CBI
Ministry of Foreign Affairs

CBI Product Factsheet:

Tropical timber decking in France, 2015

Introduction

Tropical timber decking is very popular in France, providing opportunities to exporters from developing countries. In recent years, however, consumption and imports have continued to decrease. Certification is becoming more important in the do-it-yourself (DIY) sector, which is one of the most promising end markets for exporters in France. The addition of value through certifications will therefore be crucial in order to access the French market for tropical decking, as will a focus on design and finishing. Exporters should also be innovative and promote the natural features of their product, especially given that French imports are being complicated by the legal requirements that are being implemented.

Examples of tropical timber decking

Source: granvillebois.com

Product definition

Decking refers to flat or profiled (anti-slip) timber surfaces, usually moulded for outdoor use, and often elevated from the ground. Tropical timber decking can be used in a variety of ways: as part of garden landscaping, as an alternative to stone patios and to extend the living areas of a house. *Tropical timber is defined as non-coniferous tropical wood for industrial uses, which is grown or produced in countries situated between the Tropic of Cancer (Northern Tropics) and the Tropic of Capricorn (Southern Tropics).*

The *Harmonised System* (HS) is used for the classification of tropical timber decking. The main HS code used is 4407, 'Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm. Within this group the following codes are used to identify various species:

4407.21 Mahogany. 4407.22/23/24 Virola, Imbuia and Balsa. 4407.25 Dark Red Meranti, Light Red Meranti and Meranti Bakau. 4407.26 White Lauan, White Meranti, White Seraya, Yellow Meranti. 4407.27 Sapelli. 4407.28 Iroko. 4407.29 Other tropical wood specified in Sub-heading Note 1 of Sections 44 and 4407.99.96 – Other tropical wood.

Product specification

Quality: Tropical timber is particularly popular in decking applications, primarily because of its quality specifications. The most important characteristic of decking is its outdoor use. For this reason, consumers prefer tropical timber primarily for its durability and resistance to weather and decay.

Leading species: The French market for tropical decking is highly diverse with regard to species. One of the most popular tropical timber species is Okumé, although several others are used for manufacturing decking. The most commonly used are species are as follows:

- Bangkirai, (South East Asia)
- Azobi, Badi, Doussies, Padauk, Iroko (Africa), and
- Cumaru, Ipe, Jatoba, Massarranduba, Tatajuba (South America)

Dimensions: The most common dimensions for decking boards in the French market are as follows:

- Length: Between 1 m and 4 m

- Width: 120 cm, 145 cm, 155 cm and 205 cm
- Thickness: 21 mm, 27 mm, 35 mm, 41 mm, 45 mm, 54 mm, 55 mm, 60 mm, 65 mm and 80 mm. Other dimensions are available in a wide range of finishes (e.g. grooved, smooth, asymmetrical, mortise and tenon)

Colours: French consumers have a variety of preferences with regard to the colour of their decking. Popular timber colours in the French market include the following: Brown-dark brown, Grained grey, Grained brown, Dark red, Bright yellow to orange-yellow and Light brown to pink.

Types of packaging: Orders are usually transported and counted by the number of containers (20 ft or 40 ft). Dry Cargo Containers defined as 20'GP (general container), 40'GP and 40'HQ (high cube) are usually used for shipment.

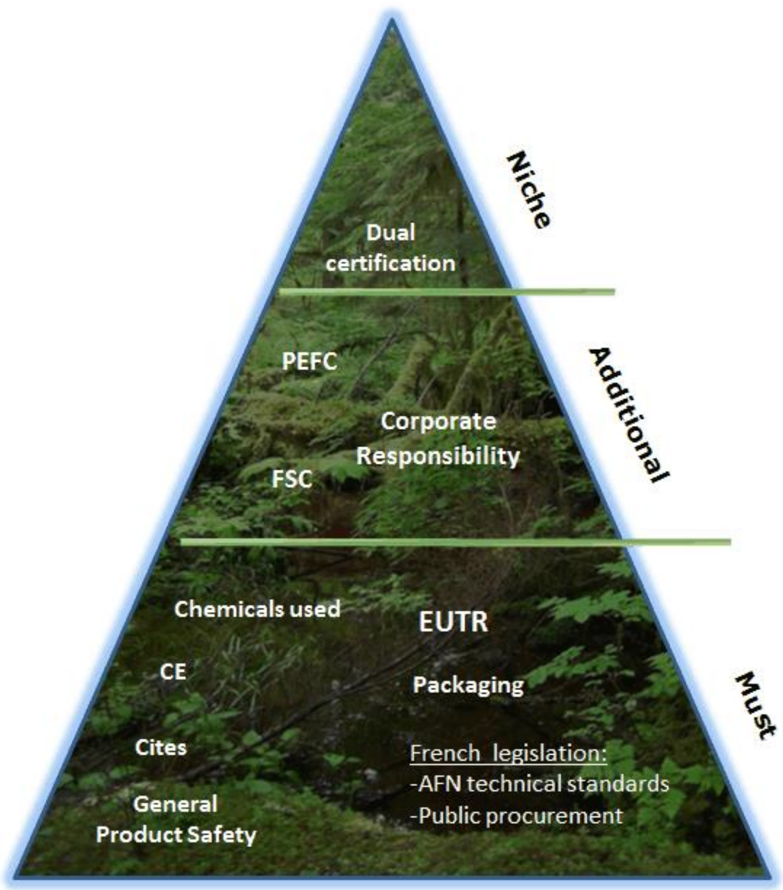
- If the density of your wood product is very high, and the volume of the order is low, it is advisable to use 20'GP **containers**. If the volume is large, it is advisable to use 40'GP **containers**.
- **Bundled decking**: random-length decking bundled in average-length bundles.
- **Nested decking**: random-length decking bundled continuously end-to-end.

