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SITUATION OF GLOBAL ROSEWOOD PRODUCTION & TRADE – GHANA ROSEWOOD CASE STUDY



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Presentation Outline

- INTRODUCTION
- ROSEWOOD OCCURRENCE IN GHANA
- HARVESTING REGULATIONS
- PRODUCTION AND TRADE
- ROSEWOOD MANUFACTURING (UTILIZATION)
- TIMBER (ROSEWOOD) EXPORT PROCEDURES
- ROSEWOOD EXPORT BAN
- CHALLENGES IN ROSEWOOD PRODUCTION & TRADE IN GHANA
- WAY FORWARD
- CONCLUSION



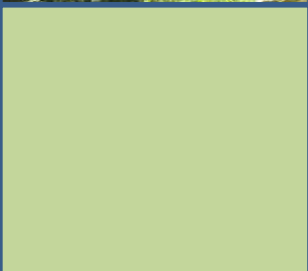
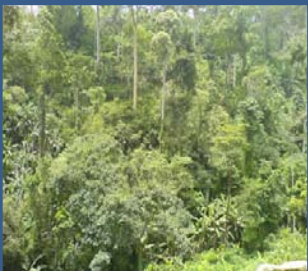
INTRODUCTION (I)

- In Ghana Rosewood (known locally as *Krayie/Kpatro*) is a common name for timber exploited from the species *Pterocarpus erinaceus*.
- The Chinese buyers/traders in Ghana also call it **Kosso**.



INTRODUCTION (II)

- The species belongs to the family *Fabaceae* – *Papilionoideae*.
- *Pterocarpus erinaceus* is a medium-sized, generally deciduous tree 12-15 m tall, bole often of poor form.



INTRODUCTION (III)

- The bark surface is finely scaly fissured, brown-blackish with thin inner bark. It produces red sap when cut.



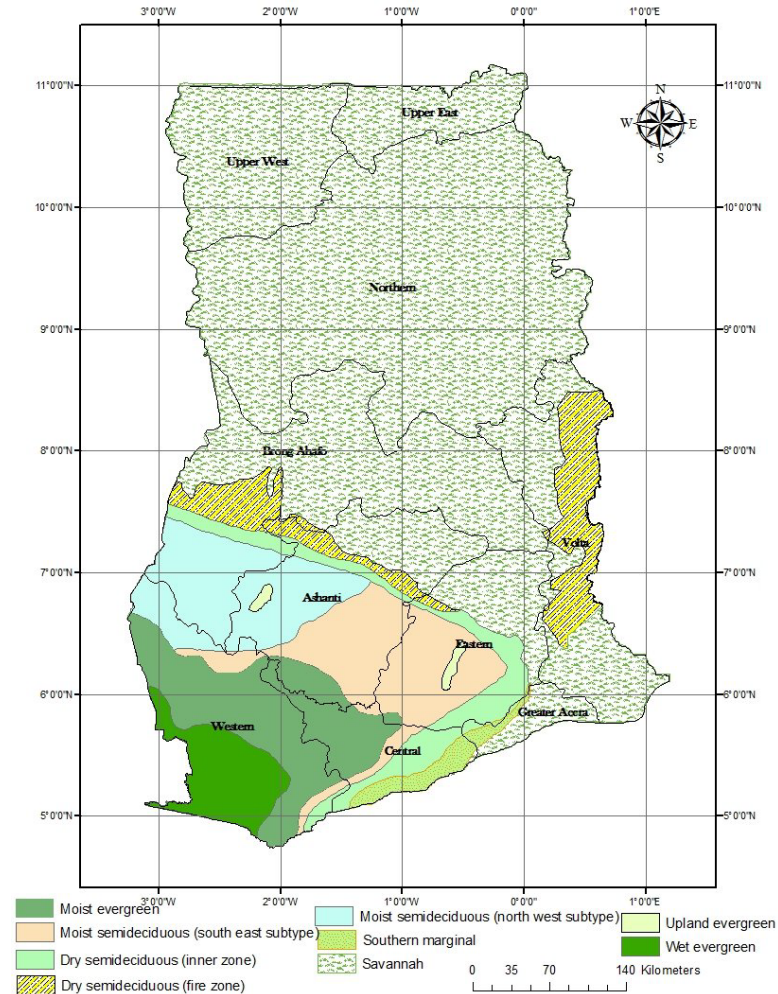
INTRODUCTION (IV)

- Traditionally, the species is used for the production of high quality charcoal and for building construction especially by local people.



