



Taiga Rescue Network



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SWEDEN: FOREST INDUSTRY GIANT WITH BIG TIMBER FOOTPRINTS IN THE BALTIC REGION

NOVEMBER 2005

CASE STUDY

Sweden is one of the world leaders in exports of forest industry products – mainly exporting to Western Europe. What many people do not know is that Sweden is also a big importer and processor of wood originating from Russia and the Baltic states. This gives Sweden and the Swedish industry a clear responsibility to tackle illegal logging and unsustainable forest management which is a widespread problem in these regions.

MAJOR TIMBER PRODUCT EXPORTER

The Swedish forest industry is one of the main export countries of products such as pulp, paper and sawn timber (3.8 mil tons, 10.4 mil tons and 11.2 mil m³ in 2004). 85 percent of the production is exported – mainly to big consumer countries like UK, Germany, Netherlands, Denmark, France and Belgium.

Swedish forestry has traditionally been very production oriented in order to feed its growing industry. In the 1970's this led to an intensive and heated public debate regarding the growing evidence of negative environmental and social effects. As a result of this, forestry in Sweden has since undergone some major changes, such as the large scale Forest Stewardship Council (FSC) certification that occurred during the end of the 90's. However, public debate on forestry issues continues. There are still problems, such as the lack of clear legal recognition of indigenous Sami People rights, slow and insufficient protection of old growth and other high conservation value forests, weak or lack of enforcement of biodiversity protection measures in forest operations etc. Even if good progress has been made, much remains to be done before Swedish forestry can be called sustainable.



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BIG TIMBER IMPORTS FROM AREAS PLAGUED BY ILLEGAL LOGGING

As forestry has been moving in a more "green" direction, Swedish companies have started to strongly expand their sourcing of timber from abroad. In 2004, 9.5 million cubic meters of round wood were imported to Sweden. Most of this volume was consumed by Swedish pulp and paper industries.

The vast majority of this trade comes from the Baltic States and NW Russia - countries with forests containing very high environmental and social values compared to Scandinavian forests. Today, problems associated with illegal logging, other forest crimes and other unsustainable forestry practises are very acute in these countries. Estimates from NW Russia show that 27 % of logged

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timber might have an illegal origin – and alarmingly the figure is probably even higher in the region supplying Swedish industry. Estimates of the scale of the problem in Estonia point to 50%, and in Latvia 20%. These illegal problems are widely considered as a major impediment to the development of a more sustainable forestry in the regions, especially amongst private forest owners in the Baltic States. The strong increase in demand for timber in the Baltic States has also pushed logging levels to very unsustainable levels in both Estonia and Latvia, and has increased the import of round wood from especially Russia to these countries.

Swedish players are having a clear impact on the forests in these countries, which is illustrated by the fact that four out of ten trees logged in Latvia are exported to Sweden. Major Swedish importers of timber include large companies like Stora Enso, M-real/Metsalitto, state owned Sveaskog, Korsnäs, Holmen, Södra, Billerud, Rottneros and Rörvik Timber. Some of the major importers have over the past few years implemented different systems to ensure traceability and origin of imported timber. However, it is very unsure how effective these systems currently are in excluding illegal timber and timber from other controversial sources. These problems are further strengthened by the fact that many Swedish importers buy wood from Russia and the Baltic states through one or several middle men / traders which makes verification an even bigger challenge.

In general few efforts have also been made by Swedish importers to contribute to long-term sustainable forest management in these regions by, for example, promoting and helping suppliers with improving forest management through voluntary forest certification and other means.



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PREVIOUS PAGE LOWER LEFT THE MAIN TIMBER TERMINAL IN SAINT PETERSBURG HARBOUR WHERE MOST OF THE TIMBER PASSES FROM RUSSIA TO SWEDEN. OTHER IMAGES: LENINGRAD OR PSKOV REGIONS IN RUSSIA WHERE MOST OF THE LOGGED TIMBER GOES TO SWEDEN OR FINLAND.

SWEDISH GOVERNMENT REMAINS PASSIVE

The Swedish government is unfortunately not acting strongly on the issue of illegal logging. Despite the heavy Swedish timber footprint, very little is being done by the government compared to initiatives by other EU governments. In general the government favours self-regulation in the forest industry in order to tackle the problem with illegal logging linked to the imports of wood to Sweden. Therefore it has kept a low profile in the EU Forest Law Enforcement Governance and Trade (FLEGT) process and is currently not in favour of further trade regulations within the EU to put a halt to imports of illegal timber.

NGO's are urging the Swedish government to take at least the following steps:

- * Clearly recognise the problems of illegal logging and related trade as part of the Swedish forestry policy;
- * Support further legal action in the EU and on the international level to tackle illegal logging;
- * Use national tools such as public procurement to stimulate the demand for legal and sustainable timber;
- * Get the state owned forest company Sveaskog to act as a model to stimulate actions against illegal logging and favour responsible forest management in relevant exporting countries.

For further information visit: [Illegal Logging in North-western Russia and Export of Russian Forest Products to Sweden](http://www.wwf.ru/resources/publ/book/eng/45/)
<http://www.wwf.ru/resources/publ/book/eng/45/>

Ecological footprints of the Swedish Round wood Import from Russia and the Baltic states (English summary of the Swedish report: Ett skepp kommer lastat)
<http://www.wwf.se/show.php?id=1004510> (Full report in Swedish)

Taiga Rescue Network (TRN) consists of more than 230 participant groups working to support local struggles and strengthen the cooperation between individuals, NGOs and indigenous peoples and nations concerned with the protection, restoration and sustainable use of the world's boreal forests by means that ensure the integrity of natural processes and dynamics.