



# Analysis of International Wood Product Trade and its Administrative Governance

Central American-Dominican Republic Region 2000-2011



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# Preface

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Wood product trade in the Central American-Dominican Republic region currently poses major challenges for its report and statistics verification system.

Through the work of a regional group of consultants and local contributors, a regional statistical analysis was performed regarding wood trade between Central American countries and the Dominican Republic (CA-DR region), and between the region and main external markets. Wood product export and import procedures were also updated. This research allows these countries to assess potential trade statistics use to generate traceability and transparency in their legal trade verification systems and to gain credibility in the eyes of other countries or markets.



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Finally, we extend our appreciation to those involved in independent monitoring, voluntary forest certification, and wood trade in the region, for their technical support; to those working in institutions linked to trade practices, central banks and statistics offices, for the data and procedures provided, and to employers and their representatives in different chambers and others involved in the forest and trade sector in the countries studied.

# Acronyms

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CA-DR	Central America and the Dominican Republic
Agexport	Guatemalan Exporters Association
ANA	National Customs Authority (Panama)
ANAM	National Environmental Authority (Panama)
Banguat	Bank of Guatemala
BAHA	Belize Agricultural Health Authority
BCCR	Central Bank of Costa Rica
ECB	European Central Bank
BCR	Central Reserve Bank (El Salvador)
BCH	Central Bank of Honduras
WB	World Bank
CAFTA-DR	Dominican Republic-Central America-United States Free Trade Agreement
CCAD	Central American Commission on Environment and Development
CEI-RD	Dominican Republic Export and Investment Center
Cempromype	Center for the Promotion of Micro and Small Enterprises (El Salvador)
Centrex	Export Center (Honduras)
Cetrex	Export Center (Nicaragua)
CIEX	BCR Import and Export Center (El Salvador)
CIF	Cost including freight
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CONAP	National Council of Protected Areas (Guatemala)
Conicefv	Nicaraguan Council for Voluntary Forest Certification
CTB	Forestry Technical Committee
CH-CFV	Honduran Council for Voluntary Forest Certification
DEI	Executive Directorate of Revenue (Honduras)
DGA	General Directorate of Customs Services (Nicaragua) General Directorate of Customs (Costa Rica / El Salvador / Dominican Republic)

DGFCR	General Directorate of Forestry, River Basin and Irrigation Management (El Salvador)
DGPASA	Magfor Directorate General for Agriculture and Livestock Protection (Nicaragua)
DGSVA	MAG Directorate General for Plant and Animal Health (El Salvador)
DNCD	National Directorate for Drug Control (Dominican Republic)
DUA	Single customs declaration
EFI	European Forest Institute
USA	United States of America
EuroStat	Statistical Office of the European Union
FAO	United Nations Food and Agriculture Organization
FAUCA	Central American Customs Single Form
FLEGT	Forest law enforcement, governance and trade
FOB	Free on Board
FSC	Forest Stewardship Council
GFTN	Global Forest and Trade Network
GST	General Sales Tax (Belize)
HT	Heat Treatment
ICF	National Institute of Conservation and Forest Development, Protected Areas and Wildlife (Honduras)
INAB	National Forest Institute (Guatemala)
Inafor	National Forestry Institute (Nicaragua)
INEC	National Institute of Statistics and Census (Panama)
MAG	Ministry of Agriculture and Livestock (Costa Rica / El Salvador/ Dominican Republic)
MAGA	Ministry of Agriculture, Livestock and Food (Guatemala)
Magfor	Ministry of Agriculture and Forestry (Nicaragua)
Marena	Ministry of the Environment and Natural Resources (Nicaragua)
MARN	Ministry of the Environment and Natural Resources (Dominican Republic)
MIC	Ministry of Industry and Trade (Dominican Republic)
MICI	Ministry of Trade and Industries (Panama)
MIDA	Ministry of Agriculture and Livestock Development (Panama)
MIFIC	Ministry of Development, Industry and Trade (Nicaragua)
MINAE	Ministry of Environment and Energy (Costa Rica)
ITTO	International Tropical Timber Organization
OIRSA	Regional International Organization for Plant and Animal Health
WCO	World Customs Organization
WTO	World Trade Organization

ONE	National Statistics Office (Dominican Republic)
NGO	Non-governmental organization
PARCA	Environmental Plan for the Central American Region
Perfor	Regional Strategic Program for Forest Ecosystem Management
Procomer	Foreign Trade Corporation of Costa Rica
Proesa	Export and Investment Promotion Agency of El Salvador
Smes	Small and Medium Enterprises
RTN	National Tax Registry Number (Honduras)
UTR	Unique Taxpayers Reference (Nicaragua)
SAD	Single administrative document (Belize)
SAG	Secretariat of Agriculture and Livestock (Honduras)
SARAH	Honduran Automated Customs Rents System
SAT	Superintendency for Tax Administration (Guatemala)
Seadex	Electronic Service for Export Authorization (Guatemala)
Senasa	National Service of Agriculture and Livestock Health (Honduras)
SEPA	SAG Agriculture and Livestock Protection Service (Honduras)
SIB	Statistical Institute (Belize)
SIC	Secretariat of Industry and Trade (Honduras)
SICE	Foreign Trade Integrated System of Panama
Sidunea	Automated System for Customs Data (El Salvador)
IECA	Secretariat for Central American Economic Integration
SIGA	Integrated Customs Management System (Dominican Republic)
Sinac	National System of Conservation Areas (Costa Rica)
TICA	Information Technology for Customs Control (Costa Rica)
EU	European Union
IUCN	International Union for Conservation of Nature
UN-Comtrade	United Nations Commodity Trade Statistics (trade statistics database ascribed to the United Nations)
UNEP-WCMC	United Nations Environmental Programme and World Conservation Monitoring Centre
Unicaf-BRP	Union of Agroforestry Cooperatives of the Rio Platano Biosphere Reserve
VISAR	Vice-Ministry of Agriculture and Animal Health and Regulations (Guatemala)
VUPE	Single Window for Exports (Guatemala)
WITS	World Integrated Trade Solution (software developed by the World Bank for merchandise export/import)
WWF	World Wildlife Fund

# 1. Introduction

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Wood product trade in the Central American – Dominican Republic region currently poses great challenges for the systems employed to report and verify statistical information. Due to inconsistencies and lack of records, wood product trade statistics available are commonly of limited use, which limits their usage to demonstrate the significance of wood trade and its contribution to a country's development. At the same time, this situation generates a weak, unreliable verification system, lacking cross-border trade controls, which facilitates fraudulent and illegal actions in the government's forestry administrations.

These faults usually translate into illegal logging and trade schemes with different impacts on society at an institutional, economic, environmental and social level (Campos, *et al.* 2001). Illegality implies the existence of a regulatory and institutional framework reflecting conflicts and disagreements between interest groups regarding tenancy rights, conservation, forest resource use and alienation. In the economic sphere, illegal logging and trade generate unfair competition between formal and informal markets, which results in the economic depreciation of timber resource. On the other hand, it generates losses for local and national governments due to tax revenue. Illegal activity and the prosecution of criminal offenses and the parties involved also cause the loss of dignity of those involved who have no way of using the resource in a legal manner. Environmentally speaking, these social conflicts become powerful forest degradation processes and a change in forest resource use. The forest is gradually replaced by more profitable and less regulated productive activities, with a good public image such as agriculture and livestock, which in turn increases the loss of forest ecosystems, and consequently of its resources and ecosystem services (Richards *et al.* 2003).

In order to improve the previously described situation, one of the main challenges is to have a regional monitoring system as an effective frame of reference with first-class statistical data which will serve as a starting point in gaining credibility in trade data as well as in its much needed institutionalization. A regional monitoring system would also help encourage the expansion and diversification of the international tropical timber trade from sustainably managed and legally exploited forests.

## Regional and International Initiatives for Legal Wood and Wood Product Trade

During the past 20 years, trade liberalization and deregulation has been the strategy used to promote the region's development. The main steps taken include cutting controls, foreign investment attraction, and the creation of trade-promoting institutions. These measures began in 1960 with the Central American Common Market and are still reinforced through covenants such as free trade agreements, and more recently, the Association Agreement between Central America and the European Union. Governments have not been the only ones to directly or indirectly encourage regional trade; international organizations, development banks, agencies and cooperating countries have also played active roles in such processes.

In Central America, the Central American Commission on Environment and Development (CCAD<sup>1</sup>) has been an important initiative regarding forestry matters. It strives to encourage environmental management cooperation and integration. In 2009, CCAD member countries prepared a regional strategic program for forest ecosystem management (Perfor), with a 15-year perspective. Perfor (Regional Strategic Program for Forest Ecosystem Management) aims to improve forest governance and fight against illegal logging and wood trade, as well as other forest management regional efforts (CCAD 2010).

On the other hand, the Environmental Plan for the Central American Region (PARCA) is the main instrument to coordinate CCAD activities. One of PARCA III 2010-2014's main strategic objectives is to promote policy coherence and governability regarding forests. PARCA formally proposes "*creating a regional policy on legal wood trade and registry*".

Since 2003, FLEGT (*Forest law enforcement governance and trade*), an international European Union (EU) initiative, set out to influence the logging and illegal wood trade problem in order to protect forests from deteriorating or destructive uses. FLEGT's Action Plan seeks to promote a change of attitude within the European Union as well as at an international level, through sensitization efforts, NGO involvement and adoption of EU legislation (FLEGT Regulation and Implementation and Timber Regulation) (European Commission 2012).

Other valuable initiatives for promoting verified legal wood trade come from other parts of the world such as Japan and China. In Australia, a law against illegal logging and wood trade was recently approved, and in 2008, the United States implemented the Lacey Act to include the control of international illegal wood trade (Brack *et al.* 2002).

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1 CCAD countries: Belize (BLZ), Costa Rica (CRI), El Salvador (SLV), Guatemala (GTM), Honduras (HND), Nicaragua (NIC), Panama (PAN) and the Dominican Republic (DOM)

## Study Rationale

This study is based on the analysis of the cross-border wood trade legality verification system in Central America (Navarro *et al.* 2007). The analysis sought to explain trade dynamics and wood trade legality verification systems in the Costa Rican, Honduran and Nicaraguan cross-border regions with their neighboring countries, and other regions within those countries, by official and illegal means, for the trafficking and smuggling of goods.

One of the main challenges was the difficulty to access complete and updated statistical data and information for each country, which made it hard to perform comparative cross analyses between different countries and statistical databases. “Blind spots” and controls in legal border crossings were used in an attempt to document registered and non-registered wood product trade dynamics, as well as illegal trade dynamics.

A latter exploratory study (Navarro *et al.* 2008) sought to go further and complete a baseline with information about marketed wood flow and its values for the entire Central American-Dominican Republic region. It was confirmed that the trade statistics utilized are of limited use due to inconsistencies and lack of records. In fact, Navarro *et al.* (2007) pointed out the difficulty to find, in any of the developing countries, a report on almost any aspect of the forestry activity not lacking reliable forest resource, production, and forest trade information and statistics. This constitutes a serious obstacle for forest management and the establishment of forest policies.

Developing initiatives for gathering and analyzing information on forest product trade flow, volume and value in Central America is one of the main elements for designing promotion strategies for a sustainable economy and forest production, and for illegal logging and forest product trade prevention and control. There is a need to systematize and harmonize these legality verification, monitoring and reporting strategies, in terms of taxes, international trade (CAFTA), forests (national, certification, CITES), and the environment (CITES, carbon), in order to effectively and plausibly comply with the requirements of each regulation.

Reconciling the reality of commercial liberalization with efficient sustainable forest management policies in the region is inevitable. One of the most ambitious challenges for the institutional forestry system and international trade is implementing effective and transparent corroboration mechanisms to strengthen wood legality verification systems. Such measure should be applied not only to wood producing countries, but also to those that provide added value and, eventually, to consumer countries, especially those lacking cross-check and equitable control systems. The goal is for every link in the trade chain to pay for expenses and obtain benefits through an international verification system (Navarro *et al.* 2007).

Strategies prepared based on reliable wood production and trade information will also help solve specific problems such as weak cross-border trade verification systems, little institutional presence, fraud and corruption in forest management structures, weak trade control of species covered by CITES, and lack of audits in institutions responsible for such trade.

This study is expected to allow Central American countries and the Dominican Republic to evaluate the potential use of trade statistics to generate traceability and transparency in their legal trade verification systems, and gain credibility in the eyes of other countries or markets. In addition, by understanding wood product trade dynamics, it is also possible to provide strategic commercial guidance for regional decision-making. Regarding administrative governance, countries can identify possible obstacles or transaction costs that limit the competitiveness of wood product trade in the region, specifically in administrative export and import procedures.

Rather than measuring illegal acts, this study seeks to increase credibility of legality verification systems. Whenever illegality is mentioned, it has been done so trying to safeguard the dignity of those involved. In other words, this work focuses more on identifying and outlining processes than on the people who operate or control them. Under these conditions, the study's main objective was to provide basic information on wood trade between Central American countries and the Dominican Republic (CA-DR region), and between the region and main external markets. Three specific objectives were used for this purpose:

1. Provide baseline information on wood trade dynamics during the 2000-2011 period, as well as its future perspectives between the region and its relationship with international markets, using official sources and those from multilateral organizations.
2. Perform a comprehensive wood trade analysis for every country in the region, as well as an administrative governance overview (legality verification system) of wood product export and import activities.
3. Propose ideas to monitor wood product trade information.

## Tropical Timber Product Trade

In 2010, nearly half of the Latin American and Caribbean territory was covered with forests. More than half of the world's primary forest (57%) is found in the region, mostly located in inaccessible areas. Since 2000, the amount of forest area designated for biodiversity conservation has increased in about three million hectares annually, although a large part of it is located in South America. About 14% of the total forest area has been used for productive purposes. This is why both timber and firewood extraction continues on the rise. In fact, firewood represents more than half of extractions (FAO 2010).

Moreover, the international trade in wood products from the region is very dynamic. According to the European Commission (2012), in 2011 the estimated volume of internationally traded wood and wood products was 316 million square meters per year. Due to the 2008 global economic crisis, timber trade value went down 11% compared to the highest mark reported in 2007. However, trade has recovered since: in 2011, international trade in primary wood products was close to 108 billion euros.

Some of the main wood product trade schemes deal with illegal trade. International wood and wood product trade verification is especially important in this sector. According to Navarro

*et al.* (2008), defining efficient control systems to strengthen legality verification systems for internationally traded wood is one of the most ambitious challenges for forest institutions worldwide. Not only countries that produce wood as raw material should pursue this goal, but also industrialized countries that are major consumers of marketable wood, and have not implemented more efficient control systems than those used in developing countries.

Some studies dealing with wood legality verification have proposed concepts for defining illegal trade. Among them, legal, underground, and legalized wood production and trade. The latter is part of a clandestine wood “laundering” process that produces legal wood through forgery, alteration or reuse of legal documents (Richards *et al.* 2003). Underground trade and trade that has been legalized through “laundering” are forms of illegal trade for which there are no records; hence, documents are altered or forged in order to evade customs controls and taxes. The following legal and illegal trade concepts are included within the conceptual framework of a forest legality verification system.

1. International legal wood and wood product trade that meets the country’s legal and judicial framework (forestry laws and customs systems).
2. International trade in illegal wood products from an underground export source. It is smuggled into the importing country, evading customs controls and not paying taxes or customs duties.
3. International trade in laundered wood products is defined as *“wood (or wood products) from an unregistered or underground origin within each country’s statistics, and which at one point of the process ends up being irregularly registered or legalized through faults in the legality verification systems, and in official records in the hopes that whoever sells the wood may do so in formal markets”* (Navarro *et al.* 2008).

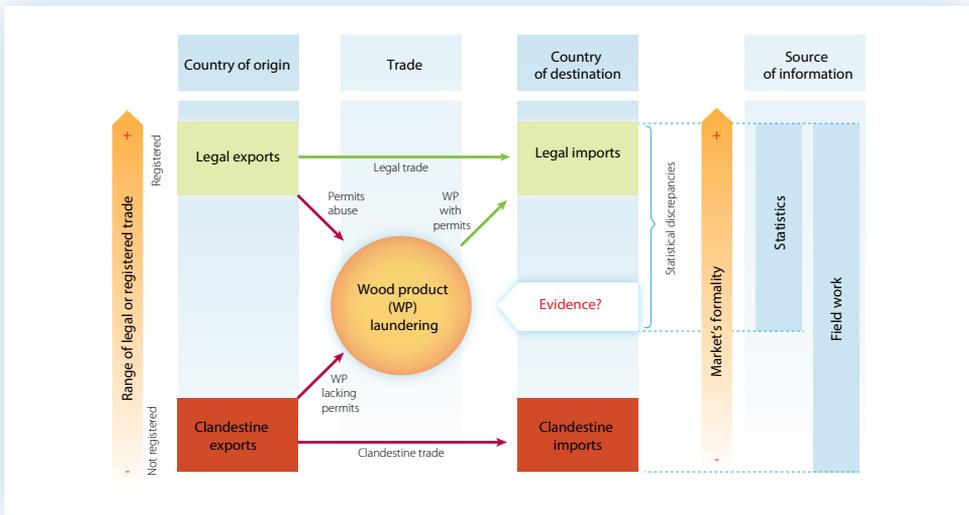
The concept of illegality within the forestry sector is broad and is related to a wide array of activities. It can also occur throughout the value chain process, from the forest to the end consumer. According to Callister (1992) and Contreras-Hermosilla (2002), examples of illegal practices within the forest sector generally occur within seven large thematic areas:

1. Illegal occupation of forest land: public forest land invasion for agriculture and other uses, clearcutting practices and burning of invaded lands, forest exploitation concessions obtained through bribes.
2. Illegal logging of protected species or outside the permitted area, reserves, and buffer zones, unauthorized exploitation, overexploitation, and contract excesses.
3. Exploitation of restricted species: unauthorized wood transportation (usually, illegally obtained), trade in species banned by the CITES convention, quotas and other restricted species, smuggling between regions, departments and countries.

4. Transfer pricing and other illegal accounting practices: declaring lower export and import volume and cost, credit manipulation, cash flow and exonerations between companies to evade or reduce income taxes.
5. Undercutting, undergrading timber quality, and its position within volume calculations.
6. Incorrect species classification in order to avoid taxes, commercial restrictions of certain species, and to obtain market shares.
7. Illegal timber processing, operating without permits, violation of environmental, labor or social laws, raw materials from controversial sources.

## Study Hypothesis

Figure 1 proposes a general conceptualization of the study's hypothesis. It also expands the concepts of legal and illegal forest production within a country, and legal and illegal trade flows of wood and wood product export and import to international markets. The upper part of the figure explains in detail the forest product legal trade flow from country of origin to country of destination. The lower part shows unregistered or underground trade flow. The middle part shows how wood products are smuggled ("laundered") illegally through export permit abuse and the entry of these clandestine wood products into the legal market using false documents to arrive at the port of destination. This mechanism allows legal and illegal ("laundered") timber to obtain permits, certifications and documents from forest, phytosanitary and customs authorities for export from a port or formal cross-border point to the international market.



**Figure 1.** Hypothesis for finding evidence of trafficking ("laundering"), legal and illegal trade and export of wood products in a country. *Hipótesis para encontrar evidencia de trasiego ilegal ("lavado"), comercialización y exportación legal e ilegal de productos de madera.*

Estimating discrepancies between import and export statistics was initially proposed in order to gather evidence of this wood product trafficking; i.e. comparing what the country of origin reported it exports to another country and what the receiving country reported as imports from said country. During the fieldwork stage in the countries, proof or evidence of this illegal trafficking and underground trade was expected.

## Area of Study

The study is carried out in Central American countries (Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama), and the Dominican Republic (hereinafter, the CA-DR region).

According to Cempromype (2012), *“The market comprised of the region’s countries holds a population of 52 million inhabitants, similar to countries like South Africa and Italy. It covers an area of 574,062 km<sup>2</sup>, which would place the region among countries like Peru and Colombia. Economically, average- and low-income countries coexist in the area. The regional consolidated GDP is US\$200 million, equal to that of Chile or the Philippines. The Dominican Republic and Guatemala have the largest economies in absolute terms, and are also the most populous countries. Honduras, Nicaragua, and Belize have the smallest economies. A quick look at per capita income suggests the region is far from converging. The difference in per capita income between the richest and poorest countries is almost 8:1.”*

According to Navarro *et al.* (2008), in terms of regional wood product trade, El Salvador, Costa Rica, and Panama are the major wood product consumers. There was also evidence of an increase in wood product flow to the Dominican Republic. However, there was no statistical data to support this.

In an effort to contribute to generating information on wood and wood product trade, Navarro *et al.* (2008) found that in general terms the United States is the largest importer of the region’s wood products. However, each of the countries in the region had specific circumstances. Sawn timber remained the main export product in Guatemala (45% of export volume in 2006). The authors found high mahogany export volume (according to CITES) in Belize, which contradicted the country’s forest area. Nevertheless, it was not possible to find evidence to prove whether the wood came from legal or illegal sources. There was evidence of a negative trade balance for forest products in Honduras, mainly due to the import of wood by-products like paper, cardboard, pulp and cork, as well as particle board furniture use, and a decrease in international roundwood or sawn timber prices.

