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ETTF demands an Adaption of Sanctions for the Timber Sector

Due to the Russian war of aggression against Ukraine, the product group of wood products has been subject to an embargo on imports into the EU since April 2022. Wood is Russia's sixth largest product group in terms of exports and in 2022 the country exported wood and wood products worth almost 8 billion euros. This is all the more significant as many of Russia's forests are state-owned and therefore closely linked to the Kremlin. However, the EU sanctions imposed on timber and timber products from Russia and Belarus in March 2022 do not apply if Russian timber is exported to a third country and processed there - in this case, importing the products made from it into the EU does not necessarily violate foreign trade law.

The goods affected by the sanctions include panel products, in particular plywood. Since the imposition of the embargo, imports of birch plywood from third countries have risen significantly and ETTF believes that despite the sanctions, there are therefore trade flows of Russian materials that circumvent existing sanctions. This is enabled by rerouting, repackaging, and relabelling, in most cases combined with the reissuing of documents stating a false place of origin. Furthermore, by exporting raw materials, Russia still achieves significant revenues. Circumvention creates an imbalance in the market and disrupts the distribution of legal products from legitimate sources. Furthermore, circumvention is also a challenge for our companies and threatens to become a major economic problem. Finally, circumvention undermines the effectiveness of sanctions and hinders fair trade practices.

ETTF and its member federations welcome the sanctions, as the overwhelming majority see them as a legitimate way of preventing Russia from continuing the war. This is even though the embargo measures have been very noticeable in the timber trade sector.

In the consolidated text of Council Regulation (EU) No 833/2014 of 31 July 2014, it states in article 3g that products made from steel which originates in Russia, are also prohibited from importing. Here, the ban incorporates both the raw material and products made thereof – which differs from the regulation in the wood sector, as outlined above.

ETTF would like to see the above-mentioned regulation in the steel sector also introduced for wood and wood products made from (round) wood of Russian origin, This, to achieve both a ban on delivery via third countries and a ban on importing of processed goods from third countries.

A such regulation would make it clear that no product may be imported if the raw material comes from Russia. In this context, ETTF urges to include this request in the discussion on the next sanctions package. Timely action is crucial to protect the interests of timber trading companies in the EU and to preserve fair trade practices, legal supply chains and economic resilience.

European Timber Trade Federation

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