

Inwood 70 September 2006

NO QUICK FIX FOR ILLEGAL LOGGING

By Stephen Jacobi¹

Those who advocate mandatory eco certification of wood imports as a means to address illegal logging should think again.

In the framework of regulation of global commerce there is one golden rule: “do unto others as you would have them do unto you”. It’s something that the industry needs to bear in mind as it seeks a response to illegally logged wood imports.

The industry is right to be concerned about the economic impact of illegal logging but the current debate seems hopelessly confused between illegality and sustainability. They are not the same thing. New Zealand’s industry operates under tight legal guidelines but there are many around the world who – quite unfairly of course - doubt the sustainability of New Zealand’s plantation forestry model.

That’s the immediate problem with calls to introduce mandatory certification of imported wood products. It would need to apply equally to domestically produced timber sold in New Zealand. In case anyone hasn’t noticed, New Zealand still lacks a credible, internationally endorsed forest management standard.

Of course a significant proportion of the forest estate is certified under the interim standards of the Forest Stewardship Council. An attempt to negotiate a national standard under FSC guidelines ended in acrimony. The subsequently promulgated industry standard lacks both stakeholder support and international endorsement. The continuing absence of such a standard reflects poorly on an industry with an uncontested record in sustainable forest management. It is also a major gap in the global positioning of New Zealand forest products.

Why would mandatory certification need to apply equally to domestic as well as imported products? Because of the golden rule, backed up by the principles of “non discrimination” and “national treatment” of the World Trade Organisation.

This is not a matter of “trade zealotry” but of trade law. “Non discrimination” requires WTO members not to discriminate between suppliers from different countries (on the basis that all suppliers who are WTO members are entitled to “most favoured nation”

¹ *Stephen Jacobi is a consultant working in the areas of international trade, government relations and industry development*

treatment). “National treatment” requires that imports are treated no differently from locally produced products. These two principles are so important that come right up front (first and third) in the international treaty establishing the WTO.

There are good reasons for New Zealand to keep to these principles. Would we want to see our exports of plantation products unreasonably banned from overseas markets by trading partners who question our forest management model?

International negotiation, co-operation and development assistance are all ways of addressing illegal logging. This is essentially a long term task for Government. In the medium term a more effective industry response to the unfair competition is a more aggressive promotion and market development campaign around the inherent sustainability of New Zealand’s plantation forest products.

Voluntary eco-certification through a nationally applied, internationally endorsed system – whether through the FSC or the alternative PEFC framework – does not depart from the golden rule and has an important role to play in demonstrating to consumers that they can have confidence around the products they buy.