Labelling: Labels for timber decking should include the following information:
Information describing the timber decking, country of harvest, species (common trade name), quantity, details of the supplier (name of company, name of supplier), information on compliance with national legislation and information on sustainability labels.

Buyer Requirements

This section is divided into three parts: requirements that you ***must*** meet in order to be able to export; additional requirements that you ***may*** meet; and niche requirements that you ***can*** meet. Additional details are provided in the more general CBI document on '*Requirements with which your product should comply*.

Figure 1: All buyer requirements in one figure (Source: FSG).



Requirements you must meet

General Product Safety and Liability

The General Product Safety Directive applies to all consumer products in the European Union. The obligation to comply is primarily the responsibility of the companies in the European Union that place the finished product on the market. In many cases, however, they ask their suppliers to comply with the specified requirements. In addition, all goods marketed in the EU are subject to non-product-specific legislation on liability.

Tip:

- To improve your understanding of reasons for the confiscation of products by EU customs authorities, refer to the EU's RAPEX database. Try to identify the most common forms of non-compliance by suppliers to the EU, and evaluate your own risks. This strategy can serve as a base upon which to correct any supply inconsistencies before accessing the EU market, thus avoiding rejection at the border.

CE marking for timber products used in construction

Timber decking that is permanently incorporated into construction works must be CE marked. The CE mark demonstrates that the products comply with harmonised requirements regarding mechanical resistance, stability, safety in case of fire, hygiene and the environment. Since July 2013, manufacturers of finished construction products have been required to provide a declaration of performance (DoP). The CE requirement applies to you only if you are from a developing country and wish to supply ***finished*** decking panels to the EU. As a supplier of ***parts***, you are required to provide your buyers only with information about the essential characteristics of your product.

Tips:

- For an explanation of the essential characteristics of products, refer to Section 1.3 of the Manufacturer's Guideline to the Construction Product Regulation and its Implementation.
- For additional information, refer the DoP of a French company.
- To learn more about the CE marking of construction products, refer to the EU Export Helpdesk.

EU Timber Regulation (EUTR), controlling the legal origin of timber:

All timber imported into the EU is required to come from verifiable legal sources. All European Union buyers placing timber or timber products on the market are required to show due diligence. This can be achieved through contracts or separately for each container that is sent. The EUTR also requires operators to trace their products back to the source. Exporters who supply legal timber but who cannot provide well-documented guarantees of legality will thus not be allowed to supply the market in the European Union. The easiest way to prove compliance is through a voluntary legality verification system or regular sustainable forest-management certification (e.g. FSC).
The EUTR is part of the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. Another element of the plan involves Voluntary Partnership Agreements (VPAs), which are voluntary trade agreements between the EU and timber-exporting countries. Countries that can demonstrate full implementation of their national control schemes are granted EU FLEGT licences, and all timber exported from these countries is considered legal. It is important to note, however, that FLEGT does not prove sustainability or address deforestation; it concerns only legality.
At this time, EU buyers consider sustainability certification **important** and the EUTR **essential**. In the future, consumers are unlikely to purchase products that are less sustainable, once they have been informed about the difference between 'legal' and 'sustainable' (Source: feedback from 17 importers during meetings and an online questionnaire conducted in 2015). From the perspective of developing countries, the provisions of the EUTR are considered complicated and expensive, thus posing a threat to imports from developing countries.

