An Asian-Pacific Case Study Trends and Issues Related to Competition with Temperate Hardwoods and Softwoods

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Introduction

This case study deals with the tropical hardwood producers of the Asian-Pacific region. But since these countries must also be seen within the broader context or global-especially Pacific Rim – patterns of production, trade, and consumption of wood products, a total of twenty-four countries were considered relevant to this review, and are grouped into five subregions as shown in the table below.

The Asian countries were separated into Asian Exporters (those that have been major exporters of hardwood saw and veneer logs) and Asian Importers (those that typically have imported tropical hardwoods, perhaps in addition to significant domestic production). This distinction was thought desirable to help identify some of the important intraregional trade affecting tropical hardwoods.

In this analysis, emphasis is placed on the role of the two Asian subregions, complemented by the Oceania subregion. While the scope of countries included is not comprehensive for any of the sub regions, it was felt that to provide a manageable data base the groupings are adequate in order to incorporate the significant trends in forest products trade.

Increasing concerns over the exploitation of tropical forests have been expressed by both the forestry and environmental communities. At issue is the sustainability of the tropical hardwood forests given past and current levels of harvest, and the outlook for those countries where tropical hardwoods constitute a significant part of the economic base. More recently, the issue of competition in the world market, particularly with temperate zone hardwoods and conifers, has arisen. New markets are being sought in order to sustain production and ensure continued viability of the forest products sector. The thirst for "value added" and to upgrade production beyond the roundwood, or even basic commodity, level is increasingly the choice of traditional roundwood producer countries, as a means of ensuring regional development and jobs.

Protectionism, usually expressed in terms of import barriers, is shifting toward greater use of export restrictions or taxes to discourage roundwood or unprocessed exports in favor of semiprocessed or finished goods.

Countries Grouped by Subregion for the Pacific Rim Tropical Hardwood Trade.

| | |
|--------------------------|----------------------------------|
| Asia (Exporters)* | North America |
| Burma | Canada |
| Indonesia | United States |
| Malaysia | |
| Philippines | Central And South America |
| | Chile |
| Asia (Importers)* | Colombia |
| China (PRC) | Ecuador |
| China (Taiwan) | Mexico |
| Hong Kong | Peru |
| India | |
| Japan | Oceania |
| Singapore | Australia |
| South Korea | Fiji |
| Thailand | New Zealand |
| | Papua New Guinea |
| | Solomon Islands |

* Classification based on 1986 FAO Yearbook of Forest Products (SITC 247.2 Sawlogs and Veneer Logs ~C)).

Organization of the Study

Chapter 1 of this study gives a summary overview of the production, exports, and imports of forest products, with a major focus on the Pacific Rim within a global context. A separate section deals with trends in the twelve countries of the Asian subregions; and the main Pacific Rim importers and exporters of hardwood products are compared for 1971 and 1987 in a brief section at the end of the chapter.

Chapter 2 offers summary background and evaluation of trends related to hardwood trade and potential substitution by both temperate hardwoods and conifers. This review is mainly directed at identifying major issues, although general information from the recent literature is used whenever possible. The treatment is not exhaustive, but rather attempts to provide a sense of the complexity of the issues and to serve as a means for identifying areas for further research and analysis.

Chapter 3 provides a brief summary of the data availability and needs for a comprehensive analysis of the tropical hardwood situation in the emerging global context.

Chapter 4 brings together some of the available information on trends and forecasts, and summarizes issues and possible consequences.

Chapter 5 concludes the review with suggestions on major areas for future research and analysis to assist in guiding tropical forest policies at national and international levels. These recommendations rest on the premise that a more complete and factual understanding of trends and development as well as the economic, social, and political issues behind them-is needed before responsible international policies can be developed and implemented. The long-term outlook for tropical hardwoods appears to be encouraging, from both an environmental and an economic perspective, once the dynamics of the global marketplace are better understood.

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