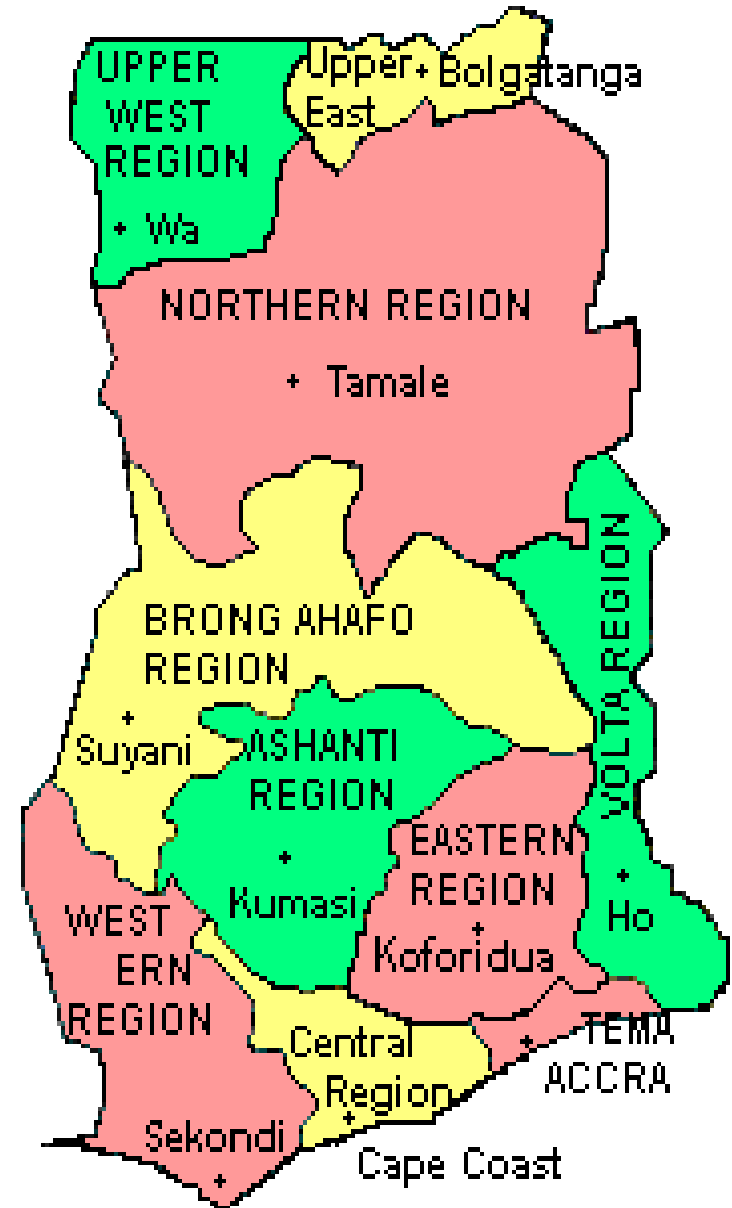
Rosewood Occurrence in Ghana (I)

- The species occurs mostly in the forest savannah transitional zone and parts of the northern savannah woodland ecological zone.
- Found in open forest and wooded savannah.



Rosewood Occurrence in Ghana (II)

- There are ten regions in Ghana.
- Rosewood occurs in six of these regions, namely, Ashanti, Brong Ahafo, Northern, Upper East, Upper West and Volta regions.



HARVESTING REGULATIONS

- Generally, Timber resource allocation & harvesting is based on Timber Resources Management Act, Act 547 of 1998 and the related Regulation LI 1649 of 1999.
- For Rosewood, the issuance of permit to contractors prior to exploitation and monitoring exploitation once the permit has been issued have been the main regulatory mechanism since the surge in its export.