Current state of affairs: The implementation of the EUTR is still in the early stages. In many EU member states, the monitoring of trade in illegal timber is still insufficient. On the supply side, at the time of writing (Jan 2016), nine developing countries were in the final stage of implementation, and nine other countries were still in the negotiation phase. None had reached the FLEGT licensing stage (check EU-EFI for the current status). Since the implementation of EUTR, therefore, no FLEGT-licensed timber has entered the EU market. According to some reports, Indonesia and Ghana were expected to have completely implemented their FLEGT legality-assurance systems in the first half of 2016, but this has been delayed several times. Regardless of these shortcomings, most large professional buyers do comply with the requirements in the EUTR, and most ask their suppliers to prove the legal origin of their timber. Compliance is especially common in Northern and Western EU countries, which are characterised by a strong commitment to legality and sustainability. Even in these regions, however, some buyers (particularly smaller concerns) are less pro-active and not yet fully compliant. Since the implementation of the EUTR, the supply chain for timber has become more transparent. This has led to major improvements in the legality controls and overall environmental and social performance of the timber and forestry industries within this chain. In time, the EU will eventually move towards a stricter implementation of the EUTR.

Tips:

- The implementation of the EUTR has made the EU even less of a market for incidental selling. If you decide to keep selling to the EU market, you should be aware that legality assurance is an essential aspect of trade, along with price and quality. Additional information is provided in the Guidance Document for the EUTR.
- Additional details concerning the control of illegal timber and timber products are available from the EU Export Helpdesk.
- The European Timber Trade Federation and the EU FLEGT facility provide regular updates concerning the status of the implementation of the EUTR.
- When seeking to establish long-term business relationships, suppliers are advised not to wait for the full implementation of the EUTR and FLEGT system, but to be pro-active and ensure full transparency and legal sourcing, in addition to taking measures independently, if necessary.
- The EUTR has been fully implemented in France, and inspections are being conducted. Additional information is available here.

CITES

If you are supplying endangered timber species listed by the International Convention on Trade in Endangered Species (CITES), you will be required to obtain a CITES permit. The CITES permit ensures compliance with the requirements of the EU Timber Regulation (EUTR), and all timber covered by this permit is regarded as having been legally harvested.

Tip:

- To determine whether your timber is included in the CITES list, refer to Annexes A, B and C of the CITES Regulations. Be sure to refer to the most recent edition of the Regulations (see under consolidated version), as the list is updated regularly.

Chemicals in timber

The preservatives arsenic, creosote and mercury can be used to prevent rot and improve the durability of timber, especially for timber destined for outdoor applications (e.g. decking). The EU does not allow the use of these preservatives, except for application to wood or other products used in industrial installations or as railway sleepers. Additional restrictions apply to timber products treated with certain oils, glues, varnishes and lacquers that may contain harmful substances. For example, painted articles may not be placed on the market if the concentration of cadmium is equal to or greater than 0.1% by weight of the paint on the painted article.

The EU has adopted restrictions on the use of chemicals in processing. The **EU REACH** (Registration, Evaluation and Authorisation of Chemicals) regulation specifies requirements for the use of oils, varnish, lacquer or other products that may contain harmful substances. The import of timber decking treated with certain substances (e.g. arsenic and chrome) is prohibited.

Although this legislation does not apply outside the EU, buyers are increasingly implementing sustainable practices within their own companies and supply chains. They are therefore likely to ask you to comply with these requirements regarding the use of chemicals during processing and production (e.g. volatile organic compounds [VOCs] used in coatings, formaldehyde and Pentachlorophenol).

Tips:

- Ask buyers whether they have specific policies concerning chemicals and what their specific requirements for suppliers are.
- The EU website on reduction of emissions and substitution of solvents provides additional information on reducing VOCs.
- Consult the European Export Helpdesk to determine how REACH affects you.
- To learn more about restrictions on specific substances, refer to Annex XVII of the document Registration, Evaluation and Authorisation of Chemicals (REACH). The EU website also provides additional information on REACH.
- Another useful resource is the CBI document on 'requirements with which your product should comply'.

General requirements on packaging:

In addition, all goods marketed in the EU are subject to non-product-specific legislation on packaging (Directive 94/62/EC). These regulations are intended to introduce measures for reducing the spread of pests associated with packaging materials made of raw wood. All wooden packaging material (mostly pallets) that you use must display the ISPM 15 logo and your unique identification number (if you produce the packaging material yourself). If you do not produce the material yourself, you will need to buy it from a licensed producer in your country. Another useful resource is the CBI document on 'Requirements with which your product should comply'.