Both studies on which this research is centered (Navarro *et al.* 2007 and 2008) proved that national and international statistics are not trustworthy since they are based on information

provided by the countries themselves, where the quality of subject data regarding wood trade is very poor, and control systems cannot be compared. The authors pointed out inconsistencies in some databases, which demonstrate the information's poor quality evaluation process prior to its official publication.

This problem takes on real importance regarding wood product trade verification systems, since its main structure is built on trade control systems. Consequently, quality statistical data record comparison between countries is essential.

## 2. Methodology

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### Statistical Information Resources

The information was consulted in order to obtain official data on customs tariff numbers related to wood, charcoal and wood products (Chapter 44) and wood furniture (Chapter 94) for the eight countries of the CA-DR region. The official local, regional and international databases were analyzed, pursuing to generate a unique database, and considering that national statistics are the ones that feed those regional and global banks. Enquiries were analyzed for three types of relationships:

- Wood product trade in the countries of the CA-DR region: business transactions among the eight countries.
- Wood product trade among the countries of the CA-DR region and international markets: business transactions among the eight countries and the major international markets focused on nine groups<sup>2</sup>.
- Wood product trade in the CA-DR region and international markets: business transactions among the countries grouped as one single region and the major international markets.

The statistics obtained were homogenized in terms of the currency reported in business transaction securities (US dollars or US\$) and the commodity weight-reporting unit (kilograms). Further, aimed at making national statistics comparable, the data recorded as FOB (Free On Board) value for exports and CIF value (cost and freight) for imports.

Finally, different projections of the business transactions were made for relationships A (wood trade in countries of the CA-DR region) and C (wood trade in countries of the CA-DR region - international markets) up to 2015, in order to draw an estimate of the changes in the wood product trade flows that could be expected in the region over the next years.

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<sup>2</sup> International markets: Caribbean (CAR), China (CHI), United States of America (USA), Mexico (MEX), the rest of Asia (RoA), the rest of Europe (RoE), the rest of the World (RoW), South America (SA), European Union (UE).

# Applied Statistical Analyses

## Synthesis of Wood and Wood Product Trade among the Countries of the CA-DR Region

Each country's wood products and export and import flows were analyzed to identify the weight (converted to volume) and value variables. Two types of analyses were reported: one for the 2000-2011 period with items 44 and 94 and another for 2011 with seven groups of wood products from items 44 and 94. These reports are grouped as follows:

- Each country's trade with the rest of the countries in the CA-DR region, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports for the 2000-2011 period.
- Each country's trade with the rest of the countries in the CA-DR region, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports for the 2000-2011 period.
- Each country's trade with the rest of the countries in the CA-DR region, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports classified by category for 2011.
- Each country's trade with the rest of the countries in the CA-DR region, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports classified by category for 2011.

This document provides a general synthesis of the wood and wood product trade statistics used, as well as an analysis of the discrepancies among the statistics reported for each country. The aim was to spot differences on what one country reports exporting to another and what the latter reports importing from the first. Such analysis was performed among all the countries of the region, classified into each of the seven wood product categories of items 44 and 94 for 2011.

In addition, a wood trade analysis of species under the CITES convention was made for every country of the region. Three types of data were considered:

- Trade in CITES species in each country of the CA-DR region in 2011, reported by administrative authorities and trading companies.
- Trade in CITES species from each country of the CA-DR region to China in 2011, reported by the General Administration of Customs of the People's Republic of China.
- Trade in CITES species from each country of the CA-DR region to the United States of America in 2011, reported by the US Department of Commerce and the United States International Trade Commission.

Finally, an analysis of the wood product trade certification schemes and an analysis of the projections for each country's wood exports to the CA-RD region was included. This study includes items 44 and 94 grouped and reports to 2015.

## Synthesis of Wood and Wood Product Trade among the Countries of the CA-DR Region and International Markets

Each country's wood products and export and import flows were analyzed to identify the weight (converted to volume) and value variables. Two types of analyses were reported: one for the 2000-2011 period with items 44 and 94 and another for 2011 with seven groups of wood products from items 44 and 94. These reports are grouped as follows:

- Each country's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports for the 2000-2011 period.
- Each country's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports for the 2000-2011 period.
- Each country's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports, classified by category for 2011.
- Each country's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports, classified by category for 2011.

## Synthesis of Wood and Wood Product Trade between the CA-DR Region and International Markets

Each country's wood products and export and import flows were analyzed to identify the weight (converted to volume) and value variables. Two types of analyses were reported: one for the 2000-2011 period with items 44 and 94 and another for 2011 with seven groups of wood products from items 44 and 94. These reports are grouped as follows:

- CA-DR region's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports for the 2000-2011 period.
- CA-DR region's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports for the 2000-2011 period.
- CA-DR region's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product imports, classified by category for 2011.
- CA-DR region's trade with the world's major markets, per value (thousands of US\$) and volume (m<sup>3</sup>) of wood product exports, classified by category for 2011.

The main document summarizes the trade statistics used. Finally, the differences between the wood product trade statistics reported by the CA-DR region and those reported by the UE were analyzed. Such analysis was performed separately for each one of the seven wood product categories of items 44 and 94.

## Verification System for Cross-Border and International Wood and Wood Product Trade in the CA-DR Region

Officials of forest, phytosanitary and customs authorities of the region's countries were interviewed, along with the personnel of organizations that work in the voluntary verification of forest legality and sustainability. For each of the authorities engaged in verifying the legality of international wood trade, the administration and control requirements applicable to exports and imports of timber forest species were recorded.

Part of the information obtained was used to establish the administrative governance (procedures) of international wood and wood product trade. This data was collected by visiting seaports, land customs posts and regulatory, administration and control authorities in each one of the countries of the CA-DR region. Further, formal and informal ports and border crossing points were visited to validate wood trade procedures and collect key and anecdotic information to better understand the phenomena of clandestine trade and smuggling of this type of forest products.

The information gathered helped quantify the administrative procedures, costs and times to import and export wood and wood products in the CA-DR region. The number of institutions involved, the number of steps, the total amount of documents, the total number of days required to obtain trading permits and their cost per container and per cubic meter, were identified for each country.

In addition, the national forest authorities and processes dealing with the most important regulations affecting international wood and wood product trade were identified for each country of the CA-DR region. In partnership with national consultants, the administrative authorities controlling trade in timber forest species under the CITES convention were identified.

The Annex section describes the steps, places, requirements (documents) and costs for exporting and importing wood in each of the countries analyzed; in addition, to facilitate understanding and management, the information has been plotted as diagrams.

## Wood and Wood Product Trade Monitoring in the CA-DR Region

A comparative analysis was performed with the information available in the region regarding wood product trade, aimed at highlighting the relevance of a monitoring and evaluation system that will improve the reliability of the mechanisms used to verify the legality of international wood product trade.

For this purpose, four utility parameters of the official national databases in the countries of the CA-DR region were defined. Said databases were analyzed to envisage the information's quality and availability. The information was subsequently used as key input for the conceptual design of the Monitoring and Evaluation System, which comprises the baseline to solve the problems identified.

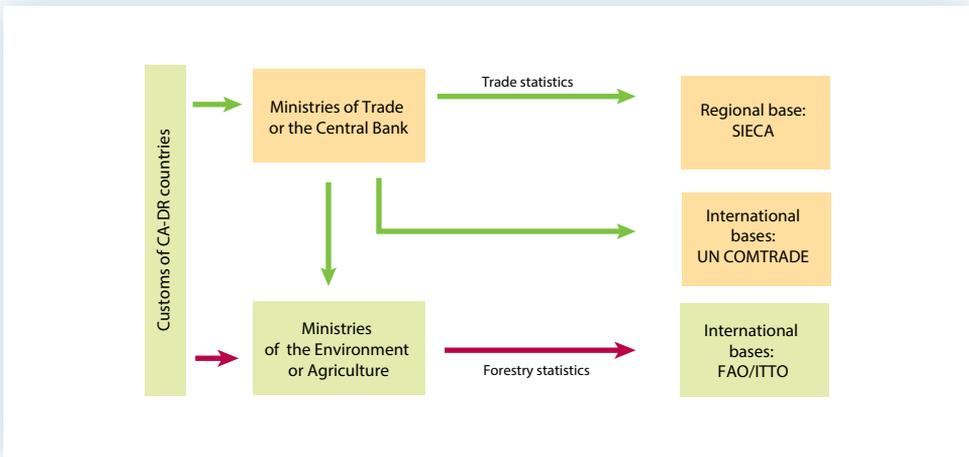
Finally, through consultations at a regional and international level to institutions and experts on the development of forest monitoring activities, an approach involving four activities for the operating development of the monitoring plan proposed for wood product trade verification in the CA-DR region was formulated. Such approach includes a list of activities, their description, applicability and importance, as well as the names of those in charge of executing them.

# 3. Results

## Statistical Data Resources

### Databases Consulted

The official entities in charge of generating statistics provide information to different local institutions (ministries of trade or ministries of the environment and agriculture) so the latter may report their data to supranational entities such as the Central American Economic Integration System (SIECA), the United Nations statistics system (UN-Comtrade), the World Trade Organization (WTO) or the United Nations Food and Agriculture Organization (FAO) (Figure 2).



**Figure 2.** Database genealogy in the CA-DR region countries. *Genealogía de las bases de datos en los países de la región AC-RD.*

A review of the tools in place in each one of the countries shows asymmetry in data access and availability. The results of this search are described by country in Table 1.

**Table 1.** National databases consulted for the information analysis of wood product flows among the countries of the CA-DR region and with major international markets. *Bases de datos nacionales consultadas para el análisis de la información de flujos de productos de madera entre los países de la región AC-RD y con los principales mercados internacionales.*

Name	Information covered and database format	Period of information available	Internet address
Statistical Institute of Belize	Export and import data in pdf format	2000-2008	<a href="http://www.statisticsbelize.org.bz/dms20uc/dm_browse.asp">http://www.statisticsbelize.org.bz/dms20uc/dm_browse.asp</a>
Foreign Trade Corporation of Costa Rica	Export and import data in xls format	1998-2013 (exports) 2007-2012 (imports)	<a href="http://servicios.procomer.go.cr/estadisticas/inicio.aspx">http://servicios.procomer.go.cr/estadisticas/inicio.aspx</a>
Central Bank of Costa Rica	General information regarding exports and imports (without disaggregation) in xls format	1996-2013	<a href="http://www.bccr.fi.cr/indicadores_economicos_/Sector_Externo.html">http://www.bccr.fi.cr/indicadores_economicos_/Sector_Externo.html</a>
Central Reserve Bank of El Salvador	Export and import data in xls format	1994-2013	<a href="http://www.bcr.gov.sv/bcsite/?cat=1012&amp;title=Base%20de%20Datos%20ComercioExterior&amp;lang=es">http://www.bcr.gov.sv/bcsite/?cat=1012&amp;title=Base%20de%20Datos%20ComercioExterior&amp;lang=es</a>
Bank of Guatemala	Export and import data in pdf format	2002-2011	<a href="http://www.banguat.gob.gt/estaeco/ceie/hist/indicenr.asp?ktipo=CG">http://www.banguat.gob.gt/estaeco/ceie/hist/indicenr.asp?ktipo=CG</a>
Central Bank of Honduras	Export and import data in individual files (xls)	2000-2012	<a href="http://www.bch.hn/cuenta_corriente.php">http://www.bch.hn/cuenta_corriente.php</a>
General Directorate of Customs Services of Nicaragua	Export and import data in pdf format	2007-2009	<a href="http://www.dga.gob.ni/estadisticasWeb.cfm">http://www.dga.gob.ni/estadisticasWeb.cfm</a>
Ministry of Industry and Trade of Nicaragua	Export data in pdf format	2007-2012	<a href="http://www.mific.gob.ni/FOMENTOALAEEXPORTACION/OFERTAEXPORTABLEDENICARAGUA/tabid/73/language/es-NI/Default.aspx">http://www.mific.gob.ni/FOMENTOALAEEXPORTACION/OFERTAEXPORTABLEDENICARAGUA/tabid/73/language/es-NI/Default.aspx</a>
National Institute of Statistics and Census of Panama	Export and import data in pdf format	2010	<a href="http://www.contraloria.gob.pa/nec/Publicaciones/Publicaciones.aspx?ID_SUBCATEGORIA=18&amp;ID_PUBLICACION=387&amp;ID_IDIOMA=1&amp;ID_CATEGORIA=4">http://www.contraloria.gob.pa/nec/Publicaciones/Publicaciones.aspx?ID_SUBCATEGORIA=18&amp;ID_PUBLICACION=387&amp;ID_IDIOMA=1&amp;ID_CATEGORIA=4</a>
National Statistics Office of the Dominican Republic	Export and import data in pdf format	2007-2011	<a href="http://www.one.gob.do/index.php?module=articles&amp;func=view&amp;catid=204">http://www.one.gob.do/index.php?module=articles&amp;func=view&amp;catid=204</a>
Ministry of Industry and Trade of the Dominican Republic	Export and import data in pdf format	2010	<a href="http://www.seic.gov.do">http://www.seic.gov.do</a>

In the case of Belize, according to the SIB (2013), there is an electronic system that offers information in pdf format, with data classified under large categories and disaggregates for the 2000-2008 period in certain cases. Nevertheless, such database was not useful for the study because the data file is difficult to manage and the customs tariff numbers are not disaggregated.

Costa Rica has the tools of the Foreign Trade Corporation of Costa Rica (Procomer 2013) and the Central Bank of Costa Rica (BCCR 2013). The first platform retrieves data in xls format with information about the exports and imports by destination, product and region. For exports, the base is available from 1998 to 2013; however, for imports the base is available from 2007 to 2012. In view of the above, the tool is useful for export data, but insufficient for import data (since the spectrum of this study is wider than the period reported). In the case of the Central Bank of Costa Rica's platform, the information by product is restricted to the main ones traded, without being linked to destinations/origins; their usefulness for the study is null for not including information about timber.

For El Salvador, the website of the Central Reserve Bank of El Salvador (BCR 2013) was used. This website has a statistics-generating tool that allowed to retrieve information for the study, both for the period and for the basic variables required and in a format that can be adequately managed.

For Guatemala, the Bank of Guatemala (Banguat 2013) website, which contains information in pdf format for the 2002-2011 period, was reviewed. Although all the data required is available, the pdf format makes it difficult to manage; therefore, the base was not as useful for the study; in addition, it does not comply with the parameter of the study period.

For Honduras, the Central Bank (BCH 2013) website, which contains certain information in xls format, was reviewed; however, there are no files linking the destinations/origins of the products of particular interest, which limits the base's utility.

For Nicaragua, the websites of the General Directorate of Customs (DGA) and of the Ministry of Industry and Trade (MIFIC 2013) were consulted. Both offer statistical data in pdf format, disaggregated by chapter of the Central American Tariff System (Harmonized System), without any link between destinations/origins. The information is not functional to build a base for the study.

The information contained in the National Institute of Statistics and Census of Panama (INEC 2013) website contains information that can be retrieved in pdf format, but not in the disaggregations required; therefore its use is limited.

In the case of the Dominican Republic, the websites of the National Statistics Office (ONE 2013) and the Ministry of Industry and Trade (MIC 2013) were reviewed. The first includes separate files in xls format for the 2007-2011 period, but its utility for the study is limited, since they are disaggregated on a monthly basis with files separated by quarters. The second makes publications in pdf format and under large aggregates that limit the tool's utility.

The review of the international databases that include information about wood product trade in the CA-DR region showed similar limitations to those mentioned above, since they are based on the same reports for each country. Table 2 shows the main findings obtained in these bases.

**Table 2.** International databases consulted for the information analysis of wood product flows in the CA-DR region and with major international markets. *Bases de datos internacionales consultadas para el análisis de la información de flujos de productos de madera en los países de la región AC-RD y con los principales mercados internacionales.*

Name	Information covered and database format	Period of information available	Internet address	Comments
SIECA	Regional database for SIECA member countries (excludes Panama, Belize and the Dominican Republic)	1994 to date	<a href="http://www.sieca.int">http://www.sieca.int</a>	Inconsistencies were found in the results obtained after a 4-digit and a 6-digit search carried out in the harmonized commodity classification system. Data generation involves laborious work due to the search system.
UN-Comtrade	United Nations global foreign trade statistics base, fed with reports from different countries	1962 to date	<a href="http://comtrade.un.org/">http://comtrade.un.org/</a>	Poses disadvantages related to lack of information for Honduras and Panama; for the first, data is available to 2009 (included) and for the second, to 2004. It does not show weight values for exports and lacks data on imports. There are differences with the official reports in each country's bases. Missing data was corrected in the case of Honduras from 2009 using the SIECA base; information is still missing for 2004 in Panama. This base was used considering that it is fed by the official statistics bodies of each country (reliability parameter) and it collects information in one single place (convenience parameter).
EuroStat	Trade database of the European Union generated by the European Statistical Office. It includes information divided into nine topics and over 30 subtopics.	1988 to date	<a href="http://epp.eurostat.ec.europa.eu">http://epp.eurostat.ec.europa.eu</a>	The base did not pose any inconvenience and the only action required was to adjust the values in Euros to values in US dollars, in order to make comparative analyses between that reported by the countries under study and the EU region.

## Chapters and Customs Tariff Numbers Analyzed

Trade statistics are recorded using the *Harmonized Commodity Description and Coding System* (HS)<sup>3</sup>. The specifications in Chapter 44 (wood, charcoal and wood products) and their customs tariff numbers have been disaggregated for this study, as well as customs tariff numbers 9403.30, 9403.40, 9403.50, 9403.60 in Chapter 94 on wood furniture (Table 3). Due

3 English acronym for *Harmonized System*. This system is supervised by the World Customs Organization (WCO) and it is implemented by all its members.

to the abovementioned inconveniences such as lack of information and limitations (Table 2), first transformation products could not be disaggregated into hardwoods (non-coniferous) and softwoods (coniferous).

**Table 3.** *Customs tariff numbers according to the Harmonized Commodity Description and Coding System.* Desagregación de partidas arancelarias según el Sistema Armonizado de Clasificación de Mercancías.

Chapter	Customs Tariff Number	
	Name	Code
44: Wood, charcoal and wood products (first transformation)	1. Firewood and charcoal	4401 and 4402
	2. Logs and raw wood	4403, 4404 and 4405
	3. Sawn timber	4406, 4407, 4408 and 4409
	4. Hardboards and wood panels	4410, 4411, 4412 and 4413
	5. Packaging and pallets	4415
	6. Other wood products	4414, 4416, 4417, 4418, 4419, 4420 and 4421
94: Wood furniture (second transformation)	7. Wood furniture	940330, 940340, 940350 and 940360

All the customs tariff numbers for cork and plaiting materials (Chapters 45 and 46), as well as pulp and paper (Chapters 47 and 48) were excluded from the study for the following reasons:

- *Plaiting material* is that which can be intertwined, like straw, wicker, bamboo, rattan and similar forms of plastic, and it is used in esparto grass products or baskets, straw mats and fishing gear. This material is not derived from logs or it is not a product obtained from the forests of the region.
- In the region, pulp is mainly obtained from recycled material and paper is not a product acquired from regional forests.

## Unit Conversion System

The study required data homologation in terms of currency, since the EuroStat (base of the UE Statistical Office) presents the values of the products traded in current euros (EuroStat 2013), while the rest of the bases present them in US dollars. For this purpose, an annual average of the daily “spot” euro/dollar exchange rate displayed by the European Central Bank (ECB 2013) was drawn, providing data in one single currency (US\$).

Adjustments were also made regarding trade volume, since databases combine values in kilograms and cubic meters. Such adjustments resulted from the application of a disaggregated conversion rate for the type of commodity traded. The conversion parameters derive from the schemes used by the FAO (Table 4).

**Table 4.** Conversion factors between kilograms and cubic meters. *Factores de conversión entre kilogramos y metros cúbicos.*

Description	Unit (kg/m <sup>3</sup> )
Firewood and charcoal	725
Coniferous logs	700
Non-coniferous logs	800
Coniferous sawn timber	550
Non-coniferous sawn timber	700
Hardboards and wood panels	650
Packaging and pallets	625
Other wood products	625
Wood furniture	625

Source: FAO (sf)

The bases provide data valued in FOB terms for exports and CIF for imports. Considering the differences that may be derived from the methodologies used to calculate the reported value (FOB vs. CIF), adjustments were made to obtain a conversion to one of both values. Table 5 shows the values used to calculate said conversion: the CIF value is the FOB value plus insurances (typically 0.02% of the commodity's value) and the freight. This table was obtained using the data provided by the country's trade promotion agencies and interviews carried out during the fieldwork.