ROSEWOOD PRODUCTION (I)

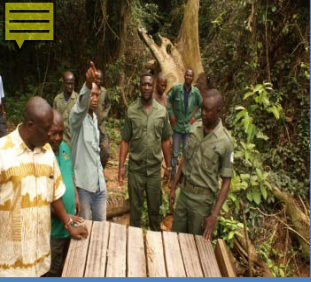
- Some work is ongoing now to get coordinated national data for rosewood production, particularly, in the wake of recent surge in rosewood exports.
- Available production data from one of the main production areas (Brong Ahafo region) in 2013 is shown below. This region is estimated to contribute about 70% of total rosewood production.



ROSEWOOD PRODUCTION (II)

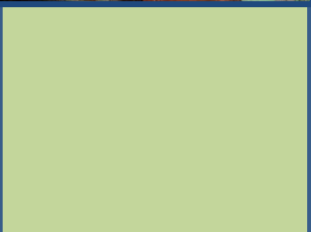
ROSEWOOD HARVESTED IN BRONG AHAFO REGION FOR 2013

MONTH	NO OF STEMS	VOLUME
January	2,037	2,619.891
February	4,198	6,149.717
March	3,372	4,167.697
April	4,839	6,321.765
May	5,989	7,783.492
June	5,118	6,957.317
July	7,177	8,726.164
August	8,323	11,847.208
September	8,552	11,142.758
October	2,552	3,358.235
November	12,579	16,342.424
December	14,472	18,660.932
TOTAL	79,208	104,077.600



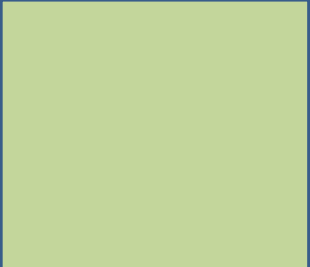
ROSEWOOD EXPORT TRADE (I)

- Very little trade in rosewood products occurs on the domestic market apart from charcoal production by local people.
- There is currently huge competition for the raw material locally with the surge in exports due to high demand from Asian buyers.



ROSEWOOD EXPORT TRADE (II)

- Rosewood product for export is mainly rough sawn lumber squares.