French legislation

Alongside the many European Union-wide regulations that are implemented by the member states (see above), country-specific laws are applicable as well. In time, the European Union-wide legislation is ultimately expected to replace many of these country-specific laws.

Public procurement:

Around 25% of French tropical-timber consumption takes place through public procurement. The French government's public procurement policy for timber specifies that all timber and wood-derived products must be from independently verifiable sustainable sources, as with partners having Forest Law Enforcement, Governance and Trade (FLEGT) licences. Documentation is required to substantiate such claims. Note that PEFC, FSC and other certification schemes are acceptable as proof. The policy is mandatory for all central governmental departments, executive agencies and non-departmental public bodies. Local authorities, other public bodies and the private sector have been encouraged to adopt sustainable timber procurement policies as well.

Tips:

- For additional information, refer to the public procurement policy of the French government.
- The EU-wide web platform for sustainable public procurement lists the status of each country.

AFN Technical standards:

The AFNOR group provides technical specifications for Outdoor Timber Decking (NF B54-040:2010, NF B54-040 / A1:2013, NF EN 12871:2013). These specifications can be used when producing decking for the French market. Following these specifications can make it easier to communicate with French buyers. The specifications contained in these documents include product dimensions, stability and moisture requirements etc.

Additional requirements

Corporate responsibility

Companies are also addressing other issues, in addition to the origin of wood. Buyers in the European Union (especially those in Western and Northern EU countries) are increasingly paying attention to their corporate responsibilities with regard to the social and environmental impact of their businesses. This also affects traders and processors. Important issues include respect for indigenous rights, owner's rights, environmental performance and respect for labour laws, as well as healthy and safe working conditions. Many French companies in the timber sector have policies addressing these issues, and suppliers may be required to verify that certain policies (e.g. certifications and standards) are in place. As a part of these policies, companies are likely to ask their suppliers to address sustainability issues. For example, suppliers could be asked to abide by a code of conduct or to sign a supplier declaration to ensure compliance with applicable local laws and regulations, industry minimum standards, the International Labour Organisation (ILO) and UN Conventions.

Tips:

- Train your workers in ways to increase efficiency and reduce waste and emissions. Additional information on these aspects is available in the document Wood processing and furniture making: Cleaner production fact sheet and resource guide.
- Refer to the fact sheet on health and safety management in the woodworking industry, published by the Building and Woodworkers International Association (BWI).
- Refer to the Less Dust Guide published by the European Federation of Building and Woodworkers to learn how to reduce wood dust in the workplace.
- Ask your EU buyers about their supplier policies with regard to labour standards. Be sure that you know how these standards are monitored and/or evaluated.
- Investigate the possibilities for implementing sustainability certification for continuous process improvement. Specific examples include ISO 14000 (environment), OHSAS 18001 (health and safety) and SA8000 (labour standards).

Sustainable forest management

Sustainably produced timber involves much more than the various aspects of legality. It encompasses elements relating to the ecological, economic, social, growing and harvesting qualities of the management.

Sustainable forest management has become commonplace in the market for non-tropical timber. Although the share of certified timber is growing, the market for tropical timber is advancing at a slower pace. At the same time, sustainable forest management is especially relevant to tropical timber, given the current concerns about deforestation and global warming.

There are two main certifications that cover sustainable forest management: FSC and PEFC. At this time, FSC is the most widely used scheme for certification of tropical timber forests. The market share for timber and timber products from sustainable sources is high, especially in Northern and Western European Union markets, although the share for tropical timber is lower than the share for non-tropical timber. In France, timber certifications are becoming more popular, and this trend is reinforced by the recently passed French laws on timber legality. Timber certification is an efficient way to provide proof regarding the legality of timber.

Tips:

- To improve your understanding of what is involved in sustainable forest management, refer to the principles and guiding criteria of the FSC and the PEFC.
- Be aware that any supplier of sustainably certified timber must acquire a Chain-of-Custody (CoC) certificate. You should therefore target only buyers with CoC certification. Non-certified buyers are not allowed to sell certified timber.
- Learn the requirements for CoC certification. The website of the Global Forest & Trade Network (GFTN) provides a roadmap to certification.
- To find European or local buyers (e.g. importers, processors and retailers) and suppliers of certified timber and timber products, refer to the FSC Global Marketplace and the PEFC database.