**Table 5.** Conversion system used for the FOB and CIF values in each country of the CA-DR region. *Sistema de conversión utilizado para los valores FOB y CIF en cada uno de los países de la región AC-RD.*

Freight cost estimate (US\$ per container)*														
1	2	3	4	5	6	7	8	9	10	11	12	13	#	Country
	5040	3660	3040	4340	4640	6240	2400	4500	3200	2900	3500	2600	1	Belize
		2000	2500	2000	1000	1750	2000	3200	3100	3100	3000	2200	2	Costa Rica
			650	750	1200	3700	2200	4500	3100	3050	3500	2800	3	El Salvador
				1300	1600	4200	2200	3500	3000	3100	3200	2800	4	Guatemala
					1000	3750	2000	4000	3000	3100	3200	2800	5	Honduras
						2700	2000	4500	3200	3150	3500	2800	6	Nicaragua
							1500	2900	2400	2500	2800	2000	7	Panama
								3500	3200	2900	3500	4000	8	Dominican Republic
													9	Europe
													10	Asia
													11	North America
													12	South America
													13	Caribbean

\* Export costs are also included (document generation, administrative rates for customs clearance and technical control, customs brokers fees, cargo management terminals and internal transportation).

## Projections for International Wood and Wood Product Trade in the CA-DR Region

Two types of projections were performed in the wood and wood product trade flows: a) intra-regional exports from the countries of the CA-DR region and b) exports from the CA-DR region to the main international markets. The World Bank's data management methodological system (2013) was used for this purpose. Such system works with the geometric growth rate applied to compound growth over discrete periods. Although it is possible that the continuous growth rate based on the exponential growth model is more realistic, most economic phenomena are measured only at intervals; therefore, the compound growth model is more appropriate.

This growth rate was calculated using the following equation:

$$r = \exp((\ln(p_n/p_t))/n) - 1$$

Where:

$r$ : geometric growth rate  
 $\exp$ : exponential function  
 $\ln$ : natural logarithm  
 $P_n$ : estimate endpoint  
 $P_t$ : initial point  
 $n$ : number of periods

## Statistical Analyses

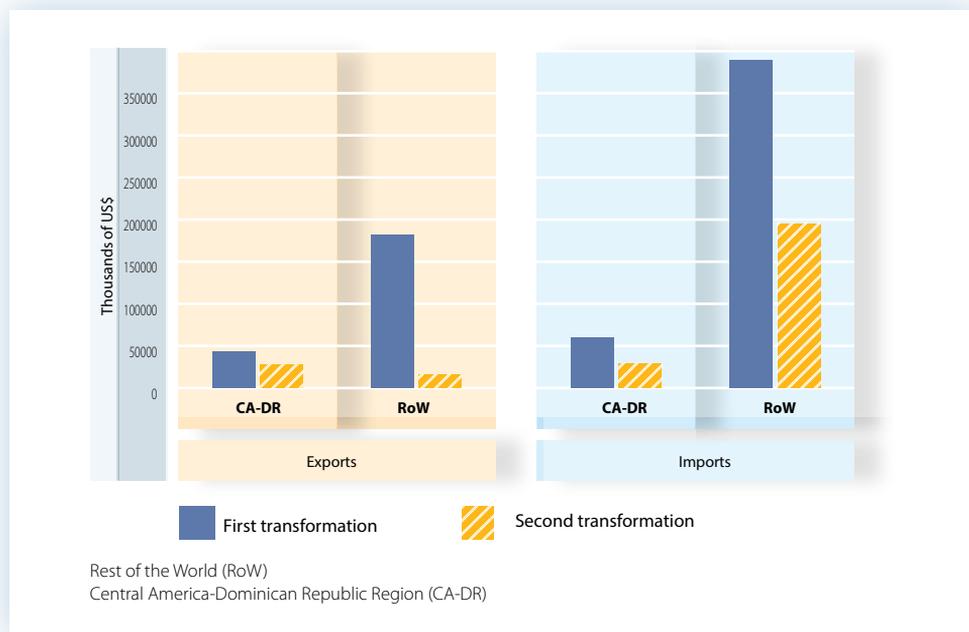
### Overview of International Wood and Wood Product Trade in the CA-DR Region

In 2011, the CA-DR region recorded total wood and wood product imports estimated in approximately \$674 million, of which 13% corresponded to intra-regional trade and the remaining 87% were imports from other countries. As for exports, approximately \$263 million were recorded, of which 21% were intra-regional and 79% corresponded to exports to international markets (Figure 3).

From the total imports to the CA-DR region, both at an intra-regional and external market level, 67% were first transformation products (Chapter 44) and the remaining 33%, second transformation products (Chapter 94). As for exports, 88% were first transformation products and 12% were second transformation products (Figure 3).

The country with the highest import value, both at an intra-regional and extra-regional level, was the Dominican Republic, with 28% of the CA-DR region's reports. The country with the highest export value was Costa Rica, with 32% of the CA-DR region's total reports. The country with the lowest import and export values was Belize.

As for the products marketed in the CA-DR region at an intra-regional level and in foreign markets, wood furniture imports reported the highest figures of this trade flow, with 33% of the total import. Log export was the main product marketed, with 38% of the total export value.



**Figure 3.** Wood product (first and second transformation) imports and exports in the CA-DR region in 2011 (in thousands of US\$). *Importaciones y exportaciones de productos de madera (primera y segunda transformación) en la región CA-DR durante el 2011 (en miles de US\$).*

**Source:** Based on information from the UN-Comtrade database (2013).

One of the challenges yet to be solved is to link the country's forest base to its total round wood production (including firewood and internal domestic wood consumption), to the total industrial roundwood and to the transformation into sawn timber and, finally, to the amount of wood products exported<sup>4</sup>. It must also be considered that certain roundwood and sawn timber imports may eventually undergo some kind of subsequent processing for internal consumption

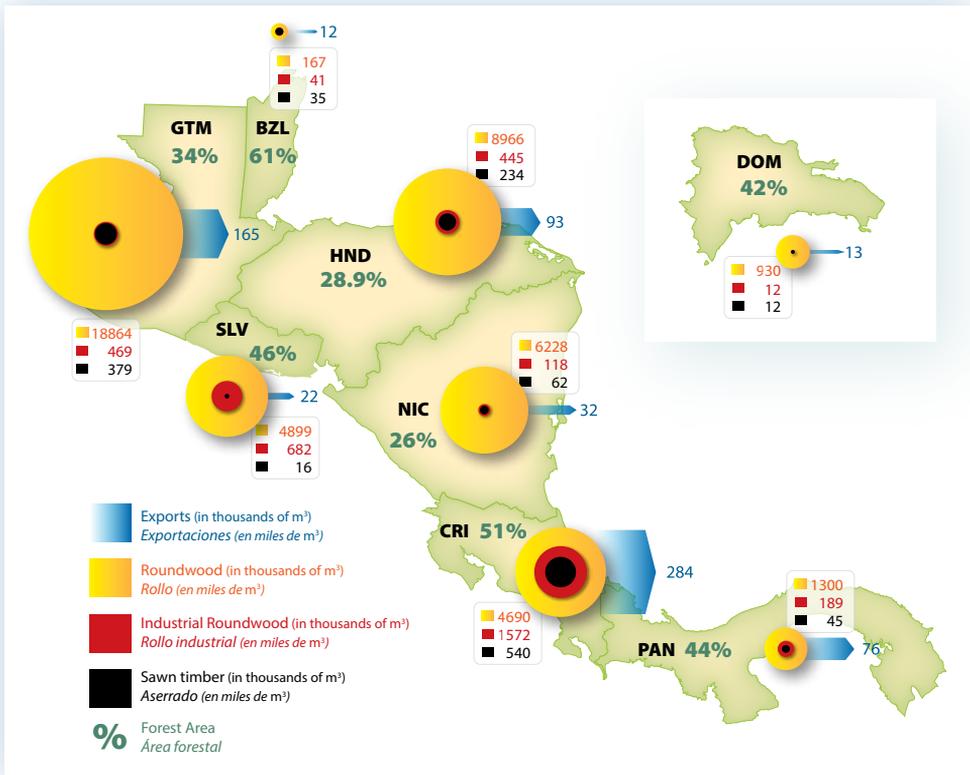
4 Forest production statistics (total and industrial roundwood, sawn timber, etc.) are often reported in terms of volume (generally in cubic meters), but export and import statistics are reported in volume and weight (generally in dollars and kilograms); therefore, associating these two variables requires weight-volume conversions (kg to m<sup>3</sup>).

or reexport as secondary products. Figure 4 displays the values for production and export in volume (m<sup>3</sup>); in some cases, such values are very similar, while others show significant differences. The certainty of this data leads to discussion and analysis within each country.

For example, in 2011 Guatemala was considered the country reporting highest forest production, with nearly 19 million cubic meters of roundwood, of which 0.5 million m<sup>3</sup> accounted for roundwood and 0.4 million m<sup>3</sup> were classified as sawn timber; however, its total wood product exports (Chapter 44 and 94), estimated in volume, were 0.2 million m<sup>3</sup> (Figure 4).

Honduras ranked second in roundwood production, with a total of 9 million m<sup>3</sup>, of which 0.4 million m<sup>3</sup> accounted for industrial roundwood and 0.2 million m<sup>3</sup> for sawn timber. Its total exports were approximately 0.1 million m<sup>3</sup> (Figure 4).

As for the forest area (in terms of its territorial coverage), the country with the largest percentage of forests was Belize (63%), followed by Costa Rica (51%) and Honduras (46%).



**Figure 4.** Forest area, total and industrial roundwood, processed production and wood product exports (Chapters 44 and 94) from the CA-DR region in 2011 (in thousands of m<sup>3</sup>). *Área forestal, madera en rollo total e industrial, producción procesada y exportaciones de productos de madera (Capítulos 44 y 94) de la región AC-RD en el 2011 (en miles de m<sup>3</sup>).*

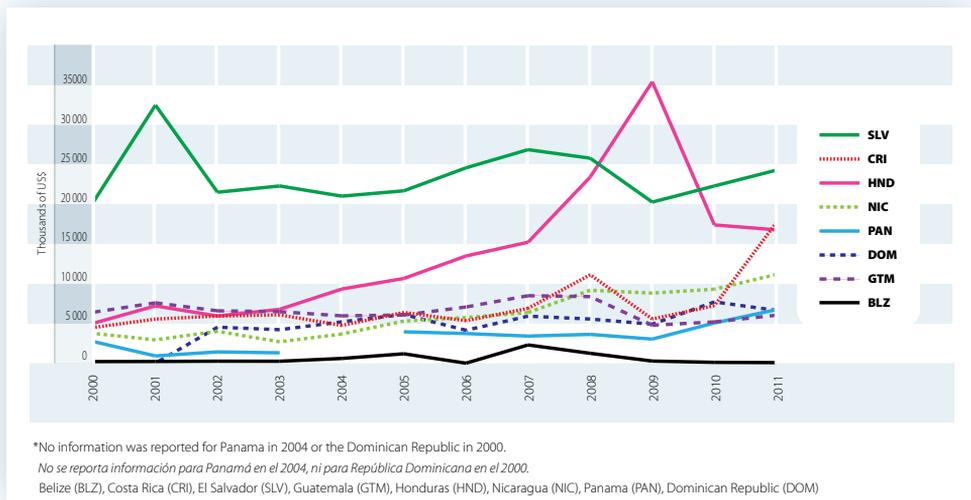
**Source:** Based on information from the UN-Comtrade (2013), FAO (2012) and Trading Economics (2013) databases.

# Synthesis on Wood and Wood Product Trade from the CA-DR Region

## Analysis of Intra-Regional Trade Flows

Intra-regional wood and wood product trade between the countries of the CA-DR region throughout the 2000-2011 period has endured few changes in import and export flows for most countries. El Salvador has held first place since the year 2000 in intra-regional imports, despite the slight fall (21%, \$5.5 millions less) it experienced in 2009, but it resumed the previous increase to close 2011 with \$24 million in its import value (Figure 5).

Honduras has been an interesting case, for increasing its wood imports by 423% from 2003 to 2009; a high percentage of these imports were wood furniture from El Salvador and Guatemala. Nevertheless, between 2009 and 2010 imports were reduced by 51%; by 2011, the country was in third place in the region with an import value of \$17 million (Figure 5).



**Figure 5.** Historical trends of wood product imports (Chapter 44 and 94) among CA-DR countries during 2000-2011 (in thousands of US\$). *Comportamiento histórico de las importaciones de productos de madera (Capítulos 44 y 94) entre los países AC-RD en el período 2000-2011 (en miles de US\$).*

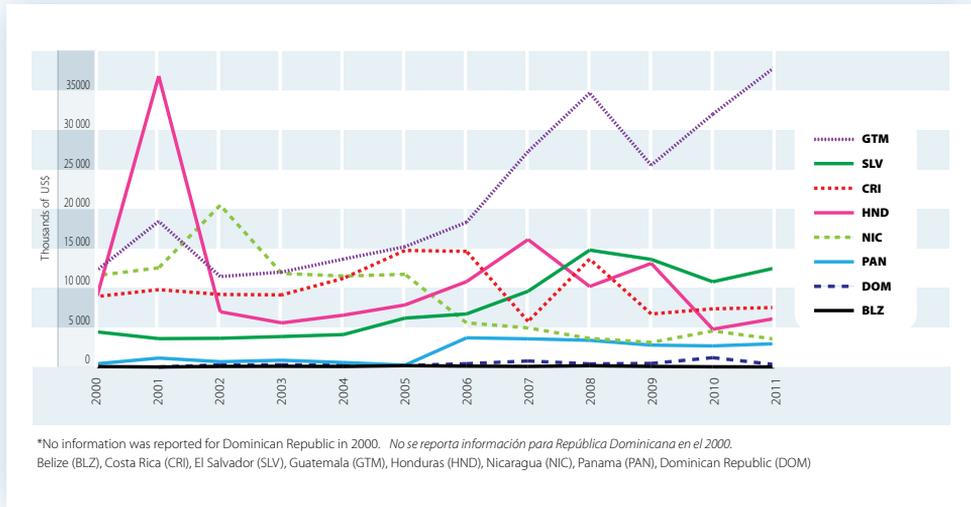
**Source:** Based on information from the UN-Comtrade database (2013).

In the case of Costa Rica, imports remained stable until 2007 with annual average imports for \$6 million. Between 2007 and 2008, a 61% increase was recorded, it reduced to 50% towards 2009 and between 2009 and the end of the period there was a marked 218% increase mainly favored by the import of packaging and pallets from Panama and El Salvador. This placed the country as the second top importer in the region, with \$18 million in 2011 (Figure 5).

In terms of wood exports, Guatemala has remained strong since 2003 (Figure 6); until 2011, a 215% increase had been reported favored by sawn timber sales to El Salvador and wood

furniture sales to Honduras. In 2011, this country reported a total intra-regional export value of \$38 million.

El Salvador holds second place. This country had a continuous 233% increase in exports from 2000 to 2008; however, a fall occurred in 2010 caused its exports to decelerate, although it has been recovering slowly since 2011 with a total value of \$13 million (Figure 6).



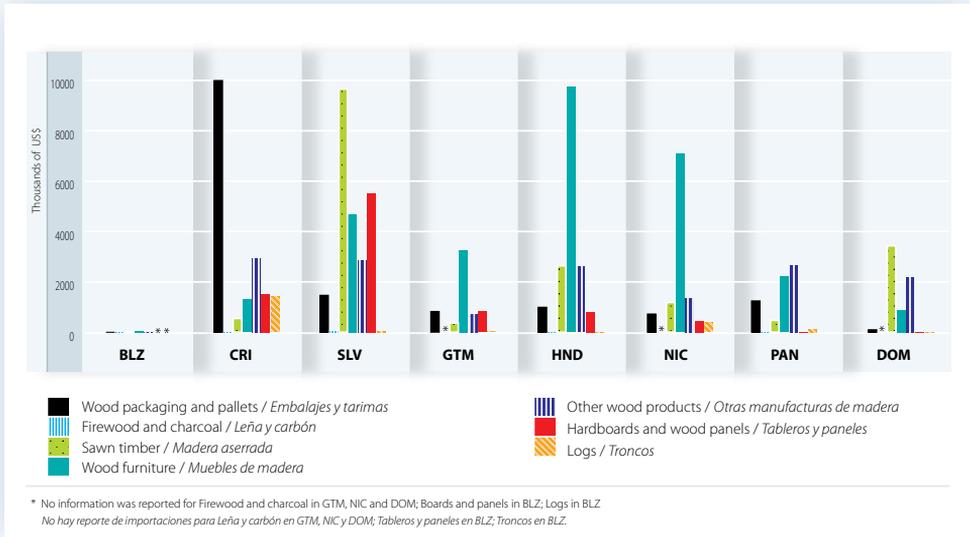
**Figure 6.** Historical trends of wood product exports (Chapter 44 and 94) among CA-DR countries during 2000-2011 (in thousands of US\$). *Comportamiento histórico de las exportaciones de productos de madera (Capítulos 44 y 94) entre los países AC-RD en el período 2000-2011 (en miles de US\$).*

**Source:** Based on information from the UN-Comtrade database (2013).

In 2011, the wood products that the countries of the region imported the most were wood furniture and the least, sawn timber and packaging and pallets. Honduras and Nicaragua were the countries that imported more wood furniture (\$10 million and \$7 million, respectively). Sawn timber placed El Salvador as the main importer of such product, with a total of \$10 million. Packaging and pallets imported by Costa Rica reported a total value of \$10 million (Figure 7).

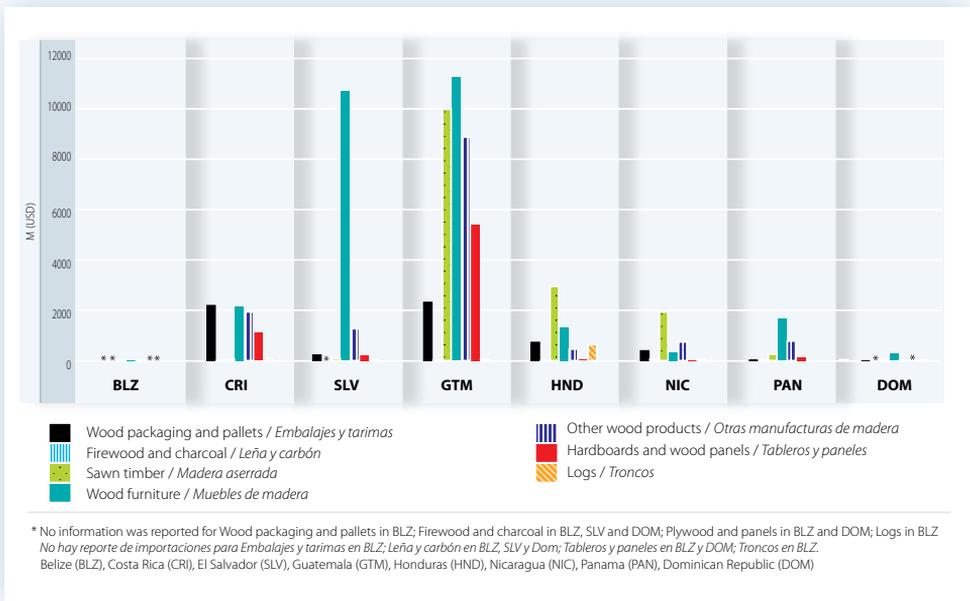
The products that were least imported in the region were logs, with a total value of \$2 million, and firewood and charcoal with \$0.08 million. In this last case, only Nicaragua, Honduras, El Salvador and Costa Rica submitted import records.

The marked difference between Guatemala and the rest of the countries regarding export values was evident, which causes wood products with higher export values to be subject to the records of this country. As with imports, the records indicate that wood furniture represents the product most widely exported, followed by sawn timber and other wood products. Although these three products are the most important among Guatemala's exports, the values for wood furniture also make a significant contribution in El Salvador, with approximately \$11 million (Figure 8).