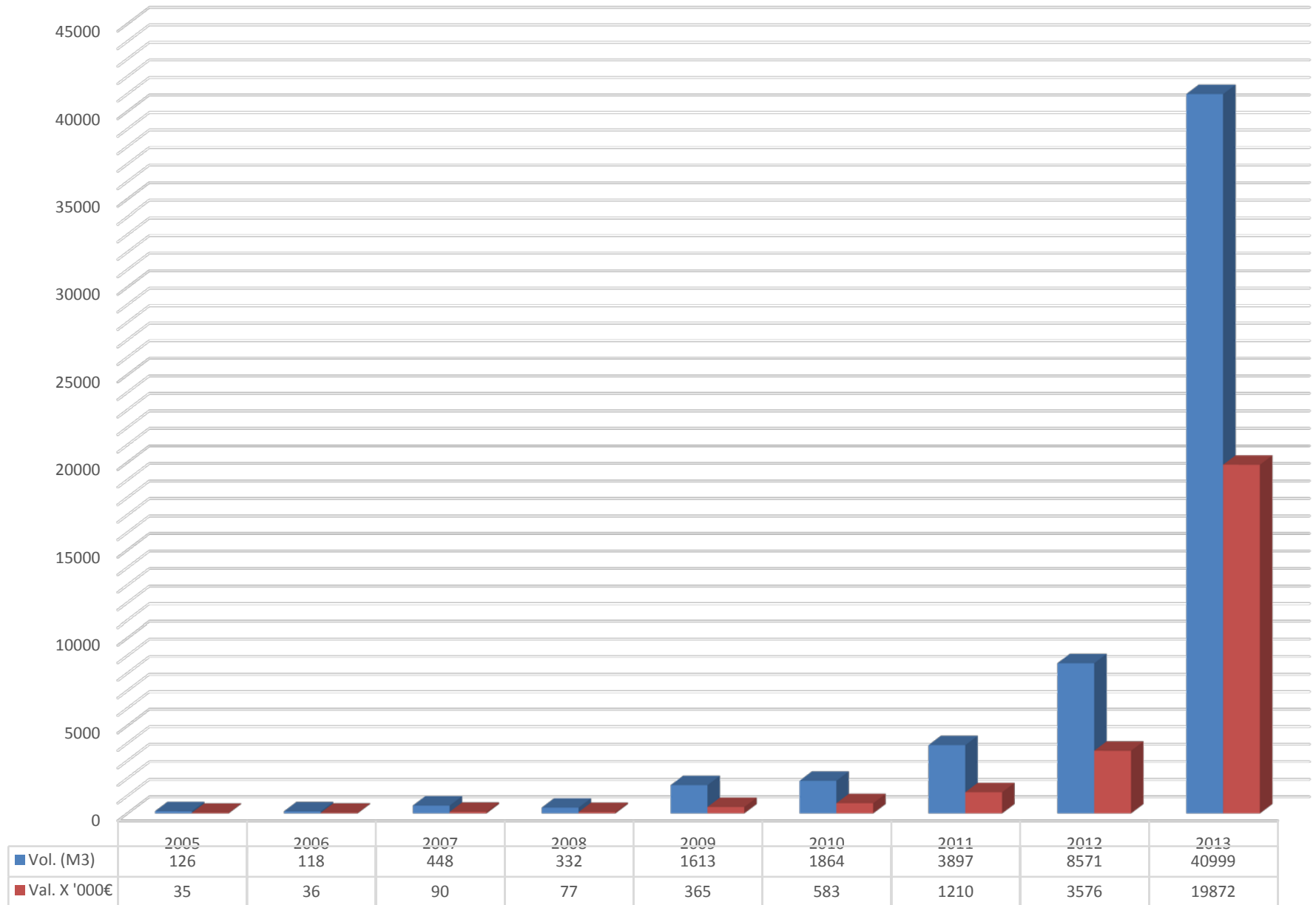


ROSEWOOD EXPORT TRADE (III)

- Rosewood exports from Ghana started in 2005
- Export volumes and values have consistently increased
- China is the dominant importer of Ghanaian rosewood, contributing averagely 96% of total imports based on last 3 years.
- The rosewood export trade has suffered two export bans in its life cycle, the latest being January 1, 2014.



Trend of Rosewood Exports by Vol. & Val.



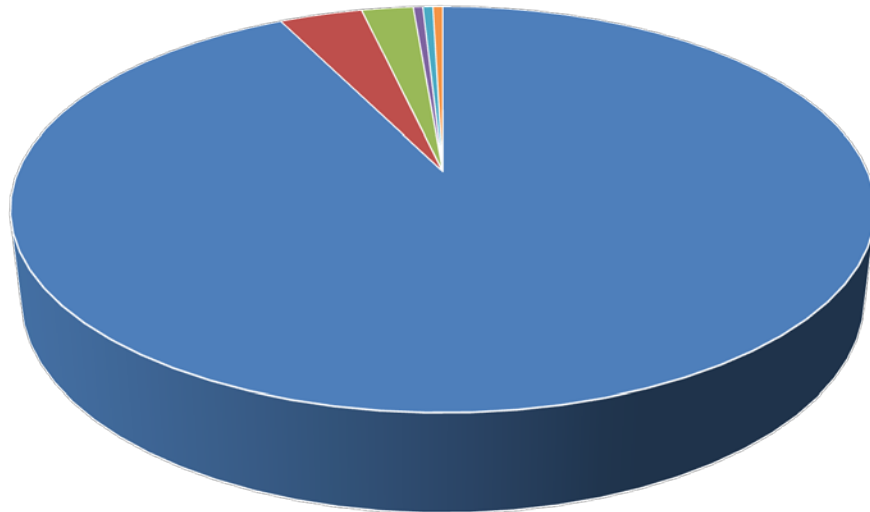
ROSEWOOD EXPORTS BY DESTINATION - 2011

ROSEWOOD EXPORTS BY DEST: 2011

COUNTRIES	VOL.(M3)	% OF TOTAL VOL.	VAL.(EURO)
CHINA	3,611.014	92.651	1,136,406.34
INDIA	144.757	3.714	44,945.06
MALAYSIA	90.199	2.314	10,770.03
AUSTRALIA	16.671	0.428	7,608.24
TURKEY	17.595	0.451	5,313.93
VIETNAM	17.182	0.442	5,154.60
TOTAL	3,897.418	100.000	1,210,198.20

ROSEWOOD EXPORT BY DESTINATION FOR 2011 - VOL.(M3)