Standards Map of the ITC

Consult the International Trade Centre’s Standards Map, an online tool that provides comprehensive information on more than 130 voluntary sustainability standards and other similar initiatives covering such issues as codes of conduct relevant to your product. It also reviews the most important features of the selected standards and codes and offers a side-by-side comparison of the requirements for different standards. It also provides a self-assessment module for evaluating your company’s performance against various standard requirements and offers the possibility of generating a ‘sustainability diagnostic report’ for your company, which you can then share with the business community. Consult the Standards Map videos to see how the Standards Map can help you to determine which initiatives may be useful for you.

Niche requirements

Dual certification (FSC and Fairtrade)

Smallholders and communities often face tough competition in the global timber market. The FSC organisation is working to differentiate products from communities and smallholders in the marketplace. Dual certification from FSC and Fair Trade has been tested and is available. In addition to sustainable forest-management practices (FSC), additional attention is being directed towards social conditions in the producing areas (Fair Trade). Timber with FSC/Fairtrade certification is sold with a Fairtrade premium that adds 10% to the value of wood bought from certified smallholder communities. The market for dual certification is apparently small.

Tip:

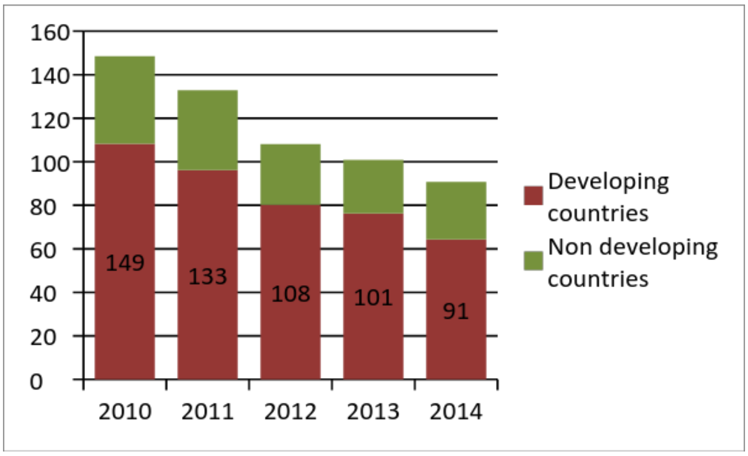
- For additional information regarding dual certification, refer to the FSC website.

Trade and Macro-Economic Statistics

This section provides an overview of the French market for tropical timber decking during the 2010–2014 period. Trade data on tropical timber decking have been extracted from Eurostat. Statistics of a more general nature are provided in the CBI document entitled 'What is the demand for tropical timber?'.

Imports: Decrease

Figure 2: Imports of tropical decking from developing countries (31 timber-supplying countries) and non-developing countries, in € million



(Source: Eurostat, 2015)

Between 2010 and 2014, French imports decreased, amounting to almost €91 million in 2014. Despite the slow economic recovery that is currently taking place (2015–2016), demand from French importers weakened over this period. Although the French economy has not performed optimally, it has not shown any particular weaknesses. There are indications that the smaller carpentry businesses in France are reasonably busy catering to the renovation market (ITTO, 2015).

Developing countries play a significant role in the French market, with 71% of the decking import value coming from developing countries. In 2014, the largest developing-country supplier was Cameroon, representing 29% of the total imports of timber decking. Other important developing-country suppliers include Brazil (27%), Malaysia (16%), Democratic Republic of Congo (10%) and Gabon (6%).

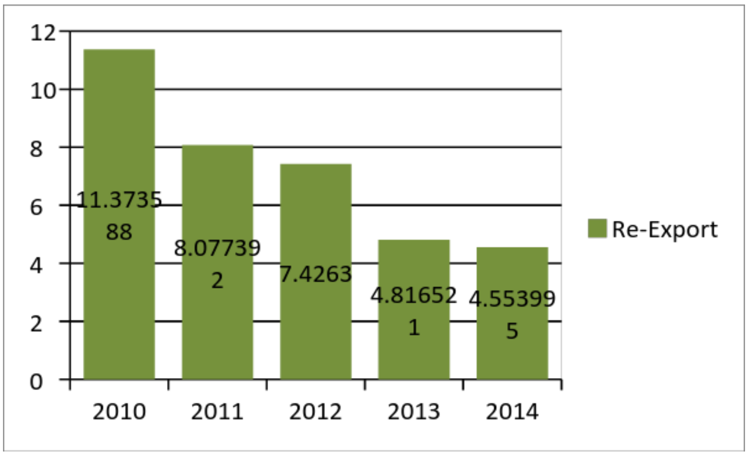
One of the most important reasons for the decrease in imports of tropical timber decking in France is the implementation of the EUTR. Shortly after these regulations were implemented, illegal Liberian timber was discovered in a French port and confiscated (Global Witness, 2013). Consequently, Liberia ceased to be a supplier of tropical timber to France, striking a sharp contrast to 2011, when it accounted for a substantial share of exports to France. This development has resulted in decreased tropical timber imports from developing countries and a shift towards timber alternatives or temperate timber species.