**Figure 7.** Major wood products (Chapter 44 and 94) imported by CA-DR countries during 2011 (in thousands of US\$). *Principales productos de madera (Capítulos 44 y 94) importados por los países AC-RD en el 2011 (en miles de US\$).*

**Source:** Based on information from the UN-Comtrade database (2013).



**Figure 8.** Major wood products (Chapter 44 and 94) exported among the CA-DR countries in 2011 (in thousands of US\$). *Principales productos de madera (Capítulos 44 y 94) exportados entre los países AC-RD en el 2011 (en miles de US\$).*

**Source:** Based on information from the UN-Comtrade database (2013).

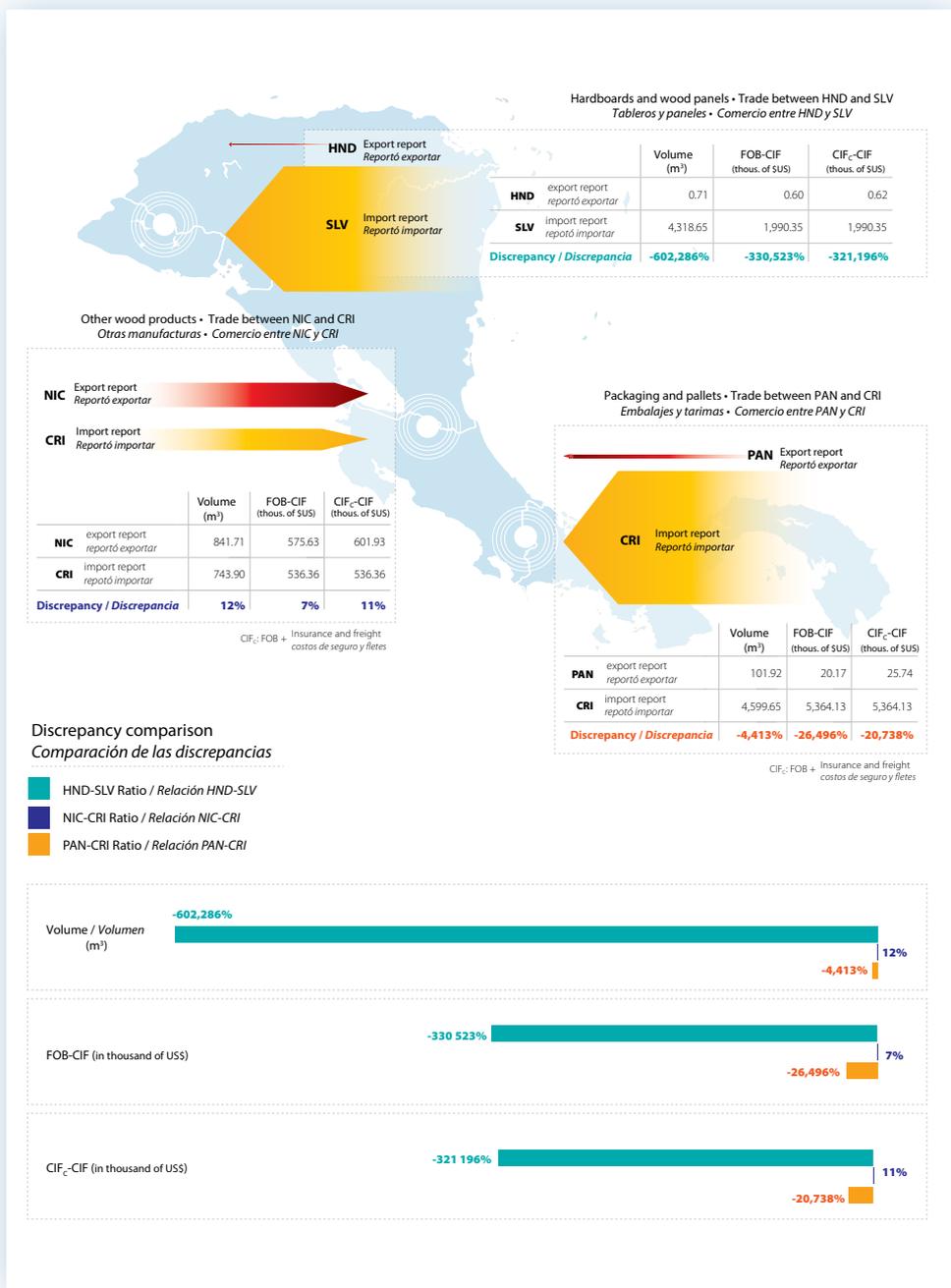
## Analysis of Discrepancies in Wood and Wood Product Trade Flows

The trade statistics mentioned showed several discrepancies among the export data reported by a sending country and the import data of the receiving country. The cross analysis between these two reports for each one of the countries of the region and for seven wood products analyzed showed more inconsistencies for FOB and CIF values (US\$) than for wood volumes (consult the section on the unit conversion system on Page 19). In total, 2,352 comparisons of statistics for 2011 were established; 22% resulted in deficit (the exporting country reported lower value/volume than the importing country) and 21% resulted in surplus (the exporting country reported higher value/volume than the importing country). The remaining 57% of the cross analysis did not report data, which means that one of the two values (or both) is not reported; therefore, the analysis could not be performed.

The predominant inconsistencies in the FOB and CIF values were related to the least amount of dollars reported by the exporter. An example of such context is the “hardboard and wood panel” trade between Honduras and El Salvador. Honduras, as exporter, reported an FOB value of \$600, while El Salvador, as importer, reported a total cost of \$1,990,350; i.e., a -330,523% discrepancy was found. This same situation occurred for the CIF value, where Honduras reported a \$620 export and El Salvador, a \$1,990,350 import (-321,196% discrepancy). When comparing the weight of the volumes reported, Honduras 0.7 m<sup>3</sup> and El Salvador 4,319 m<sup>3</sup>, the discrepancy was of -602,286%.

Such differences could have been owed to errors in terms of product classification. Hence, if the information reported by one or both countries as part of Chapter 44 (customs tariff numbers 4410, 4411, 4412 and 4413) had been incorrectly assigned to a specific code, an important part of the hardboard and wood panels exported by Honduras to El Salvador could have been classified as a different customs tariff number from the four mentioned, which led to underestimate the product. Likewise, if the Salvadorian import of a different product had been incorrectly assigned under the customs tariff numbers mentioned, this would lead to the product’s overestimation. In any case, the above inconsistency is accentuated.

Another case identified, where the exporter reported a lower value than the importer, was detected between Costa Rica and Panama with item number 4415 “packaging and pallets”. Panama, as an exporting country, reported a FOB value of \$20,170, while Costa Rica reported imports for \$5,364,130 (-26,496% discrepancy). In the CIF values, the situation was not different: Panama reported \$25,740 and Costa Rica \$5,364,130 (-20,738% discrepancy). Likewise, in the weight (converted to volume) reported, the resulting discrepancy was high (-4,413%), with a Panamanian value of 100 m<sup>3</sup> and a Costa Rican value of 4,600 m<sup>3</sup>.



**Figure 9.** Examples of discrepancies in wood product trade flows in the CA-DR region during 2011 (in thousands of US\$). *Ejemplos de discrepancias en los flujos comerciales de productos de madera en la región AC-RD en el 2011 (en miles de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)

In this case, a possible explanation may be tax evasion (taxes and income). In the country of origin, the exporter follows all the required legal export procedures (including statistical report); however, the goods do not pass through a formal border crossing point, but rather through an informal one (blind spot), in such a way that no import procedure is followed in the country of destination and, therefore, the product is not registered in the statistics. The above promotes payment evasion of the interested party's taxes and tariffs (illegal importer), who in addition keeps the trade documents such as the invoice and export declaration of the country of origin, which are later used to report the purchase as an expense and evade income payment in its country.

Other cases where the discrepancy percent value was not as high as that already mentioned were detected; for instance, trade in "other wood products" between Nicaragua and Costa Rica. Nicaragua, as exporter, reported an FOB value of \$575,630, while Costa Rica reported \$536,360 (7% discrepancy). For CIF values, Nicaragua reported \$601,930 and Costa Rica, \$536,360 (11% discrepancy). The volumes reported were 842 m<sup>3</sup> and 744 m<sup>3</sup> for Nicaragua and Costa Rica, respectively (12% discrepancy).

While this scenario is not as significant as the ones mentioned, it can serve as an example of other type of failures in the reports analyzed. One of them could be related to the conversion factors used to make the data comparable, since the methodological differences in the formulas employed add uncertainty. Another possible failure is typing errors. Figure 9 depicts the three cases explained above.

### Analysis of Timber Forest Species Under the CITES Convention

The official database on CITES trade is managed by UNEP-WCMC on behalf of the CITES Secretariat. The analysis of species trade under the CITES convention between the countries of the CA-DR region<sup>5</sup> determined that the information is very limited, scarce and sometimes with gaps.

The data collected during visits to the countries was obtained from the administrative authorities consulted and, to a lesser extent, from CITES species trading companies. Although better data was obtained, the information is still incomplete and does not allow for cross comparisons with trade statistics. The reader who may be interested in further details will find in the annexes the information collected for each country.

For the year 2011, at a national level, all the countries of the region except Guatemala showed deficiencies regarding data availability. Data was obtained for the genus *Swietenia sp.*

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5 The status of each country of the region by 2012 in the framework of the CITES convention is as follows: Belize: succession; Costa Rica, Guatemala and Panama: ratification, El Salvador, Honduras, Nicaragua and Dominican Republic: adhesion.

(mahogany) and *Cedrela sp.* (cedar). The information on these other species was grouped under a third category titled “Other CITES” (Table 6). Further, the greatest amount of information is recorded for export trade flow, while for imports only two figures were collected in the Dominican Republic.

Guatemala was the country reporting more mahogany exports. According to the Administrative Authority of said country, in 2011 a total of 3,605 m<sup>3</sup> of wood with a value of \$5.6 million was placed in foreign markets. Belize reported exports for 1,479 m<sup>3</sup>, but there are no values yet recorded for these exports.

In regards to cedar exports, Guatemala was the only country with export volume and export value data (Table 6). Under the category “Other CITES”, a marked difference was observed in favor of Belize over the other two countries with data (Guatemala and Nicaragua). The Belizean Administrative Authority reported a total export volume of 2,725 m<sup>3</sup>, 16-fold that reported by Guatemala and 41-fold that reported by Nicaragua (Table 6).

**Table 6.** Total CITES species exports from CA-DR region countries in 2011. *Exportaciones totales de especies CITES desde los países de la región AC-RD en el 2011*

	<i>Swietenia sp.</i>		<i>Cedrela sp.</i>		Other CITES	
	m <sup>3</sup>	Thous. (USD)	m <sup>3</sup>	Thous. (USD)	m <sup>3</sup>	Thous. (USD)
<b>BZL</b> <sup>1</sup>	1,478.8		46.0		2,725.3	
<b>CRI</b> <sup>2</sup>	87.9	20.8				
<b>SLV</b>						
<b>GTM</b> <sup>1</sup>	3,605.0	5654.3	40.0	335.7	165.0	667.0
<b>HND</b> <sup>3</sup>	39.0					
<b>NIC</b> <sup>1</sup>	219.1				66.1	
<b>PAN</b>						
<b>DOM</b> <sup>1</sup>			34.5			

1. Administrative Authority / *Autoridad Administrativa*

2. PROCOMER database / *Base de datos de PROCOMER*

3. Trading companies / *Empresas comercializadoras*

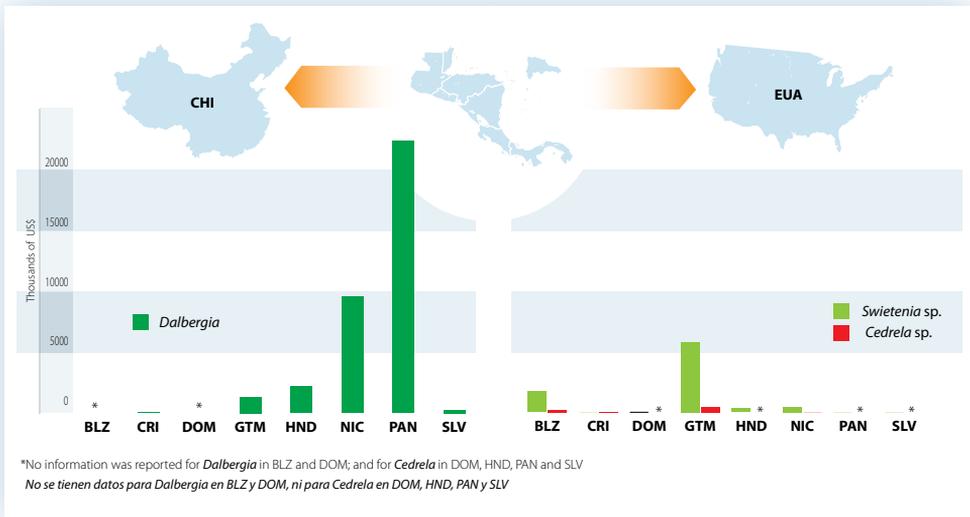
**Source:** Own creation based on fieldwork, 2012.

Since the information that could be collected was scarce, an additional effort was made to analyze the international trade data for CA-DR region countries with two of the most important commercial partners: China and the United States of America. In both cases, official import data recorded by the administrative authorities of both countries was obtained. This information allowed to verify weakness in the official records of the CA-DR region countries as well as in the official CITES database.

According to the information provided by Chinese authorities, their *Dalbergia sp.* wood product imports from the CA-DR region in 2011 added up to \$36 million (25,000 m<sup>3</sup>). Panama

contributed the most with 63% (\$22 million) of China’s entire import value, although Nicaragua also made a substantial contribution: 27% (\$10 million) of this genus imports by China. The rest of the region’s countries added up to \$4 million (Figure 10).

The United States of America’s records noted mahogany and cedar imports from the CA-DR region with a total \$8 million for mahogany, and \$0.6 million for cedar (Figure 10). Guatemala was the region’s main exporter, based on available data for both species: its products imported by the United States recorded 70% (\$6 million) for mahogany and 69% (\$0.4 million) for cedar. Belize was second, with 21% (\$2 million) of mahogany imports by the United States, and 31% (\$0.2 million) of cedar imports (Figure 10).



**Figure 10.** Total CITES species imported to the United States and *Dalbergia* to China, from CA-DR countries during 2011 (in thousands of US\$). *Importaciones totales de especies CITES a los Estados Unidos y de Dalbergia a China, provenientes de los países CA-DR durante el 2011 (en miles de US\$)*

**Source:** Based on information provided by the US Department of Commerce and the US International Trade Commission and the General Administration of Customs of the People’s Republic of China (2012).

## Analysis of Trade in Timber Forest Species Under Voluntary Forest Certification Schemes

Voluntary forest certification may be defined as the process by which an independent inspector certifies that a forest or forest plantation is well managed, and in consequence that consumers may purchase the wood it produces with the certainty that it comes from systems where management is environmentally suitable, socially beneficial and economically viable. At the end, the certifying body provides a declaration of management and product quality, known as the “Green Seal” (Navarro *et al.* 2007).

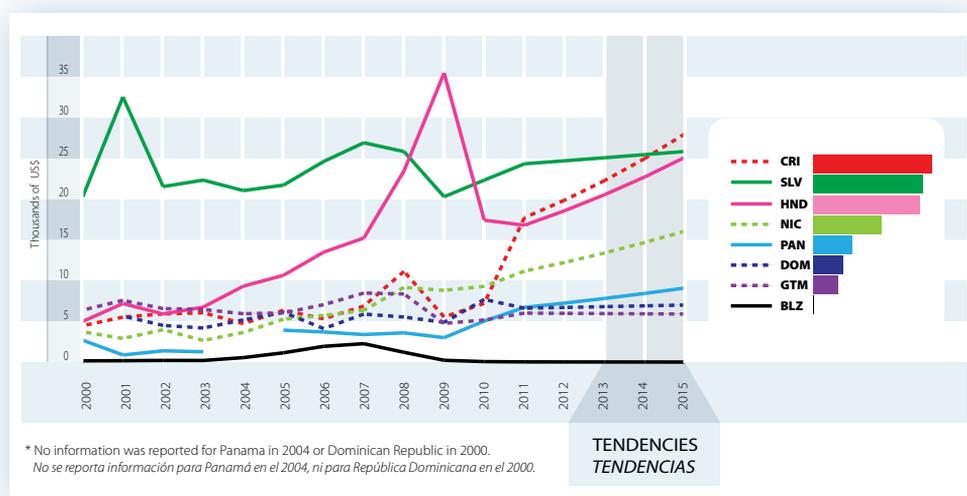
The Forest Stewardship Council (FSC) is the region's best-known certifier. At the beginning of 2007, the region had an FSC certified area of 766,306 ha (Navarro *et al.* 2007), while in 2012 it reached 895,005 ha. Guatemala has 499,020 ha of its total territory, followed by Belize with 169,932 ha, and Honduras with 152,676 ha. The other Central American countries amass 73,377 ha. El Salvador and the Dominican Republic do not report any certified areas (FSC 2013).

FSC representatives were consulted in order to gather information on certified wood product trade, specifically the Honduran Council for Voluntary Forest Certification (CH-CFV), and the Nicaraguan Council for Voluntary Forest Certification (Conicefv). However, it was impossible to obtain trade information.

### 2015 Intra-Regional Trade Flow Projection Analysis

In order to have a better idea of the possible tendencies in wood and wood product trade in the CA-DR region, projections were generated based on the historic trends of imports and exports in Chapters 44 and 94.

Import trends up to 2015 suggest that Costa Rica will position itself as the leading importer of marketed wood and wood products within the CA-DR region; a 41% increase in imported values is expected from 2012. El Salvador and Honduras could continue to import wood and wood products from the region; 5% and 35% increases are expected, respectively. In contrast, Belize and Guatemala may reduce their imports; these may be the only countries in the region with negative net wood product trade flows: -23% and -1%, respectively (Figure 11).

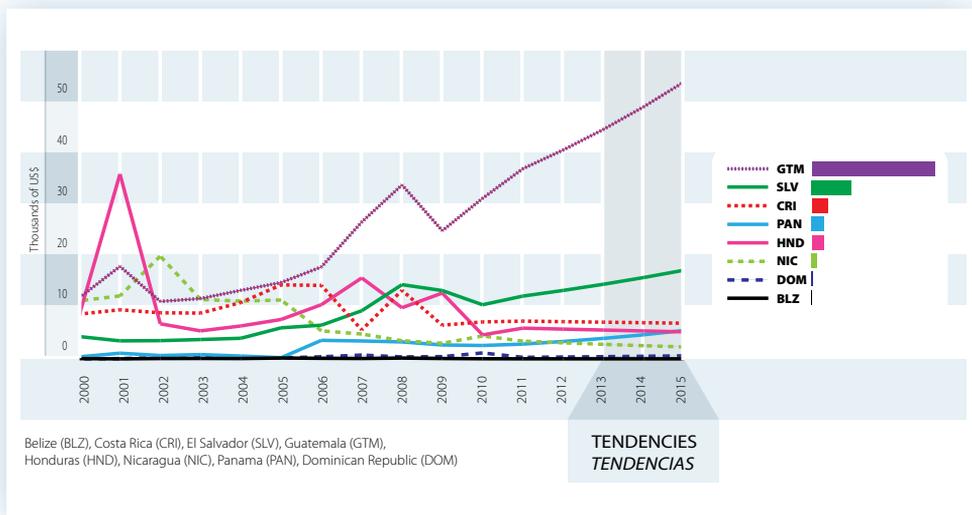


**Figure 11.** Intra-regional import trends for wood products (Chapters 44 and 94) among CA-DR countries for the 2013-2015 period (in thousands of US\$). *Tendencias intrarregionales de las importaciones de productos de madera (Capítulos 44 y 94) entre los países AC-RD para el período 2013-2015 (valor en miles de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)

In terms of exports, Figure 12 illustrates wood and wood product trade flow trend theories up to 2015. Guatemala, El Salvador and Costa Rica will remain the leaders in intra-regional exports; Guatemala will have a 33% increase from 2012, El Salvador a hypothetical 30% increase, and Costa Rica will reach 4% in the same time period, although it will show a downward trend. Panama and the Dominican Republic will have the greatest increase in exports (63% between 2012 and 2015), while these will decrease in Belize and Nicaragua (-29% and -26%, respectively).

Panama and the Dominican Republic are expected to show the greatest growth; in both cases exports will grow 63% between 2012 and 2015. On the contrary, Belize and Nicaragua, with -29% and -26% respectively, will reduce their exports the most (Figure 12).



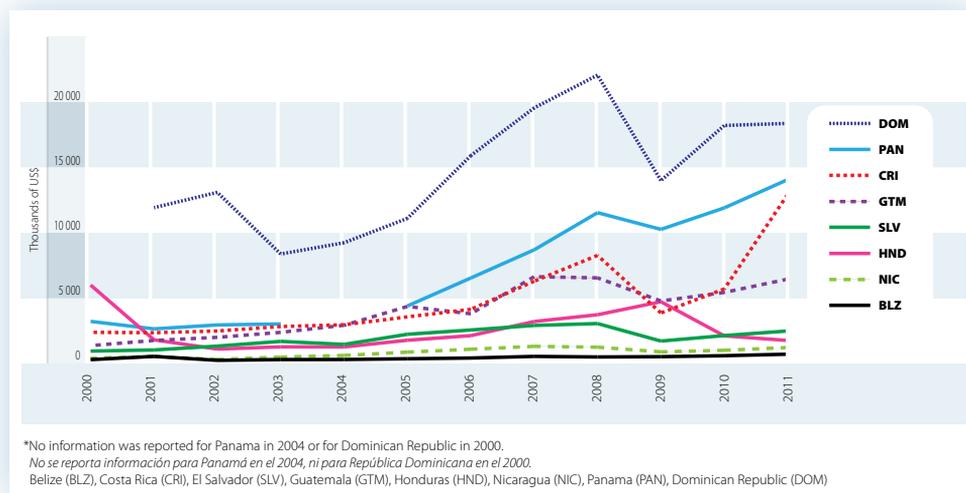
**Figure 12.** Intra-regional export trends for wood products (Chapters 44 and 94) among CA-DR countries for the 2013-2015 period (in thousands of US\$). *Tendencias intrarregionales de las exportaciones de productos de madera (Capítulos 44 y 94) entre los países AC-RD para el período 2013-2015 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

## Synthesis of Wood and Wood Product Trade Between the Countries of the CA-DR Region and International Markets

In the commercial analysis between the countries of the CA-DR region and international markets (does not include the CA-DR region countries), the Dominican Republic was the main importing country during 2000-2011, with a 118% increase from 2003 to the end of

term. However, Panama and Costa Rica have the highest increase in imports since 2003, with 357% and 349%, respectively. Honduras showed the same trend as Panama and Costa Rica, although it showed a 60% decrease in imports between 2009 and 2011 (Figure 13).