- CHINA
- INDIA
- MALAYSIA
- AUSTRALIA
- TURKEY
- VIETNAM

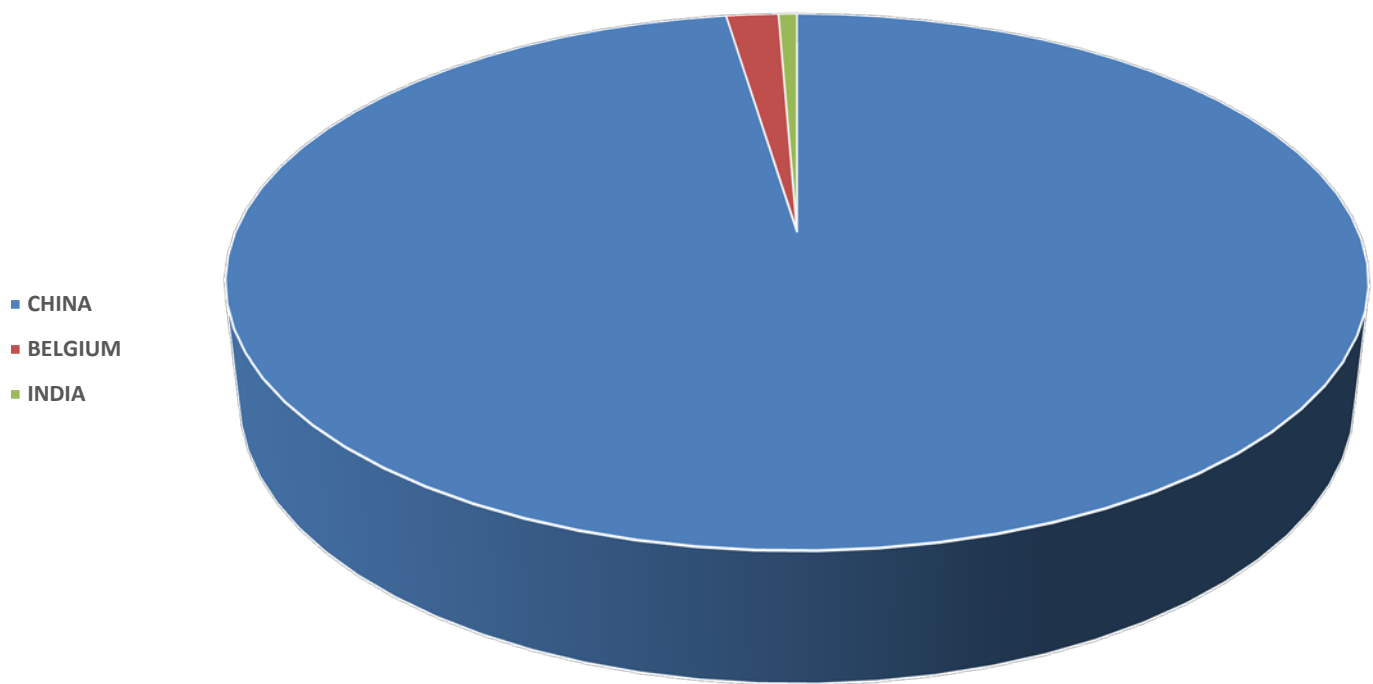




ROSEWOOD EXPORTS BY DEST: 2012

COUNTRIES	VOL.(M3)	% OF TOTAL VOL.	VAL.(EURO)
CHINA	8,365.870	97.609	3,508,746.78
BELGIUM	151.335	1.766	49,455.88
INDIA	53.587	0.625	17,512.09
TOTAL	8,570.792	100.000	3,575,714.75

ROSEWOOD EXPORT BY DESTINATION FOR 2012 -VOL.(M3)



