

Is Guyana to lose the EU market because the GFC and GRA cannot control timber harvesting and export illegalities?

Posted By [Staff Writer](#) On March 7, 2013 @ 5:07 am In [Letters](#) | [No Comments](#)

Dear Editor,

The Timber Regulation of the European Union (EUTR) came into force on Sunday, March 3, 2013. This regulation makes it a criminal offence to import timber and other wood products which have been harvested illegally into the 27 states of the European Union. In Guyana, timber mats to support mechanical diggers in soft ground were found to have been made from illegally harvested timber and to have been stuffed with cocaine for smuggling from Guyana to The Netherlands ('Timber company was suspended before 800lb cocaine bust,' Stabroek News, February 27). The Guyana Forestry Commission (GFC) knew of the illegalities but still cleared the mats for export. The Guyana Revenue Authority then allowed 21 days to pass before taking action about the suspicious shipping container into which those mats had been packed for export.

Government agencies have been informed for years past about the imminence of the EUTR. Minister Robert Persaud has been promising since late 2006 that all timber exports would be inspected by the GFC, but that is no use if the illegal harvests are still cleared for export – see my articles ('The rule of law? – not in the forest sector of Guyana,' SN, January 16, 2012; and 'The rule of law – inefficiency and corruption in the export of timber logs to Asia,' SN, January 30, 2012) to which the government agencies have made no response. The legality assurance scheme (LAS) devised by the Guyana National Bureau of Standards with the GFC in 2010 was found by the consultancy Efeca in March 2011 to be inadequate for EU requirements, yet the Efeca report of May 2011 has not been published by the GFC. Efeca offered a replacement version of the LAS which would have been EU-compliant, but it is unclear what action has been taken, if any, by the government agencies GFC and GRA. The scoping visit on independent forest monitoring by the GFA Consulting Group was reported in December 2011; the report is on the GFC website. GFA made recommendations to overcome some of the deficiencies in the GFC control systems but again it is unclear in the sections on Indicators 5 and 6 in the verification report by the Rainforest Alliance (December 2012) what improvements were made during 2012. The cocaine-in-digger-mats case suggests that any government actions have not been adequate.

To be sure, most of Guyana's timber exports are of unprocessed logs sold under-valued to Asia: 52,671 m³ to India at an average declared FOB price of US\$144/m³, and 43,893 m³ to China at an average declared FOB price of US\$132/m³, in 2011; figures from the 2011 Forest Sector Information Report by the GFC.

In contrast, the EU market for sawn timber from Guyana was worth over US\$6 million in 2011: dressed sawnwood 311 m³ at an average declared FOB price of US\$ 1,143/m³, rough (undressed) sawnwood 10,681 m³ at an average declared FOB price of US\$537/m³. This includes 8,215 m³ sold to The Netherlands at an average of US\$499/m³ in 2011. In the first half of 2012, 134 m³ of dressed sawnwood improved in price to US\$1,538/m³ – over ten times the price per unit volume of the logs sold to Asia in 2011.

Is Guyana to lose this EU market because the GFC and GRA cannot or will not take action to control illegalities, in spite of the commitment to Norway for improved governance? What is the point of engaging in the long and expensive process to secure a voluntary partnership agreement under the EU Forest Law Enforcement, Governance and Trade process if the government agencies cannot or will not implement simple controls against these illegalities?

Yours faithfully,

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