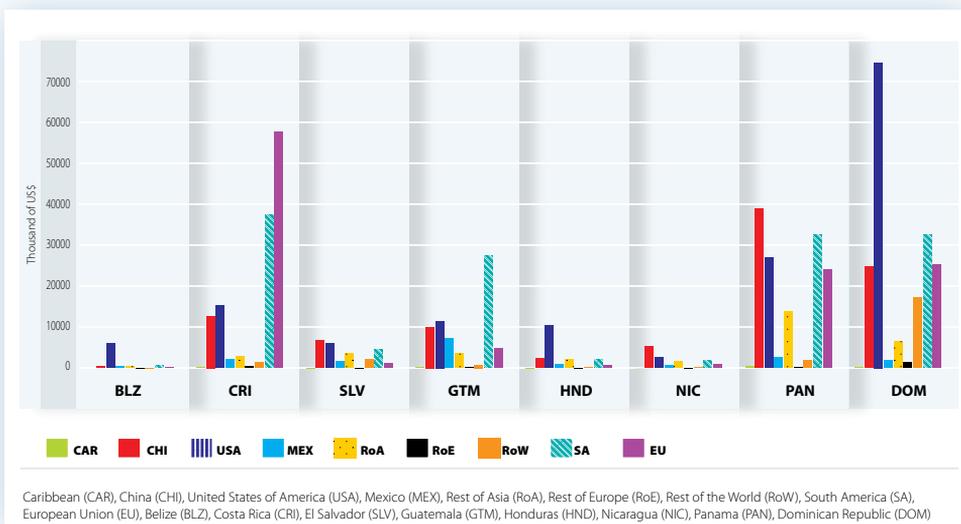
**Figure 13.** Historical trends for wood product imports (Chapters 44 and 94) to the CA-DR countries from major international markets during 2000-2011 (in thousands of US\$). *Comportamiento histórico de las importaciones de productos de madera (Capítulos 44 y 94) a los países AC-DR, provenientes de los principales mercados internacionales en el período 2000-2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

The CA-DR region's main international markets are spread out in nine groups:

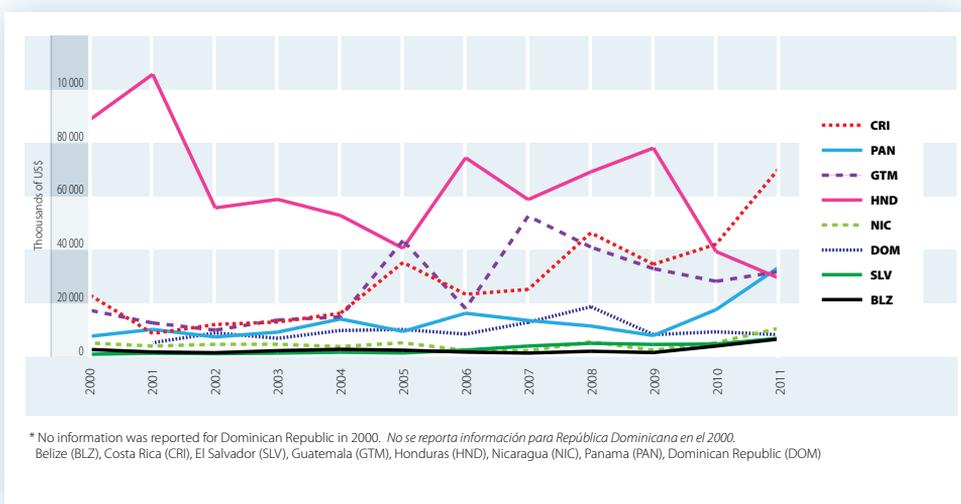
- Countries: China (CHI), United States of America (USA), Mexico (MEX)
- Regions: Caribbean (CAR), South America (SA), European Union (EU)
- Others: Rest of Asia (RoA), Rest of Europe (RoE), Rest of the World (RoW)

Most of the Dominican Republic's wood and wood product imports in 2011 came from the United States of America, for a total of \$75 million; a total of \$33 million came from South America, and \$25 million from the European Union and China, respectively (Figure 14). Panama was the region's second wood and wood product importer; most of its imported value came from China (\$39 million), South America (\$33 million) and the United States of America (\$27 million). Costa Rica had the highest import values from the European Union (\$57 million) and South America (\$37 million).



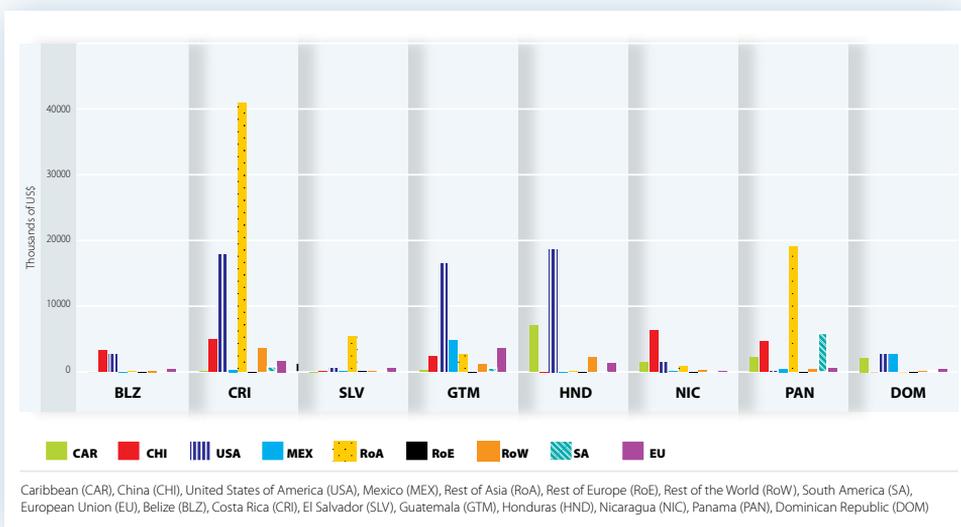
**Figure 14.** Total wood product imports (Chapters 44 and 94) to CA-DR countries from major international markets in 2011 (in thousands of US\$). *Importaciones totales de productos de madera (Capítulos 44 y 94) a los países AC-RD, provenientes de los principales mercados internacionales en el 2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)



**Figure 15.** Historical trends for wood product exports (Chapters 44 and 94) from CA-DR countries to major international markets during the 2000-2011 period (in thousands of US\$). *Comportamiento histórico de las exportaciones de productos de madera (Capítulos 44 y 94) desde los países AC-RD, hacia los principales mercados internacionales en el periodo 2000-2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

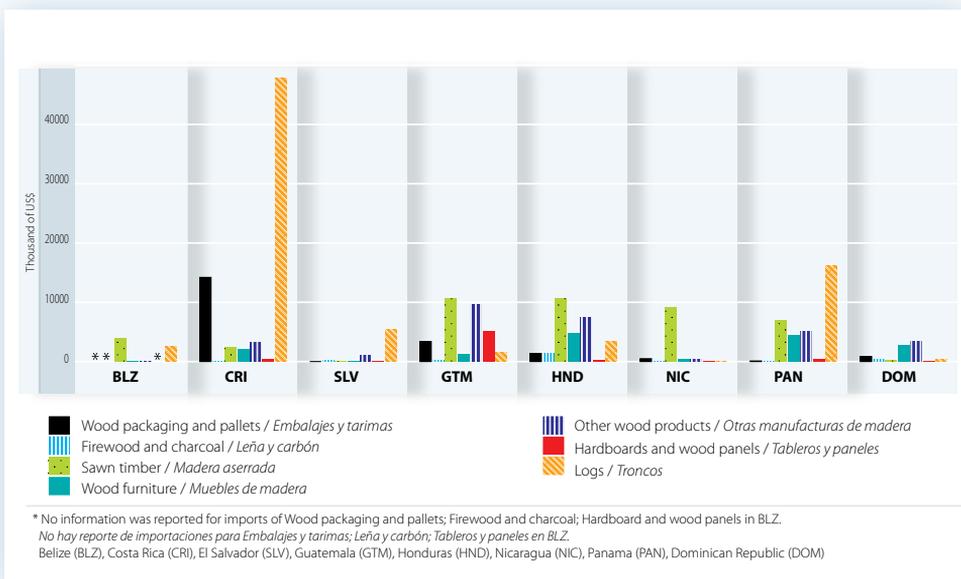


**Figure 16.** Total wood product exports (Chapter 44 and 94) from CA-DR countries to major international markets in 2011 (in thousands of US\$). *Exportaciones totales de productos de madera (Capítulos 44 y 94) desde los países AC-RD hacia los mercados internacionales en el 2011 (en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

Between 2000 and 2011, three countries remained at the forefront of international trade in wood and wood product exports: Honduras, Guatemala and Costa Rica (Figure 15). Honduras was able to remain in the first places although it showed a significant decrease in its exports from 2009 to 2011, going from \$78 million to \$29 million; 66% of sales were made to the United States. Guatemala’s exports had ups and downs between 2004 and 2009; as a matter of fact, it had a 40% decrease from 2007 to 2009. In 2011, Guatemala had \$32 million exports, 50% to the North American country (Figure 16). Costa Rica experienced the greatest progress in exports during recent years; in 2011 it was the main wood and wood product exporter in the CA-DR region to international markets, with a total of \$70 million (ten times more than its exports to the region). That same year, the country placed 59% of its sales (\$41 million) in the “Rest of Asia” region, and 27% in the United States (Figure 16).

Logs (first transformation) from Costa Rica at \$48 million, sold to “the rest of Asia” (Figure 17) stood out in the CA-DR region’s 2011 wood and wood product exports to international markets. Guatemala’s exports are noticeable for being more diversified, although first transformation products, “sawn timber” and “other products” (\$20 million in exported goods) stand out. In Honduras, sawn timber and other products account for most exports at \$18 million. Lastly, Panama was able to place itself within the region’s leading exporting countries in 2011; logs were its main export product at \$16 million (Figure 17).



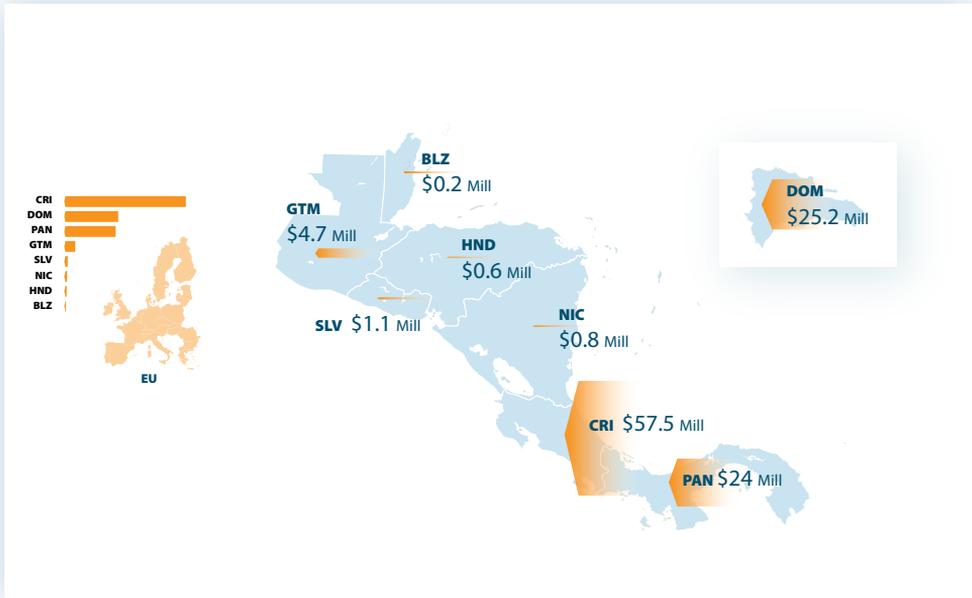
**Figure 17.** Major wood products exported from CA-DR countries in 2011 (in thousands of US\$). *Principales productos de madera exportados por los países AC-DR en el 2011 (en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

When considering each of the CA-DR region countries imports, three dominate the trade flow from the European Union and the United States: the Dominican Republic, Panama and Costa Rica (Figures 18 y 19). Costa Rica is the largest importer of wood products from the European Union (50%), followed by the Dominican Republic (22%) and Panama (21%) (Figure 18).

The Dominican Republic is the main importer of goods from the United States with 50% of trade flows, followed by Panama (30%) and Costa Rica (10%).

The CA-DR region countries exports to the European Union in 2011 were dominated by Guatemala, with a total of \$3.6 million, followed by Costa Rica (\$1.7 million), and Honduras (\$1.3 million). The remaining countries added up an export total of \$1.8 million (Figure 20). Honduras was the main exporter to the United States, with \$18.7 million, followed by Costa Rica (\$17.9 million), and Guatemala (\$16.4 million). The region's remaining countries added up a total of \$7.5 million (Figure 21).



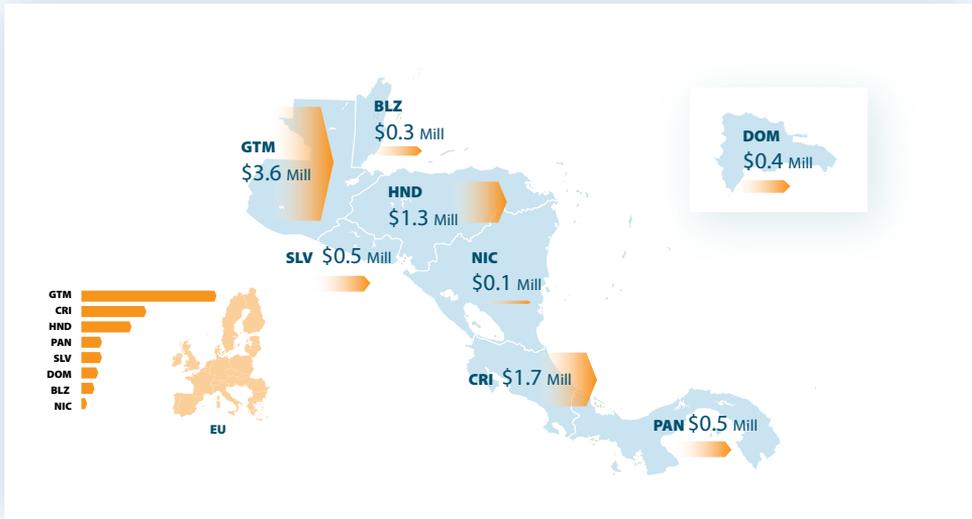
**Figure 18.** Wood product imports (Chapters 44 and 94) to the CA-DR countries from the European Union in 2011 (in millions of US\$). *Importaciones de productos de madera (Capítulos 44 y 94) de los países AC-RD desde la Unión Europea en el 2011 (en millones de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)



**Figure 19.** Wood product imports (Chapters 44 and 94) to CA-DR countries from the United States of America in 2011 (in millions of US\$). *Importaciones de productos de madera (Capítulos 44 y 94) de los países AC-RD desde los Estados Unidos de América en el 2011 (en millones de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)



**Figure 20.** Wood product exports (Chapters 44 and 94) from CA-DR countries to the European Union in 2011 (in millions of US\$). *Exportaciones de productos de madera (Capítulos 44 y 94) desde los países AC-DR a la Unión Europea en el 2011 (en millones de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

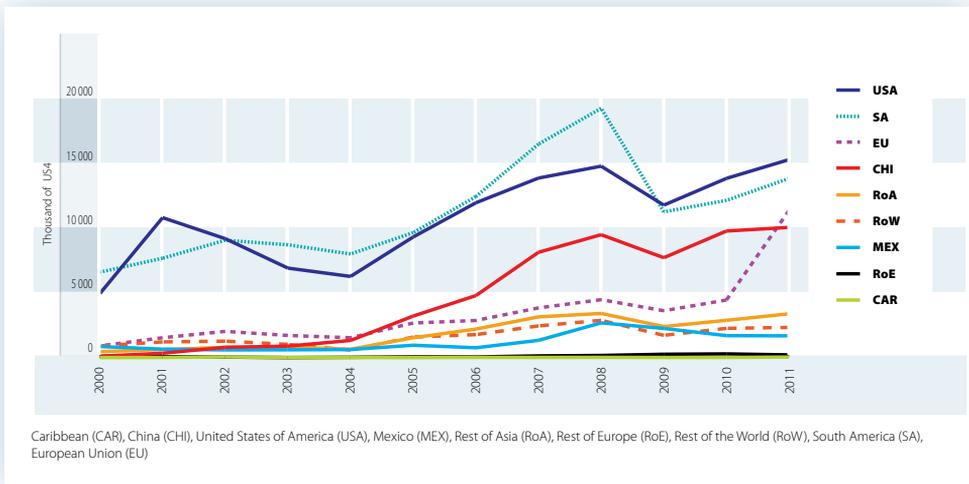


**Figure 21.** Wood product exports (Chapters 44 and 94) from CA-DR region countries to the United States of America in 2011 (in millions of US\$). *Exportaciones de productos de madera (Capítulos 44 y 94) desde los países de la región AC-DR a los Estados Unidos de América en el 2011 (en millones de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

## Synthesis of Wood and Wood Product Trade Between the CA-DR Region and International Markets

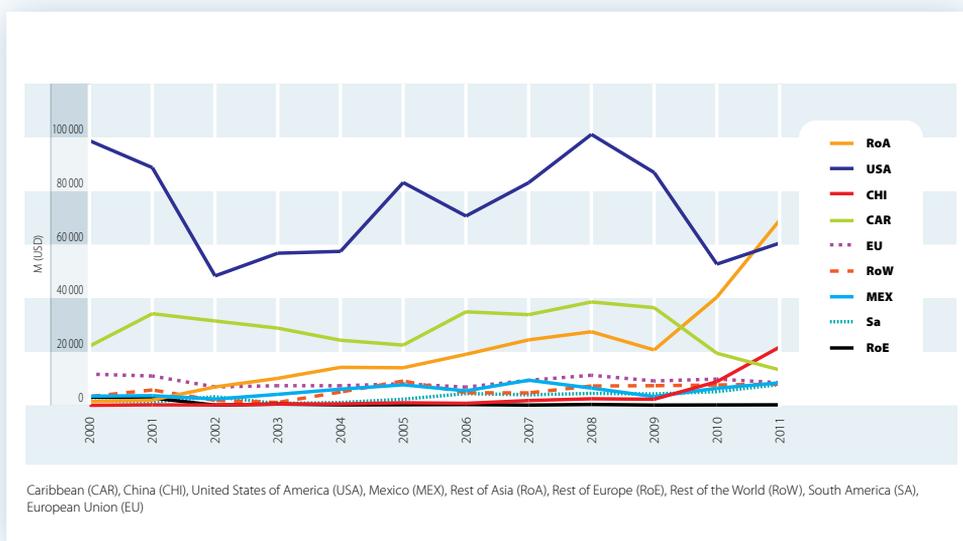
Between 2000 and 2011, wood and wood product trade between the Central American-Dominican Republic region with the main international markets grew in both exports and imports. Figure 22 shows the historical trends of total wood product imports (Chapters 44 and 94) by the CA-DR region from the major world markets. The United States, South America and China remain the region's three main commercial partners, and the European Union showed an important rise between 2010 and 2011. During this time frame, imports from the EU increased 255% (they went from \$46 million to \$114 million) in the CA-DR region.



**Figure 22.** Historical trends for wood product imports (Chapters 44 and 94) to the CA-DR region from major international markets during 2000-2011 (in thousands of US\$). *Comportamiento histórico de las importaciones de productos de madera (Capítulos 44 y 94) a la región AC-RD desde los principales mercados internacionales en el período 2000-2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

Concerning the CA-DR region's exports to the main markets, there has historically been an evident difference between the United States and the rest. The Caribbean also displays significant importance by placing itself as another leading commercial partner, although it has suffered a significant decrease since 2009. Exports to Asian countries (RoA, excluding China) have shown the most important trade flow upturn; in fact, in 2011 it surpassed the United States (Figure 23).