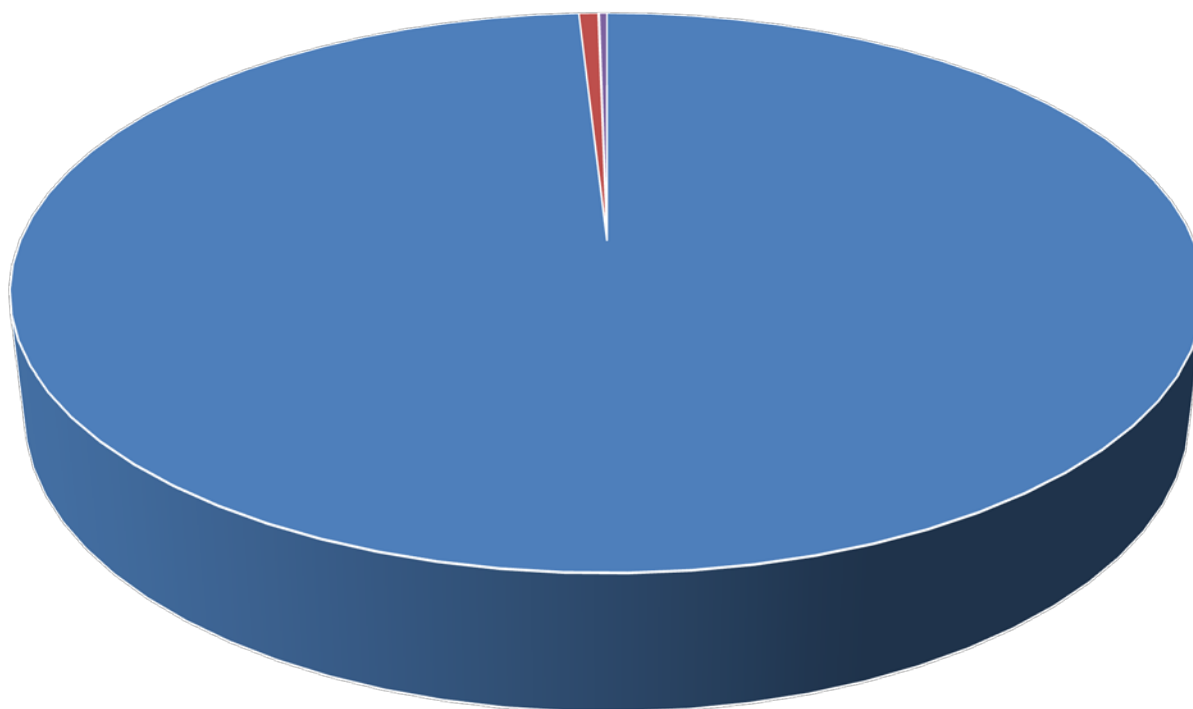


ROSEWOOD EXPORTS BY DEST: 2013

COUNTRIES	VOL.(M3)	% OF TOTAL VOL.	VAL(EURO)
CHINA	40,626.150	99.091	19,698,405.06
HONG KONG	255.315	0.623	115,179.70
TOGO	14.340	0.035	10,396.50
INDIA	102.841	0.251	48,482.19
TOTAL	40,998.646	100.000	19,872,463.45

ROSEWOOD EXPORT BY DESTINATION FOR 2013 - VOL.(M3)