Tip:

- In light of the potentially fierce competition between developing countries, product differentiation is highly recommended. For example, you could add value to the decking you export by focusing on finishing and design, as a means of differentiating your products from those of your competitors.

Re-exports: Stabilisation

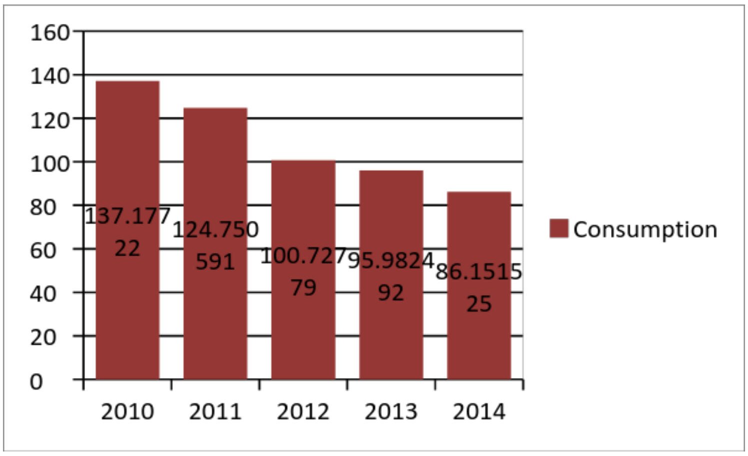
Figure 3: Re-exports of tropical decking, in € million, (Source: Eurostat, 2015).



French re-exports decreased sharply between 2010 and 2013, although they have stabilised in recent years, amounting to €5 million in 2014. The large majority of the tropical decking exports were destined for other mature markets in the EU. The most important destination for French tropical decking was Switzerland (58%), followed by Portugal (6%) and Poland, Belgium and Romania (all 4%). It is important to note that exports destined for Western European countries have been decreasing sharply, in contrast to exports destined for countries in Eastern Europe and developing countries. For example imports of French decking are increasing rapidly in Romania.
It is important to note that production of tropical decking is not taking place in France. The value of exports thus represents the value of re-exports of processed timber decking to other European countries.

Consumption: Slight decrease

Figure 4: Consumption of tropical decking, in € million (Consumption is calculated as Imports - Exports), (Source: Eurostat, 2015).



The consumption of tropical decking in France decreased slightly between 2010 and 2014, amounting to almost €86 million in 2014. This development was linked to the national construction industry, which was hit hard by the economic recession. In 2013, the French construction industry recorded a decline of 2.8%. Due to a slow recovery in business confidence, the industry is anticipated to regain momentum (with expected growth of 1.47% in 2015) in the coming years ([Timetric Construction Reports, 2015](#)).

At the same time, GDP and consumer confidence are expected to increase in 2016. These developments will continue to have a positive effect on the consumption of these products, which are closely connected to developments in the garden wood sector.

Market Trends

Shift towards sustainability

France is a committed player with regard to sustainable forest management. As one of the countries implementing the EUTR, France is dedicated to preventing illegally logged timber from entering its borders. The French government has implemented the EUTR by changing and adding new laws and regulations. Detailed inspections are also being conducted. A full update is available here.
In the tropical timber decking sector, sustainability is gaining importance. For example, the large do-it-yourself (DIY) chain Leroy Merlin revised its policy regarding timber purchasing in 2012, ensuring a responsible supply chain for all of its products, including timber decking. The demand for ***sustainable*** decking is thus increasing.

Tip:

- If you supply certified tropical timber decking, be sure to approach only those buyers with Chain-of-Custody (CoC) certification. Additional information is available in the databases of the FSC and the PEFC database.

Unabated popularity of the DIY sector:

The effects of the economic recession on the French construction sector were similar to those in the rest of Europe. Consumers refrained from building new houses and moved towards renovation. The downturn of the French construction market was thus followed by stabilisation in the renovation and retail markets. France remains one of the largest retail markets for tropical timber in Europe, and it is home to one of the largest DIY stores in the world, Leroy Merlin, which has recently expanded outside Europe.

Tip:

- Adding value to your product will increase your opportunities. Consult the various CBI Fact Sheets on Tropical Timber and Timber Products for additional details concerning specifications for various timber products in the EU.