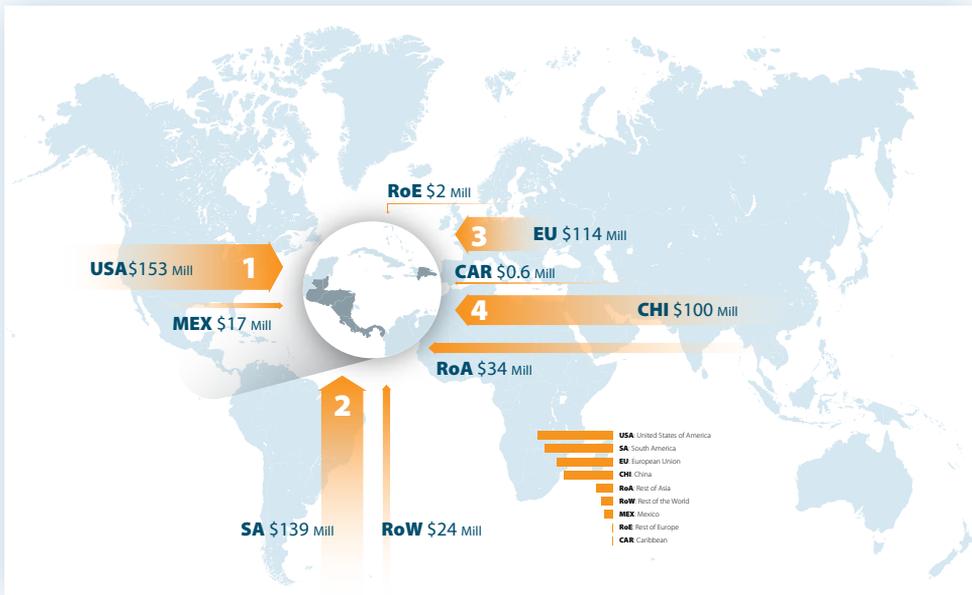
**Figure 23.** Historical trends for wood product exports (Chapters 44 and 94) from the CA-DR region to major international markets during 2000-2011 (in thousands of US\$). *Comportamiento histórico de las exportaciones de productos de madera (Capítulos 44 y 94) de la región AC-RD hacia los principales mercados internacionales en el período 2000-2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

If trade in the CA-DR region is analyzed as a whole, as well as its main markets for 2011, it is clear that wood product imports came, in the first place, from the United States with a \$153 million value, followed by South America (\$139 million), and the European Union (\$114 million). The other markets contributed in the following order: China (\$100 million), the Rest of Asia (\$34 million), the Rest of the World (\$24 million), Mexico (\$17 million), the Rest of Europe (\$2 million), and the Caribbean (\$0.6 million) (Figure 24).

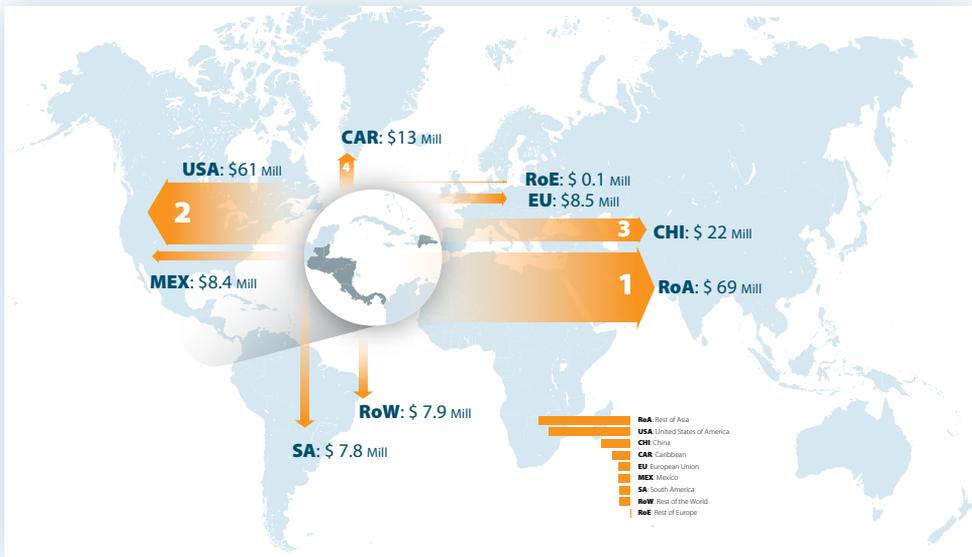
The Rest of Asia was the main market for placing wood products produced in the CA-DR region (\$69 million), followed by the United States (\$61 million), China (\$22 million), the Caribbean (\$13 million), the European Union, Mexico, South America, and the Rest of the World (\$8 million each), and the Rest of Europe (\$0.1 million) (Figure 25).

Figure 26 shows in detail originating markets for wood products imported by the CA-DR region in 2011. Wood furniture (second transformation) was the main import with a total of \$224 million (33%), from the United States (\$51 million), China (\$46 million), and the European Union (\$34 million). Sawn timber (first transformation) came in second with \$160 million (24%), from South America (\$64 million), and the United States (\$59 million). The product ranking third in highest import value was hardboards and wood panels (first transformation), which recorded a total of \$116 million (17%), and came from South America (\$36 million), and China (\$33 million).



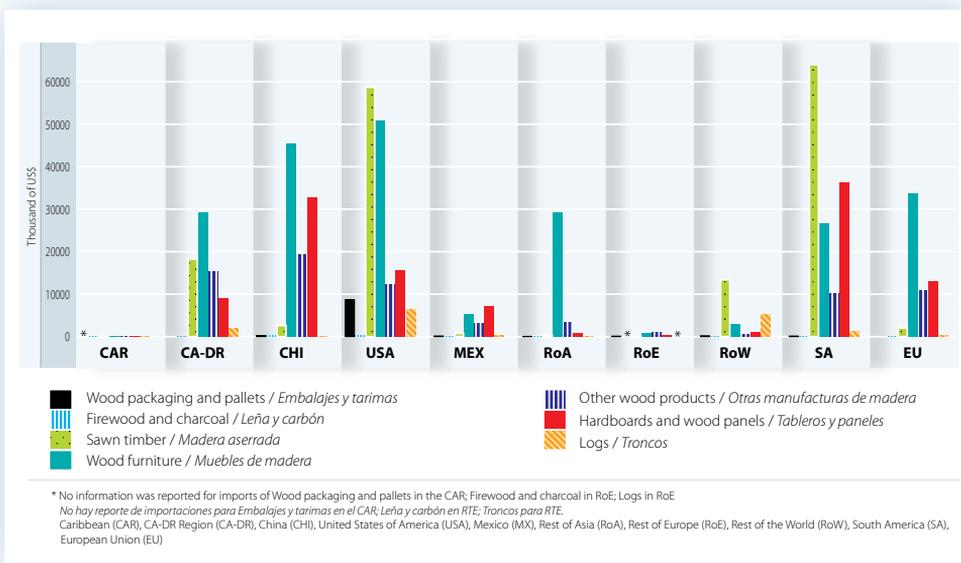
**Figure 24.** Wood product imports to the CA-DR region from major international markets in 2011 (in millions of US\$). *Importaciones de productos de madera a la región AC-RD desde los principales mercados internacionales en el 2011 (en millones de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)



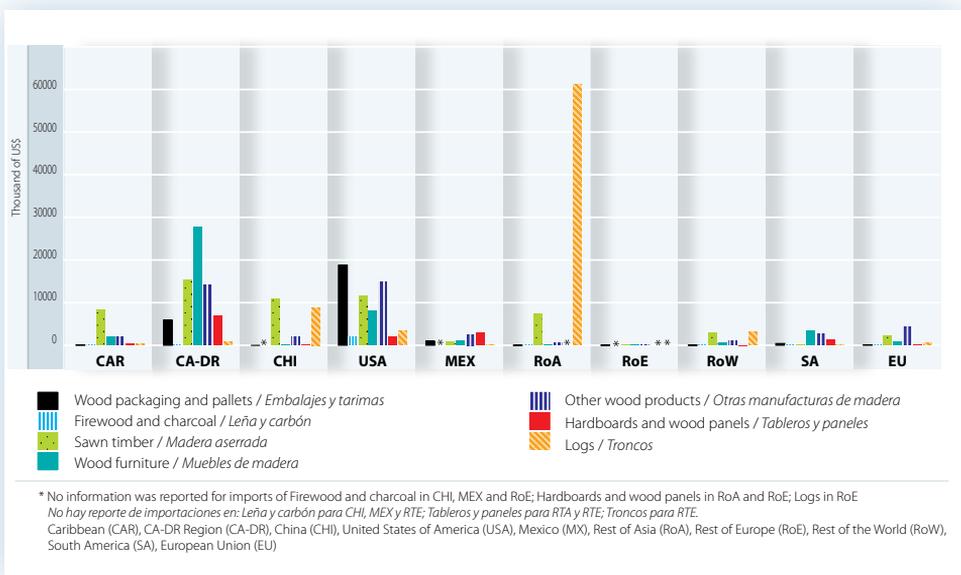
**Figure 25.** Wood product exports (Chapter 44 and 94) from the CA-DR region to major international markets in 2011 (in millions of US\$). *Exportaciones de productos de madera (Capítulos 44 y 94) de la región AC-RD a los principales mercados internacionales en el 2011 (en millones de US\$).*

Source: Based on the information of the UN-Comtrade database (2013)



**Figure 26.** International markets of origin of wood products imported to the CA-DR region in 2011 (in thousands of US\$). *Mercados mundiales de origen de las importaciones de productos de madera a la región AC-RD en el 2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)



**Figure 27.** Destination of wood product exports from the CA-DR region to the major international markets in 2011 (in thousands of US\$). *Destino de las exportaciones de productos de madera desde la región AC-RD hacia los principales mercados mundiales en el 2011 (valor en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

The main export product was logs (first transformation) with a \$79 million value (29%); the “Rest of Asia” region was this product’s most important market (\$61 million). Sawn timber (first transformation) was second, at \$59 million (22%); this product was equally distributed among the CA-DR region, the United States, China and the Caribbean. The third export product was “other wood products” (first transformation) with a total of \$44 million (17%), which was mainly marketed in the United States and China (Figure 27).

## Trade Flow Discrepancy Analysis: UN-Comtrade-WITS and EuroStat Database Comparison

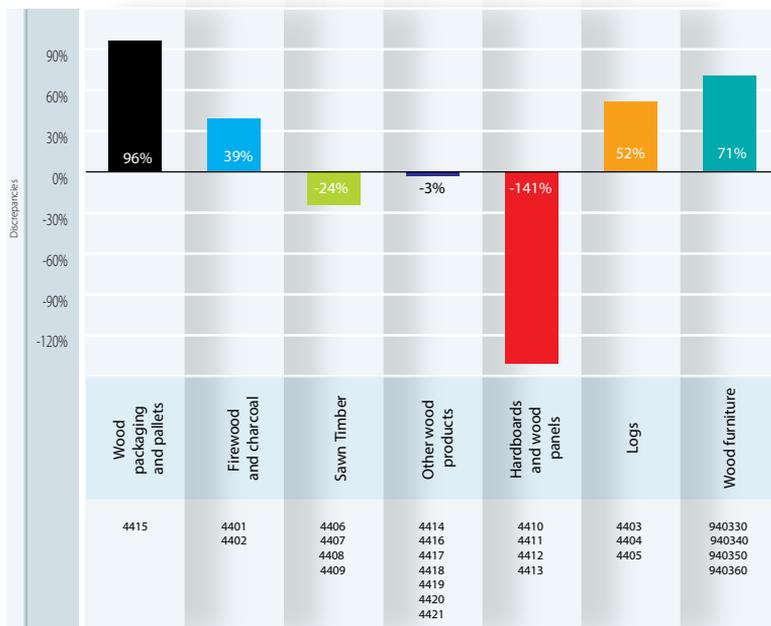
The discrepancy analysis was performed using information from the UN-Comtrade-WITS<sup>66</sup> database on trade flows in the CA-DR region, and the EuroStat database on the European Union’s trade flows. The values observed were significantly different to the discrepancies found internally in the CA-DR region. Export reports from the CA-DR region were compared with European Union import reports; the discrepancies were then analyzed considering the FOB values reported for each database.

“Hardboards and wood panels” had the highest discrepancy (-141%). Exports to the EU by the CA-DR region were reported at \$60,000, while importers in the EU reported purchases of \$302,000 from the CA-DR region. “Sawn timber” (-24%) and “wood furniture” (71%) showed other important discrepancies.

The item with the smallest discrepancy was “other wood products” (-3%). The CA-DR region reported exports to the EU for \$4,374,000 while the EU reported imports from CA-DR for \$4,573,000. This significant consistency may have been influenced by the product’s high value, which along with sawn timber was the most exported product from the CA-DR region to the EU in 2011.

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6 WITS (*World Integrated Trade Solution*) is a software developed by the World Bank in close collaboration and consultation with several international organizations, such as the United Nations Conference on Trade and Development (UNCTAD), International Trade Centre (ITC), United Nations Statistics Division (UNSD), and the World Trade Organization (WTO), for merchandise exports and imports, detailed by product and country. WITS uses the UN-Comtrade database.



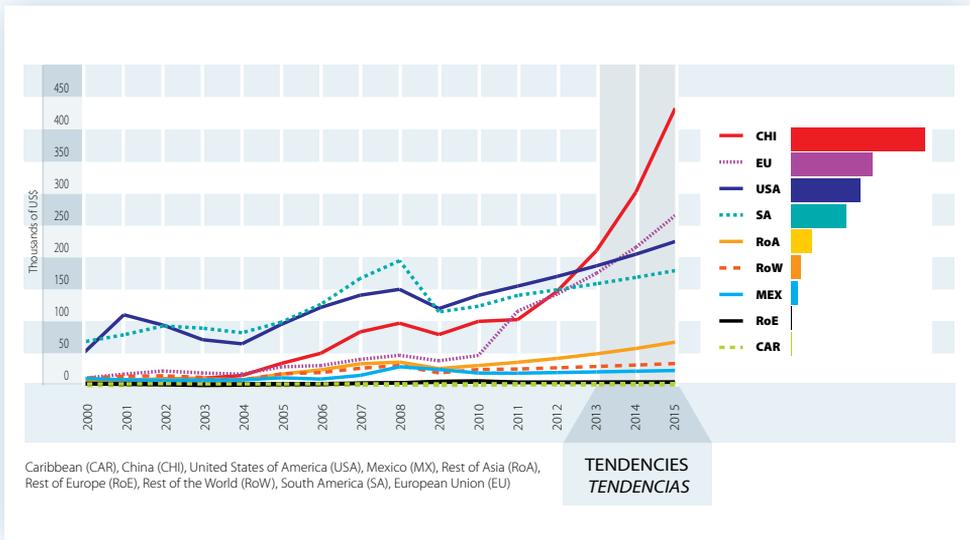
**Figure 28.** Discrepancies found in the values of wood products exported from the CA-DR region and imported to the European Union in 2011. *Discrepancias encontradas en los registros en cuanto al valor de las exportaciones de productos de madera provenientes de la región AC-RD e importadas a la Unión Europea en el 2011.*

**Source:** Based on the information of the UN-Comtrade (2013) and EuroStat databases

## CA-DR Region Trade Flows to the Major International Markets: 2015 Projection Analysis

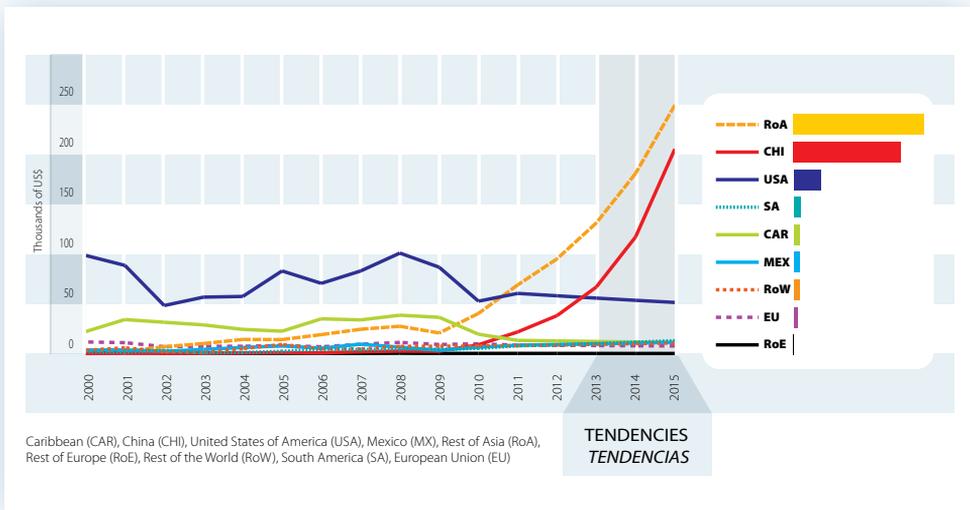
According to the projections regarding wood product trade flows, by 2015 China will be the CA-DR region’s main commercial partner (Figure 29). Between 2012 and 2015, the region’s imports are expected to grow approximately 200%, going from \$145 million to \$432 million. The European Union is another important region: it is estimated that in 2015 it will rank second among areas from which the CA-DR region will import wood products. In this case, imports will grow 88% since 2012, going from \$141 million to \$264 million (Figure 29).

It is believed that China will also be the market to which this flow will mostly grow, at a magnitude of more than 400% between 2012 and 2015. The rest of the Asian region also makes up a key zone for the CA-DR, since exports could triple at that point. Markets to which exports will probably be reduced between 2012 and 2015 will be the rest of Europe (close to -50%), the United States and the Caribbean (each with a decrease close to 10%) (Figure 30). The trend shows that the CA-DR region exports to the European Union tend to decrease 8%, going from exporting \$8 million in 2012 to \$7.5 million in 2015 (Figure 30).



**Figure 29.** Trends for wood product imports (Chapter 44 and 94) from major international markets to the CA-DR region during the 2013-2015 period (in thousands of US\$). *Tendencias de las importaciones de productos de madera (Capítulos 44 y 94) desde los principales mercados internacionales hacia la región AC-RD durante el período 2013-2015 (en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)



**Figure 30.** Trends for wood product exports (Chapter 44 and 94) to major international markets from the CA-DR region during the 2013-2015 period (in thousands of US\$). *Tendencias de las exportaciones de productos de madera (Capítulos 44 y 94) hacia los principales mercados internacionales desde la región AC-RD durante el período 2013-2015 (en miles de US\$).*

**Source:** Based on the information of the UN-Comtrade database (2013)

# CA-DR Region's Cross-Border and International Wood Trade Verification System

## Administration, Control, Promotion, and Representation of International Wood and Wood Product Trade in the CA-DR Region

The following are the authorities and institutions in charge of managing, controlling, promoting and representing international wood and wood product trade in CA-DR region countries:

- A. For the national legality verification sector
  - National forest administration: in charge of enforcing respective forestry laws through procedures like export and import permit verification, and timber load inspection.
  - National phytosanitary authority: in charge of controlling that a shipment's products have all respective permits and comply with each country's required technical and phytosanitary specifications for the entry and exit of goods.<sup>7</sup>
  - Customs authority: refers to the public agencies of tax institutions in charge of recording the trafficking of international imported or exported goods, and of collecting applicable taxes.
  - Other vigilant organizations: police and judicial power.
  - CITES convention managing authority
- B. For the voluntary forest legality and sustainability verification sector
  - FSC regional representatives: CH-CFV and Conicefv
  - FSC Latin American representatives and national certifying agencies under the FSC seal of approval
  - Global Forest and Trade Network (GFTN)
  - Non-government organizations with forest interests: i.e. IUCN (Guatemala and Honduras) and WWF (Honduras and Panama)
  - Auditors, experts, and universities in charge of independent forest monitoring
- C. For the productive sector
  - Chambers: forest, exporters and importers

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<sup>7</sup> The Regional International Organization for Plant Protection and Animal Health (OIRSA) operates at a regional level, and is present in each country in the study. OIRSA collaborates with developing animal health and plant protection, and strengthening quarantine systems. It also applies phytosanitary treatments, except in the Dominican Republic, where they are done by private businesses.

- Wood product consumers and points of sale
- Forest industry
- Forest producers: i.e. corporate and community forest producers, SMEs and others

D. Other organizations linked to trade and statistics

- Central Bank
- Trade promotion organizations
- National statistics institutes

With the exception of Belize, every country in the region has the “single windows for exports”. These offices gather authority representatives (trade, phytosanitary, police, etc.) involved in export or import procedures and permits. In the Dominican Republic, these offices are only in charge of promoting trade. In almost every country in the CA-DR region, Single Windows have online access (e-platform) for submitting or obtaining documents, declarations or permits, which translates into greater ease and promotion of commercial schemes.

Among the groups in charge of legality verification, both forest administration and phytosanitary and customs authorities have administrative or wood trade control roles. This is the case of Inafor in Nicaragua, which issues export permits; MAG in the Dominican Republic issues a “No Objection” letter, a phytosanitary requirement for imports. Regarding control actions, CONAP in Guatemala and ANAM in Panama inspect exports in order to verify volume and wood legality, type and condition.

No export and import auditing processes were observed, even though customs authorities are who –in theory– should carry out this task. According to Navarro *et al.* (2007), in some Central American countries audits are part of institutional processes. However, its operation is not as efficient and regular as it should be.