- CHINA
- HONG KONG
- TOGO
- INDIA



ROSEWOOD MANUFACTURING (UTILIZATION) I

Rosewood logs stacked in yard



Rosewood squared lumber stacked in container



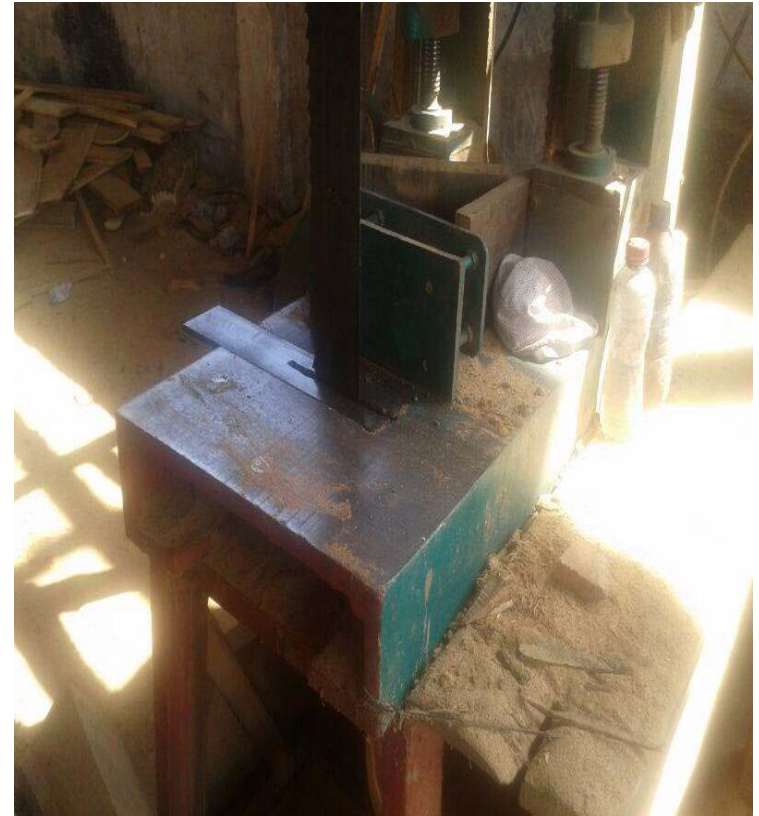


ROSEWOOD MANUFACTURING (UTILIZATION) II

Stacked Rosewood lumber strips

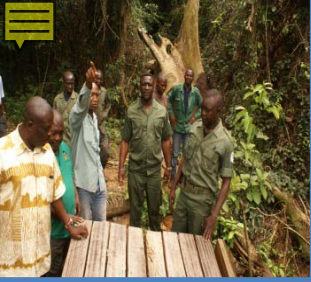


Bandsaw table machine for cutting Rosewood strips



Timber Export Procedures

- ✓ Exporters and Buyers to register with Timber Industry Development Division (TIDD) of Ghana Forestry Commission.
- ✓ Possess valid or approved 'Contract of Sale'
- ✓ Organise production or consignment for export
- ✓ Obtain requisite TIDD Inspection Certificates
- ✓ Possess documentary evidence for payment of export parcel & payment of statutory export levies
- ✓ Acquire TIDD Export Permit/Licence(Required under LI 2184)
- ✓ Acquire Customs, Excise and Preventive Service (CEPS) of Ghana Revenue Authority (GRA) 'release'.
- ✓ Arrange shipping of wood products



ROSEWOOD EXPORT BAN

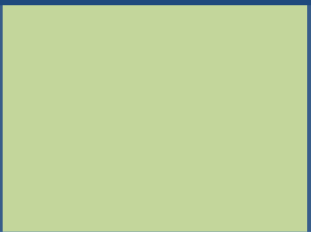
- Since inception of Rosewood exports (from 2005) in Ghana, the trade has suffered two export bans. The first in January 2012 and lifted May 2012, second in January 2014. Current export ban has been partially lifted for some seven exporting companies.
- Bans usually resulting from increased suspicion of impropriety in its exploitation and trade.



CHALLENGES IN ROSEWOOD

PRODUCTION & TRADE IN GHANA

- Little is known on the real status of Rosewood in Ghana, to understand the dynamics (increment, mortality and regeneration rates) of the species and more importantly regeneration pattern.
- Lack of appreciation of timber export procedures and guidelines by most exporters and buyers because of economic interest.
- Inadequate market intelligence information on the main export destinations (China & India) of the species.



WAY FORWARD

- Implementation of the Legality Assurance Scheme (LAS) in Ghana, which includes the Wood Tracking System (WTS) will rationalize the rosewood trade.
- Sensitization of Rosewood exporters and buyers is ongoing, but this has to be strengthened.
- Comprehensive studies need to be conducted to collect data on both biological and socio-economic aspects of species to ensure the sustainable management and exploitation of Rosewood in Ghana.



WAY FORWARD (II)

- Efforts need to be made to add value to the species, by investing in appropriate downstream processing equipment, to enhance economic returns on rosewood.
- Need to strengthen collaboration with Chinese Customs as a way of monitoring trade. As a check Chinese Customs Authority could demand Ghana Forestry Commission Export License covering rosewood products.



CONCLUSION

- Rosewood export is the new phenomenon in Ghana timber industry exports and has consistently increased its volume share in exports.
- Attention has to be paid on the real status of the rosewood species in terms of its dynamics, in respect of its distribution, production and regeneration rates to ensure sustainable management and exploitation of the species.
- Adding value to the species will yield more economic benefits to the country, and there is need for buyers and exporters to cooperate in this direction.



Questions and Answers



Thank You For Your Attention