Innovation in the timber sector and timber alternatives

Innovation is one of the consequences of stringent requirements for the use of tropical timber, particularly with regard to timber alternatives. Because companies prefer not to become more involved and make drastic business changes (e.g. changing suppliers and consolidating their value chains), they are shifting to timber alternatives. France is the leader in thermally modified hardwoods, an alternative to chemical treatment that offers many advantages. With thermal treatment, wood becomes more resistant to fungi and other microorganisms. It becomes more durable and less likely to change shape. Other timber alternatives that are becoming extremely popular include aluminium, steel and wood–plastic composite (WPC).

Tip:

- Tropical timber has various applications, and its successful promotion requires creativity and innovation. Try to add value to your product before exporting it by focusing on its design and the specific qualities of the tropical species. This will benefit both you and your country’s image in the timber sector.

For a more general overview of market trends relating to tropical timber products, refer to the CBI document on [Trends for Tropical Timber and Timber products].

Market Channels and Segments

This section focuses on the most important developments that are shaping the value chain for tropical timber decking in France, along with their consequences for exporters from developing countries. For additional information about market segments and channels for tropical timber, refer to the CBI document on Market Channels and Segments for Tropical Timber and Timber Products.

The value chain for tropical decking in France does not differ significantly from the general tropical timber sector. Most exporters of tropical decking in developing countries sell their products to importers and wholesalers in the French market. Decking is distributed through retailers and do-it-yourself (DIY) stores (e.g. Leroy Merlin) and construction companies, usually in a finished form.

Trading channels for decking and other tropical timber products have changed drastically in recent years. First, the influence of E-commerce has shifted timber sales into a much faster and open process. More importantly, demands in the area of legality and sustainability have led to shorter supply chains, thus decreasing the number of agents active in the tropical timber trade.

Figure 5: Trade structure for tropical timber decking (Source: FSG)

Segments

The market for tropical timber decking in France can be divided into two segments: construction companies and retailers that deliver directly to domestic consumers and small enterprises.

Opportunities in the retail segment

The economic recession of the previous period had significant effects on construction. As a consequence, consumers refrained from building new houses, preferring to renovate their existing houses. Many chose to do the work themselves, without contractors. The DIY sector remained steady during the recession period, with large DIY stores being very successful. The retail segment is thus your current best option for selling your products.

Tips:

- Products that do not require much processing after importing will offer higher margins. It is important to reach agreements with your buyer concerning size and design specifications.
- Decking destined for the retail market requires user-friendly installation. Building materials that require professional installation are usually found in wholesale channels.
- As a result of the implementation of strict laws and regulations (e.g. the EUTR), importers will be increasingly asking for guarantees of traceability and sustainability. If you supply sustainably certified tropical timber products, France can be a profitable market for you. Despite the challenges presented by the implementation of the EUTR, certified consumer products are gaining popularity relative to non-certified products.
- For most small and medium-scale exporters from developing countries, it is not profitable to produce inexpensive, low-quality products. This is largely because the lower segments of the market for tropical timber products are dominated by particular countries in Asia that have large-scale operations. The European Parquet Flooring Federation (FEP) advises its members to focus on the higher segments of the market by emphasising the technical performance, aesthetic appeal and sustainability credentials of their products. For decking, this would mean anti-slipping and anti-rotting properties, variety in colour and durability credentials.

Prices

In France, a share of the final value of tropical timber decking is added **after import**. Effort to add value to decking boards **before export** (e.g. by exporting more sophisticated products, sizes that are in demand or better packaging) are likely to attract higher margins.

Tip:

- Factors that influence the price of tropical timber decking include the following: availability of species, humidity levels (12%–20%), durability class (density of the timber), quality (occurrence of stains, knots, end shakes, mould, warped boards, insect holes, breaks, repairs), and sustainability certification (FSC, PEFC).

Figure 6: Price breakdown for tropical timber decking imported into France (excluding VAT, average 20%)(Source: FSG).