Customs authorities in all the region’s countries must also issue a merchandise export and import declaration [Central American Single Customs Form, (FAUCA)], and Merchandise Declaration (MD) for the rest of the world. As for import and export control at a country’s entry and exit points (ports and borders), customs authorities only inspect between 5% and 10% of merchandise (“tax traffic light”).

Regarding the forest authority’s role in wood imports, only Belize and the Dominican Republic require a wood entry permit, which is then used to collect taxes. However, every country requires some type of previous permit from the phytosanitary authority for the entry of first transformation wood, as well as its respective port or border quarantine inspection.

As for wood product trade requirements, all countries except Costa Rica and El Salvador demand an export permit or certificate issued by the Forest Administration for all timber forest species (whether covered by the CITES convention or not). Both countries mentioned only require a permit for species included in the agreement. Export inspection (control) is closely

related in four countries (Belize, Nicaragua, Panama and the Dominican Republic) where all wood exports are inspected. In Guatemala and Honduras only CITES wood is inspected; and there is no physical inspection of goods in Costa Rica and El Salvador.

All countries require a phytosanitary certificate for first transformation timber forest species, like sawn timber or cut wood. “Finished products” like wood veneers (*plywood*), panels, furniture, and other wood products do not require a certificate. However, in order to obtain further information about which products require a certificate and which do not, specific consults must be made with each country’s phytosanitary authority.

Commercialization of CITES wood species requires an export or import permit or certificate for products such as sawn timber, cut wood, laminates, and wood veneers. Other wood products, panels and furniture do not require such a permit. Industrial CITES wood, even with a somewhat low transformation level (i.e. a planed all round board or a moulding), may be exported without such permit.

Table 7 summarizes international wood and wood product administrative requirements and control for every timber forest species (covered or not by CITES) in each of the CA-DR region countries.

**Table 7.** Management and control requirements for the export and import of timber species in the countries of the CA-DR region in 2012. *Requerimientos de administración y control para las exportaciones e importaciones de especies forestales en los países de la región AC-RD en el 2012.*

Administration/ Authority	Trade Flow	Country								
		BLZ	CRI	SLV	GTM	HND	NIC	PAN	DOM	
Forest Authority	Adm.: Permit	X	All species	Only CITES species			All species			All species
		M					Only CITES species			
	Cont.: Inspection	X	All species	Planting CITES species	None	Only CITES species		All species	All species	
		M	None							
Phytosanitary Authority	Adm.: Permit	All species								
	Cont.: Inspection	X/M	Only for imports							
Customs Authority	Adm.: Permit	All species								
	Cont.: Inspection	X/M	From 5 to 10% (tax traffic light) of merchandise							

X: Exports; M: Imports; Adm.: Administration; Cont.: Control

## Summary of Wood and Wood Product Export and Import Administrative Procedure in the CA-DR Region

Significant differences were found in the duration and costs for processing export and import of timber forest species under the CITES agreement. The cost of exporting wood from a timber species covered by CITES varied greatly between countries. For example, in Honduras the number could reach up to an additional \$600 per container (\$20/m<sup>3</sup>), while cost in Belize, Costa Rica and Panama is practically non-existent.

The amount of time it takes to receive CITES species export permit approval also varies: two days in El Salvador, Panama and the Dominican Republic, but the process takes between 8 and 30 days in those countries that truly export these species (Belize, Guatemala, Honduras<sup>8</sup> and Nicaragua).

El Salvador differed from the rest of the countries in customs broker costs. In this country, the cost varies between \$50 and \$80 per container (\$1.7-2.7/m<sup>3</sup>), while the number is no less than \$100 per container (\$3.3/m<sup>3</sup>) in the rest of the countries (except in Nicaragua, where the minimum cost is \$90 per container or \$3.0/m<sup>3</sup>). El Salvador is characterized for exporting different products, so its procedure service<sup>9</sup> and customs agency service is very broad, and competes in service and cost. Furthermore, since wood and its products do not require Salvadoran forest authority inspection, the process is similar to that of any other product.

Table 8 summarizes wood and wood product export variables in the region's countries. In the annex section, readers interested in further details will find information gathered for each country. This information shows that costs and the number of steps required to fulfill export proceedings are high, which might impact growing illegality. As a matter of fact, the existence of financial incentives for forest permit and phytosanitary export requirements evasion was discovered during visits to the countries.

Economic incentives for phytosanitary export requirements evasion is achieved through false declarations that do not meet national or international laws. Costa Rican teak (*Tectona grandis*) exporters sustain that some of their colleagues "triangulate" to avoid paying for the container's fumigation, temporary storage, and the wood's mobilization, which represent an approximate cost of \$300/container, close to 8%-10% of the sales price. An example of such triangulation is indicating a destination (for example, Vietnam) that does not ask for that phytosanitary requirement (for example, fumigating using methyl bromide) in order to redirect the shipment to another country along the way (for example, India) by changing documents. India does not require fumigation with methyl bromide to Vietnam, but it does so to Costa Rica.

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8 A new procedure approved by the ICF on March 14, 2013 intends to reduce processing time to 10-15 days.

9 People who facilitate customs services.

Other ways to evade the law were also discovered, such as changing the name of a CITES species for another in order to reduce costs, or declaring only one species and exporting two or more in the same shipment. Mahogany exporters in Honduras state that the CITES permit alone costs 30% the minimum wage (\$110), plus the necessary and required power of attorney, which costs between \$300 and \$500 per container (\$10-17/m<sup>3</sup>). In their defense, those interviewed claim extremely slow authorization processes (30-45 days) that involve two institutions (SAG and ICF).

**Table 8.** Summary of administrative procedures, costs and time to export wood products from the CA-DR region in 2012. *Resumen de procedimientos administrativos, costos y tiempos para exportar productos de madera desde la región AC-RD en el 2012.*

Type of Procedure	Country	BLZ	CRI	SLV	GTM	HND	NIC	PAN	DOM
Non-CITES tree species	Institutions involved*	6	5	5	6	6	6	5	5
	Steps	6	4	4	5	5	7	5	5
	Total documents	7	10	10	11	10	14	18	13
	Days required	5-9	2-6	2-6	3-6	3-6	5-11	4-10	4-10
	Customs broker cost** (US\$/container)	250-350	200-250	50-80	200-250	130-300	90-150	100-150	250-350
	Total cost (US\$) /container***	260-420	231-404	70-220	226-374	273-523	144-290	212-472	288-512
	<b>Total cost (US\$) / m<sup>3</sup></b>	<b>8.7-14.0</b>	<b>7.7-13.5</b>	<b>2.3-7.3</b>	<b>7.5-12.5</b>	<b>9.1-17.4</b>	<b>4.8-9.7</b>	<b>7.1-15.7</b>	<b>9.6-17.1</b>
CITES tree species	Additional documents	6	3	3	15	12	10	4	1
	Additional days	8	8	2	11	30	8	2	2
	Additional cost (US\$)/container	0-20	0	15	16-150	300-600	40	0	20-50
	Additional cost (US\$)/m <sup>3</sup>	0-0.7	0	0.5	0.5-5	10-20	1,3	0	0.7-1.7
	Total documents	12	13	13	22	22	24	22	13
	Days required	13-17	10-14	4-8	13-17	33-36	13-19	4-10	4-10
	Total cost (US\$)/container	260-440	231-404	85-235	242-524	573-1123	184-330	212-472	308-562
<b>Total cost (US\$) / m<sup>3</sup></b>	<b>8.7-14.7</b>	<b>7.7-13.5</b>	<b>2.8-7.8</b>	<b>8.1-17.5</b>	<b>19.1-37.4</b>	<b>6.1-11.0</b>	<b>7.1-15.7</b>	<b>10.3-18.7</b>	

\* The administration (institutions, steps, documents and days) is the same for 1 m<sup>3</sup> and for one container with maximum load.

\*\* The customs broker cost is the same for the procedure involving one or two containers; for more than two, the cost lowers per container.

\*\*\* One container carries approximately 30 m<sup>3</sup>.

**Table 9.** Summary of administrative procedures, costs, and time to import wood products to the CA-DR in 2012. *Resumen de procedimientos administrativos, costos y tiempos para importar productos de madera a la región AC-RD en el 2012.*

Type of Procedure	Country	BLZ	CRI	SLV	GTM	HND	NIC	PAN	DOM
Non-CITES tree species	Institutions involved*	5	5	3	5	4	6	4	5
	Steps	5	4	4	5	4	3	4	4
	Total documents	7	11	9	8	9	12	10	11
	Days required	10-17	3-6	3-7	4-7	3-6	3-8	4-11	4-7
	Customs broker cost** (US\$)	250-350	250-300	150-200	200-250	200-250	200-250	150-200	300-350
	Total cost (US\$)/container***	260-420	299-429	238-361	239-363	251-379	250-375	251-420	370-465
	<b>Total cost (US\$) / m<sup>3</sup></b>	<b>8.7-14.0</b>	<b>10.0-14.3</b>	<b>7.9-12.0</b>	<b>8.0-12.1</b>	<b>8.4-12.6</b>	<b>8.3-12.5</b>	<b>8.3-14.0</b>	<b>12.3-15.5</b>
CITES tree species	Additional documents	6	1	6	17	8	1	3	4
	Additional days	8	0	2	8	8	0	2	2
	Additional cost (US\$)/container	0-20	0	15	16	300	0	0	20-50
	Additional cost (US\$)/m <sup>3</sup>	0-0.7	0	0.5	0.5	10	0	0	0.7-1.7
	Total documents	13	12	15	22	17	13	13	15
	Days required	18-25	3-6	5-9	12-15	11-14	3-8	4-11	4-9
	Total cost (US\$)/container	260-440	299-429	253-376	255-379	551-679	250-375	251-420	390-515
<b>Total cost (US\$) / m<sup>3</sup></b>	<b>8.7-14.7</b>	<b>10.0-14.3</b>	<b>8.4-12.5</b>	<b>8.5-12.6</b>	<b>18.4-22.6</b>	<b>8.3-12.5</b>	<b>8.4-14.0</b>	<b>13.0-17.2</b>	

\* The administration (institutions, steps, documents and days) is the same for 1 m<sup>3</sup> and for one container with maximum load.

\*\* The customs broker cost is the same for the procedure involving one or two containers; for more than two, the cost lowers per container.

\*\*\* One container carries approximately 30 m<sup>3</sup>.

Community exporters consulted in Petén, Guatemala, indicate that the total cost for mahogany export represents up to US\$2,000 per container (\$67/m<sup>3</sup>), including inland freight. This is why it is not surprising that the INAB found anomalies in containers loaded with species from the *Dalbergia* genus (covered by the CITES convention, appendix III, Guatemala chapter). It was determined that in the shipment's declaration, the species name was changed for another not covered by CITES, such as conacaste or tamarind. During fieldwork for this

study, the Forest Department in Belize detected irregularities in a rosewood (*Dalbergia* sp.) export shipment to China. Only one species was reported for that shipment when in reality, ziricote (*Cordia dodecandra*) was also being exported; a species for which exploitation and log exports are prohibited.

In contrast to export costs, importing a species covered by CITES does not greatly increase costs in comparison to a non-CITES species, except in Honduras, where a representative or legal representative (lawyer) is required to process permits from Government institutions, which increases costs in up to \$300 per container.

Import procedures to Costa Rica for any species are the most expeditious, and Belize's are the most tedious (Table 9). Belize has import restrictions on certain products considered essential for the country's economy; such restrictions come in the form of control licenses awarded by the Ministry of Industry. Wood and its by-product imports are subject to this non-tariff barrier.

The number of additional documents required to import a CITES species varies between countries. In Guatemala, 17 additional documents are required, while in Costa Rica and Nicaragua just one (in these two countries processing a CITES import permit/certificate is not required; only presenting the country of origin's CITES permit/certificate at the point of entry (port or border) is required). Table 9 offers a summary of requirements for importing wood and wood products to the countries in the CA-DR region. In the annex, readers interested in further details will find information gathered for each country.

Required documents for wood and wood product export procedures at exit points (port or border) are quite similar between all the CA-DR region countries. The following list outlines such requirements:

A. Common documents between countries in the CA-DR region:

- Export commercial invoice
- Carriage document: waybill (by land) or bill of lading (by sea)
- Merchandise export declaration: for example, FAUCA or single customs declaration (DUA)
- Phytosanitary certificate issued by the phytosanitary authority for products of vegetable origin
- Fumigation or heat treatment certification (if applicable)
- Certificate of origin, if a tariff preference is required
- CITES export permit from competent authority (if applicable)

B. Additional documents, not required in all countries

- Packing or inventory list
- Some type of certificate, permit or certificate from the forest authority stating wood's legal origin

- Currency declaration by Central Bank
- C. Supporting documents for permits or certificates (up to 12)
- Purchase or wood origin invoice
  - Transport or mobilization permits for logs and sawn timber
  - Forest harvesting permit
  - Different request formats
  - Operating or environmental licenses
  - Registration certificates for different government authorities

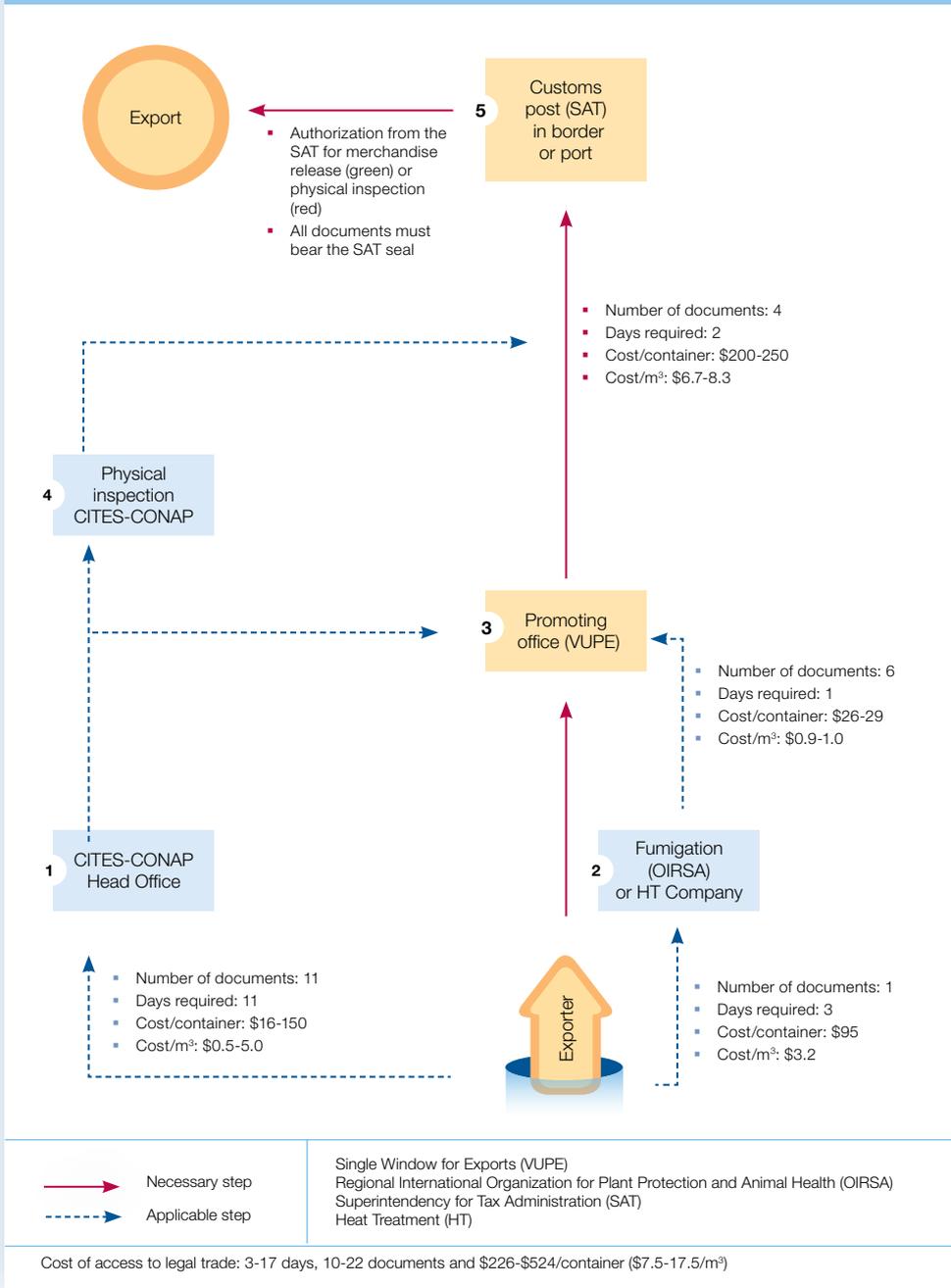
Figure 31 provides an example of these procedures, detailing the process for wood and wood product exports from Guatemala. The procedure encompasses five steps, five institutions, 22 documents and takes from 3 to 17 days. The first two steps apply when dealing with a CITES agreement species (request a CITES export permit), and product fumigation or heat treatment, if the destination country requires it. When dealing with CITES species, an inspection by the forest authority is required prior to port or border dispatch. These request and inspection steps (1 and 4) require the greatest amount of documents and time (up to 15 documents and 11 additional days).

Additional documents show wood's licit origin; among them, invoice from the country of origin, a copy of the forest management plan, original and copy of the carriage documents and shipment waybills. The export declaration and phytosanitary and point of origin certificates are needed to obtain an export permit from the forest authority (for CITES or Non-CITES species). These documents are requested at the export window, along with commercial documents such as commercial invoice and fumigation or heat treatment certificate.

At the customs office, all commercial and transport documents, permits and phytosanitary certificates are presented at the point of exit (port of border) before a phytosanitary authority and then before the customs authority. In the Annex pertaining to Guatemala, interested readers will find further details under "*Procedures for wood product export from Guatemala*".

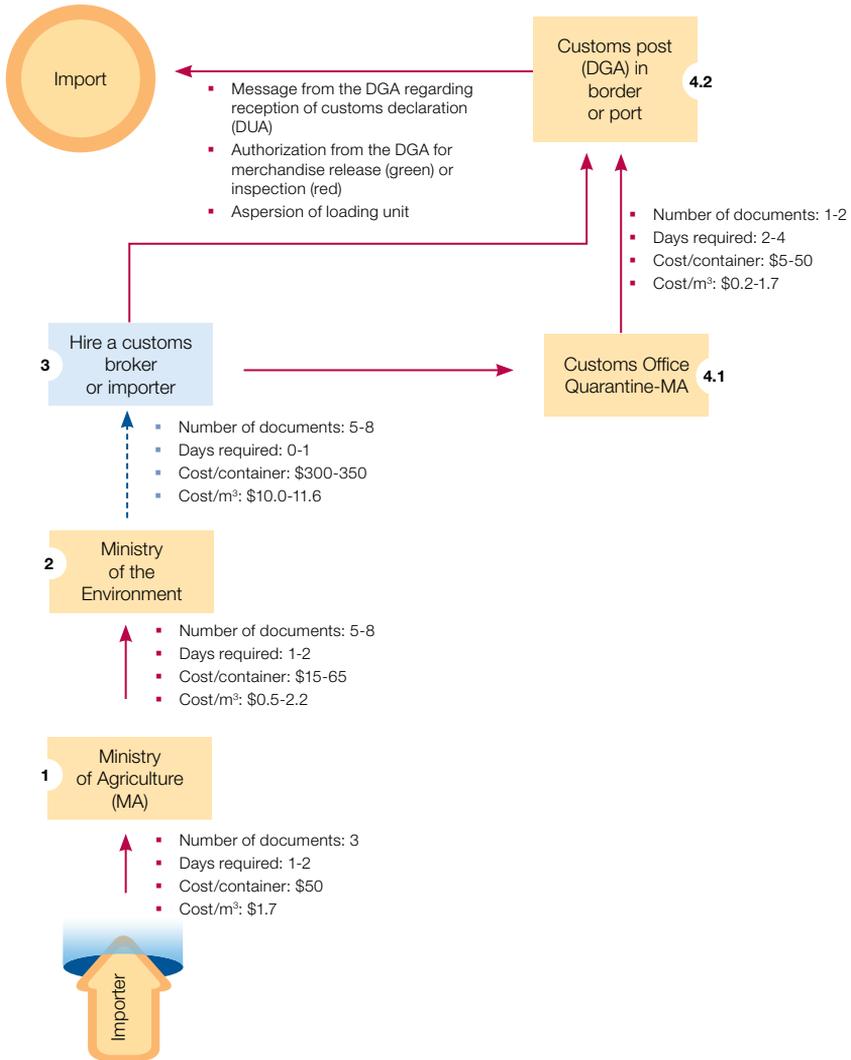
Figure 32 offers an illustrative example of the process for requesting wood import permits to the Dominican Republic. The process requires four steps, 15 documents, and from 4 to 9 days. A prior import permit (no objection certificate) issued by the Ministry of Agriculture and Livestock's (MAG) phytosanitary authority is required, as well as another permit and inspection by the forest authority for the wood's entrance to the country. CITES species require the original export permit and packing list in order for the Ministry of Environment and Natural Resources (MARN) to issue the species import permit. Lastly, once at port, several institutions (General Directorate of Customs, MAG, MARN, police and anti-drug force) must inspect the merchandise. Readers interested in further details may find them in the annex corresponding to the Dominican Republic, under *Wood product import procedure*.