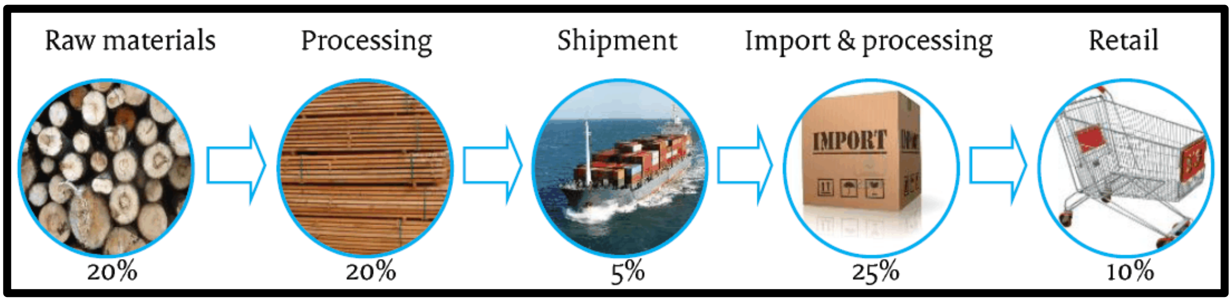


Table 1. Example of retail prices for tropical timber decking in France (including VAT). Based on an average length of 250 cm. It is important to note that prices are lower for shorter products and higher for longer products.

Product	Size (Width*Thickness)	Price	Source
Cumaru	140*21 mm	€99/m²	Terrasse – Nature
Padouk	140*21 mm	€119/m²	Terrasse – Nature
Ipe	140*21 mm	€146/m²	Terrasse – Nature
Hévéa (PEFC)	145*20 mm	€60/m²	Leroy Merlin
Acacia	50*32 mm	€63/m²	Leroy Merlin
Mukulungu (Congo)(FSC)	145*21 mm	€70/m²	Castorama
Almendrillo (FSC)	145*21 mm	€125/m²	Castorama
Cumaru (FSC)	145*25 mm	€194/m²	Castorama

Field of Competition

Strict buyer requirements hinder market entry:

Requirements in the area of legality and traceability are regarded as major barriers to exporters in developing countries. Nevertheless, products with less detailed specifications and less sophisticated designs (e.g. decking boards) enter the European market more easily than do other timber products (e.g. garden furniture).

Tips:

- Although decking does not have strict specifications and detailed design, it is advisable to communicate specific sizes to your suppliers. Country-specific or supplier-specific requirements will provide you with higher profit margins.
- Stay abreast of market-access requirements by following details of developments, as reported by CBI.

Availability of timber alternatives versus the sustainability of timber:

Alternatives to several tropical timber products are widely available in the European market. The French market offers WPC and thermally treated timber. Nevertheless, the technical characteristics and environmental qualities of sustainable timber are difficult to surpass. The threat of substitution is obviously higher when alternative materials are widely available. For example, tropical hardwood decking is increasingly being replaced with composite material, treated (thermally and chemically modified) European timber or bamboo.

Tip:

- The threat of substitution can be a driver for innovation. For example, due to restricted supplies, buyers are becoming increasingly interested in lesser-known species (LKS). This can be an opportunity for exporters in developing countries.

Vertical consolidation depressing supplier power:

Due to the decreased availability of tropical timber and increased buyer requirements in the European market, European buyers are working to achieve vertical consolidation in their supply chain. They can do this by sourcing tropical timber directly in the harvesting countries, thereby weakening the role of the exporter. Vertical consolidation is currently taking place in the market for timber decking. Supplier power is being further hindered for products for which many alternatives are available (e.g. decking), as buyers have more negotiating power.

Tip:

- Consider working together with other processors and traders as a way of enhancing your attractiveness as a supplier. Establishing business relationships with other processors can reduce costs and make it possible to supply larger volumes.

Increased market rivalry:

Tropical timber decking has a standard design, and it is therefore not considered a speciality item. This makes it easier to switch between suppliers than would be the case with speciality items (e.g. garden furniture). Market rivalry also depends upon the various timber species available. Different timber species can be used for the same application. If the price of one species increases, buyers are likely to switch to a less expensive species.

Tips:

- Add value to your products by improving their quality (e.g. through better dying, more detailed specifications and finishes) and promoting its technical and natural features.
- Because timber prices can change daily, you should maintain contact with your buyers in order to stay abreast of the price developments. For more general information on prices, consult the bi-monthly ITTO tropical timber market reports and the FORDAQ.

Useful resources

- CBI market information: Promising EU export markets.
- French Timber Trade Federation – http://www.lecommercedubois.org/
- EU Expanding Exports Helpdesk – http://exporthelp.europa.eu – go to 'trade statistics'.
- Eurostat – http://epp.eurostat.ec.europa.eu/newxtweb – statistical database of the EU.
- Register for the International Trade Statistics site -http://www.trademap.org

CBI Market Intelligence

P.O. Box 93144
2509 AC The Hague
The Netherlands

www.cbi.eu/market-information

marketintel@cbi.eu

This survey was compiled for CBI by the Forestry Service Group (FSG)
in collaboration with CBI sector expert Marco Bijl

June 2016