## GUATEMALA



**Figure 31.** Procedure for wood product export from Guatemala in 2012. *Procedimiento para realizar una exportación de productos de madera en Guatemala en el 2012.*

DOMINICAN REPUBLIC



→ Necessary step  
 - - - - -> Applicable step

Ministry of Agriculture (MA),  
 Ministry of the Environment and Natural Resources (MARN),  
 General Directorate of Customs (DGA)

Cost of access to legal trade: 4-9 days, 11-15 documents and \$370 - \$515/container (\$12.3-17.2m<sup>3</sup>)

**Figure 32.** Procedure for wood product import to the Dominican Republic in 2012. *Procedimiento para realizar una importación de productos de madera a la República Dominicana en el 2012.*

Product entry or exit to or from a country is not always legal or official; in all countries of the CA-DR region formal steps (ports and border crossings) coexist with the institutional presence of one or various authorities, and with informal crossings through roads or paths in places where there is no presence of government institutions.

No evidence of illegal trade or wood smuggling was found in formal steps –although it is not ruled out- given that visits were done during daytime schedules, with a local companion, duly identified, and with prior appointments with the corresponding authorities.

Enquiries to authorities of the ports visited in each of the countries showed that smuggling or illegal trade through formal checkpoints is not so easy given the high security level present (wire fences, gates, access controls, cameras), and additional authority presence such as police, port authority and, eventually, the port concession holder.

Evidence of illegality was found in informal border crossings (blind spots). For example, in Tuba Creek in Costa Rica's southeastern border with Panama, border officials stated that wood traveled hidden under vegetables (plantain), which makes it difficult to detect; wood is also transported at night by boat from the Panamanian side along the Sixaola River.

A person interviewed in Belize stated that in Chiquibul National Park, at the Petén, Guatemala border, Guatemalan communities are financed by external contractors to work in illegal logging. He explained that given the extraction's scale, he suspected the wood resulting from that activity was exported to regional or international markets, although it is also possible that it is absorbed by the furniture industry and the local market. People interviewed in Petén agree that high-value illegal timber (mahogany) moves through the area towards Mexico and Belize, and towards Honduras in a smaller amount.

According to a Honduran environmentalist and an international cooperation representative, there is a forest product leak in the Honduras/El Salvador border region, specifically in the so-called "*bolsones*" (a relatively circular basin between the mountains, sometimes crossed by a river). In this region, neither of the two countries exercises full sovereign authority; consequently, uncontrolled forest exploitation and cross-border movement is carried out, or is done so with forged documents and recycled mobilization permits. International organization representatives that work with the forestry sector stated that unauthorized cross-border mahogany trade occurs from La Mosquitia in Honduras to Nicaragua.

In the Dominican Republic, in informal border crossings with Haiti –such as the Pedro Santana area- informal cross-border trade of all kinds of products was observed. Further, forest producers in the Restauración township admit that Haitian buyers come through the Tiroli border crossing, where sawn timber is sporadically sold. These activities are perceived as common (local) sales for which corresponding forestry permits are enough, and not as exports.

## National Forest Administration and Forest Illegality Cases

Forest production, harvesting and processing in the CA-DR region are immersed in a political and legal framework that works as a forest legality verification system. Such framework operates at an initial level and defines, among other things, the nature and reach of the rights of actors and institutions with forest resource management roles. The national forest administration operates at a second level, and includes legally constituted institutions, in charge of managing work permits for forest resources in forests, forest plantations and other land uses. The national forest control and audit system operates at the third level, and includes those elements from the national administration whose objective is to ensure that the corresponding legislation is obeyed, evaluate the way in which forest legislation is implemented, and if the desired impact has been achieved.

The legal framework that regulates forest resource use in the CA-DR region involves national forest administrations and CITES species administrative authorities. In terms of CITES forest species, in Nicaragua and Honduras institutions other than the government's forest authority have the responsibility of managing and granting CITES export and import permits/certificates. In Guatemala, it is the responsibility of the forest authority in charge of protected areas, even if the timber comes from other areas. In the remaining five countries, the forest authority performs this task (Table 10).

**Table 10.** Institutions in charge of the forest administration in the countries of the CA-DR region in 2012. *Instituciones encargadas de la administración forestal en los países de la región AC-RD en el 2012.*

Country	BLZ	CRI	SLV	GTM	HND	NIC	PAN	DOM
National Forest Administration	Ministry of Forestry, Fisheries and Sustainable Development	Ministry of the Environment and Energy (MINAE)	Ministry of Agriculture and Livestock (MAG)	National Council of Protected Areas (CONAP); National Forest Institute (INAB)	National Institute of Conservation and Forest Development, Protected Areas and Wildlife (ICF)	National Forest Institute (Inafor)	National Environmental Authority (ANAM)	Ministry of the Environment and Natural Resources (MARN)
CITES Administrative Authority				National Council of Protected Areas (CONAP)	Secretariat of Agriculture and Livestock (SAG)	Ministry of the Environment and Natural Resources (Marena)		

One of the reasons influencing the continuation of illegal practices in the forest sector is the little capacity to regulate proper resource use, mostly due to scarce technical personnel in charge of these activities, limited financing for operating forest management, and institutional bureaucracy when handling forest permits.

In this regard, it can be said that the complex forest governance scheme often times hinders administrative procedures for accessing forest resources, which leads to very high legality access costs and creates the conditions leading forest actors to decide on illegal practices. Wood harvesting is a very lucrative activity since it deals with products with very low value in the forest and that are easily sold off; however, rights over the forests do not allow residents to capture the tree's value.

According to Brown *et al.* (2008), illegality shows the weak governance that overwhelms many countries' forest sector, and manifests as forest practice's low sustainability and in the negative effects on the ways of life of millions of people that depend on forests. Smith (2002, cited by Navarro *et al.* 2007) employs the terms "illegal extraction" or "illegal trade" of forest products to describe those forest production activities that do not comply with national or international laws, in the case of cross-border trade. Illegality and corruption in the forest sector can span the entire sector, from extraction and transport to forest product industrialization and commercialization.

An example of illegal practices in the region can be found in the border region between the Dominican Republic and Haiti, where according to one of the persons interviewed, the purpose of illegal logging is to supply Haiti's energy needs.

According to most of those interviewed in the countries of the region, illegal actions intensify with the long waiting periods and lack of clarity in proceedings for obtaining forest-harvesting permits, which hinders legal access and raises the price of raw materials. Given these conditions, forest owners prefer to log and transport timber without documents or use recycled or forged documents.

Some interviewed in Honduras stated that management plan approval time is excessive; one person interviewed mentioned that citizens believe government offices delay the processes to infuriate the user, and that they will in turn end up offering money to speed things up. Also, it is difficult to access financing sources for executing forest exploitation; for these reasons, the cooperative businesses interviewed have been forced to legally sell their standing trees to industrialists.

Some wood business owners pointed out that procedure sophistication produces more illegality by increasing transaction costs for having access to a legal permit. By increasing wood demand, bribe costs or illegal payments also increase, mainly during wood transport controls. In order to reduce this situation on Guatemalan roads, the forest trade association published a brochure signed by the Minister of Governance, the General Director of the National Civil Police, and INAB's Director General, with forest product transport requirements.

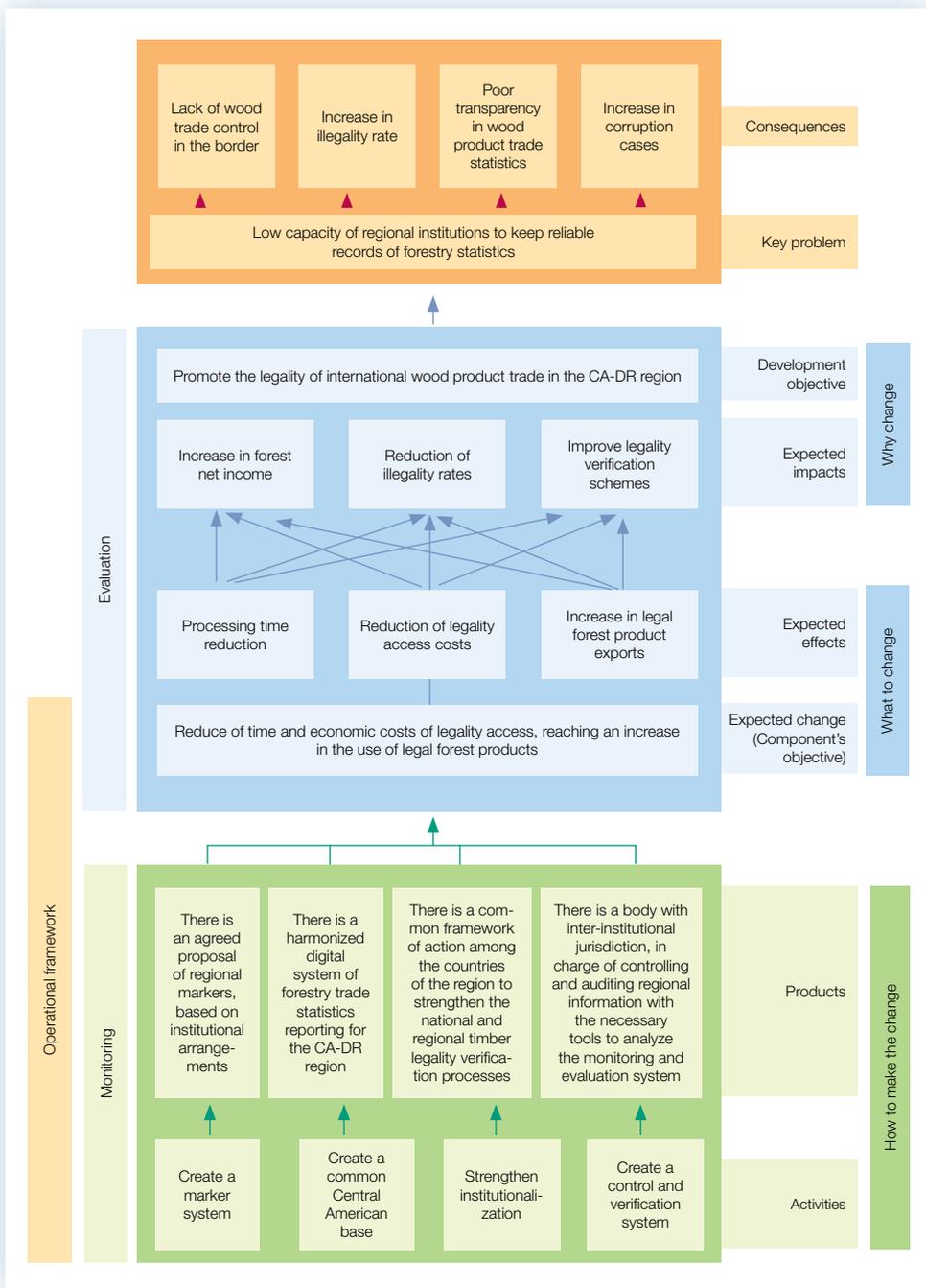
## International Wood and Wood Product Trade Monitoring and Evaluation in the CA-DR Region

Monitoring strives to evaluate officially approved processes for resource use and control. It is designed to provide credibility to the legality verification system, and to provide information intended to improve the system over time (Verifor and FAO 2009).

Important problems regarding wood product trading were demonstrated in this study. This is the reason behind the proposed importance of a monitoring and evaluation system that by using regional statistics is able to improve the credibility of the trade legality verification system, and strengthen the wood trade verification system, and consequently, a good forest governance system.

**Table 11.** Parameters that hindered the construction of a common statistical database of wood product trade in the CA-DR region. *Parámetros que dificultaron la construcción de una base estadística común de comercio de productos de madera en la región AC-RD.*

Country	Generating Institution	Database Utility Parameters			
		Does it offer information for the entire study period?	Does it offer information in database format?	Does it offer information disaggregated by 6-digit codes?	Is it functional according to the parameters?
Belize	Statistical Institute of Belize	No	No	No	No
Costa Rica	Foreign Trade Corporation	No	Yes	Yes	No
	Central Bank of Costa Rica	Yes	Yes	No	No
El Salvador	Central Reserve Bank of Salvador	Yes	Yes	Yes	Yes
Guatemala	Bank of Guatemala	No	No	Yes	No
Honduras	Central Bank of Honduras	Yes	No	Yes	No
Nicaragua	General Directorate of Customs Services	No	No	No	No
	Ministry of Industry and Trade	No	No	No	No
Panama	National Institute of Statistics and Census	No	No	No	No
Dominican Republic	National Statistics Office	No	No	No	No
	Ministry of Industry and Trade	No	No	No	No



**Figure 33.** Conceptual design for the monitoring and evaluation system of the international timber trade scheme in the CA-RD region. *Diseño conceptual de un sistema de monitoreo y evaluación del comercio internacional de madera en la región AC-RD.*

After reviewing each country's information resources and official databases available (Table 1), the next step was revising regional and supranational organization database availability (Table 2). In regional terms, SIECA's database (2013) has information on the countries evaluated except Belize, Panama and the Dominican Republic. Since its search engine is very inconsistent, resorting to an international database was necessary. UN-Comtrade was chosen, and also required some adjustments since it presented incongruences and information gaps. This database was the best available option, since it covered the study's time frame, as well as the defined values and the countries in the region studied. Table 11 shows the main parameters that made it difficult to build a common regional database from national tools.

Given the situation, a proposal was made for the possibility of creating a timber trade monitoring and evaluation system, that looks for synergies with internationally developed methodologies, and that serves as a starting point for a regional CA-DR independent monitoring system. The timber trade monitoring and evaluation plan starts by identifying a key problem –in this case, the low capacity of regional institutions to keep reliable records of forestry statistics-, which generates negative consequences such as lack of border control for wood trade, increasing illegality rates, poor transparency in wood product trade statistics, and an increase in corruption cases (Figure 33).

The objective of developing the proposed monitoring and evaluation system was “to promote the legality of international wood product trade in the CA-DR region”. Such development objective strives to have an impact on: 1) increase in forest's net income; 2) reduction of illegality rates; and 3) improvement in legality verification schemes. The evaluation's expected effects would focus on aspects such as processing time reduction, reduction of legality access costs, and increase in legal forest product exports.

As its operational framework, the monitoring system proposes generating change starting from each country's national data reporting structures. In this setting, the monitoring system plays a vital role in increasing transparency and improving understanding of international wood product trade conditions. At the same time, generating this change is based on a series of products and activities. Table 12 identifies a first approach towards generating change, through four main monitoring activities: 1) creating a marker system; 2) creating a common Central American base; 3) strengthening institutionalization; 4) creating a control and verification system.

The marker system's main product would be an agreed proposal of regional markers, based on institutional arrangements that allow measuring the results of national initiatives in terms of forest production, traded volume, forest industrialization, and the forest sector's contribution to national GDP.

A common Central American database aims to generate, as a product, a harmonized digital system of forest trade statistics reporting for the CA-DR region. The report system must be designed to guarantee institutional traceability by improving search engines. The database will also promote the formalization of reporting protocols, so that monitoring entities will have stricter controls from the National Forest Authority.

**Table 12.** Baseline for the monitoring and evaluation plan proposed for wood product trade verification in the CA-DR region. *Marco operativo para el plan propuesto de monitoreo y evaluación del comercio internacional de madera en la región AC-RD.*

Activity	Definition	Applicability / Importance	Operability	Responsible Entities
1. Indicators system	<p>Measuring national initiative results in order to formulate a methodological framework for a regional monitoring system. Including the following indicators is proposed:</p> <ol style="list-style-type: none"> <li>1. Ratio of forests and plantations for forest production.</li> <li>2. Annual forest production (produced wood in m<sup>3</sup>).</li> <li>3. Volume and value of first and second transformation product exports and imports (chapters 44 and 94) to the region's countries.</li> <li>4. Volume and value of first and second transformation product exports and imports (chapters 44 and 94) to other regions worldwide.</li> <li>5. Number of forest industries working in wood product production, processing and trade.</li> <li>6. Number of FSC certificates issued in the country.</li> <li>7. Value of forest sector investment in regards to the national GDP.</li> <li>8. Commercial trends in the use of wood product substitutes.</li> </ol>	<ul style="list-style-type: none"> <li>▪ Allows a quantitative evaluation of the region's wood product trade.</li> <li>▪ Identifies situations that could be at the bottom of illegality schemes.</li> <li>▪ Values forest resources' contribution to each country's economic development.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Verification methods, responsible entities, monitoring frequency and information-gathering risks for each indicator are set.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Forest management</li> <li>▪ Customs authorities</li> <li>▪ Trading companies</li> <li>▪ International certifiers</li> </ul>

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Activity	Definition	Applicability / Importance	Operability	Responsible Entities
2. Common Central American database	Harmonized digital system for forest trade statistics reporting by CA-DR regions countries.	<ul style="list-style-type: none"> <li>Creates a comprehensive regional statistics system, capable of generating transparency in timber trade, and promoting regional and international legal product trade.</li> <li>Provides publicly accessible information, in order for the system to have the necessary transparency and correct information control.</li> </ul>	<ul style="list-style-type: none"> <li>Database built through centralized gathering of trade records, increasing the amount of information currently available (ex: including information on CITES species and export and import guidelines).</li> <li>This database must be designed to allow inter-institutional traceability through improvement of search engines.</li> <li>The database promotes report presenting protocol formalization with the idea that monitoring bodies have stricter controls on behalf of the National Forest Association.</li> </ul>	<ul style="list-style-type: none"> <li>Forest management</li> <li>Customs authorities</li> <li>Trading companies</li> <li>International certifiers</li> <li>Phytosanitary authorities</li> </ul>
3. Institutionalization	Formalization of regional timber trade verification methodological frameworks, in order to facilitate agreements between responsible entities in each country, and to facilitate proper development of proposed initiatives.	<ul style="list-style-type: none"> <li>Creates a common framework for action between the region's countries for strengthening national and regional timber trade legality verification processes.</li> <li>Promotes civil society inclusion in order to strengthen the monitoring plan's credibility and acceptance, and boost national actors' process appropriation.</li> </ul>	<ul style="list-style-type: none"> <li>Signing inter-institutional information transfer agreements between those responsible for wood product trade monitoring, report and evaluation.</li> <li>Each country must have a national entity (ex: Central Bank) responsible for unifying and reporting data to a regional entity trained in systematization (ex: SIECA).</li> </ul>	<ul style="list-style-type: none"> <li>Forest management</li> <li>Customs authorities</li> <li>Trading companies</li> <li>International certifiers</li> <li>Phytosanitary authorities</li> </ul>

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Activity	Definition	Applicability / Importance	Operability	Responsible Entities
4. Control and verification system	Group of elements that make up the administrative order which strives to guarantee forest law compliance, including information provided by the administration, control and audit, as well as procedures for evaluating the information and deciding on a line of action.	<ul style="list-style-type: none"> <li>▪ Verifies wood product origin in order to promote legality in its commercial schemes.</li> <li>▪ Provides the first step in improving forest ordinance; promotes secure timber trade markets.</li> <li>▪ Provides transparency to the regional monitoring plan.</li> <li>▪ Identifies inconsistencies in national trade reports.</li> <li>▪ Encourages a national register with the highest quality in trade data records.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishing an inter-institutional jurisdiction entity in charge of regional information control and audit, with the necessary tools to analyze the monitoring system.</li> <li>▪ This entity will work together with each country's Forest Administration, and the different authorities involved in wood product trade, in order to receive feedback on the system, and control possible inconsistencies associated with the reports.</li> <li>▪ The system will promote a harmonized cross control protocol for regional trade statistics, encouraging independent monitoring schemes as well.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Forest management</li> <li>▪ Customs authorities</li> <li>▪ Trading companies</li> <li>▪ International certifiers</li> <li>▪ Phytosanitary authorities</li> </ul>

Strengthening institutionalization means formalizing methodological frameworks for regional timber trade verification, to facilitate agreements among each country's institutions in charge, and promote the proper development of the initiatives proposed. Its main result would be a common framework for action among the countries of the region that will allow strengthening national and regional timber legality verification processes.

Finally, creating a verification and control system is defined as the set of all the elements that make up the administrative system, which looks to guarantee forest legislation compliance, including information provided by the administration, control and audit, as well as procedures for evaluating the information and deciding on a line of action. The main product is the proposed creation of a body with inter-institutional jurisdiction, in charge of controlling and auditing regional information with the necessary tools to analyze the monitoring and evaluation system.

## 4. Conclusions

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This study was able to identify the major challenges faced by the CA-DR region regarding wood product trade. The investigation showed the reality of information quality and availability, the procedures for trade permit access, wood product export and import data, and the need to develop regional trade monitoring systems.

### Statistical Information Resources in the CA-DR Region

It was confirmed that there is no single, harmonized source for data on forest production statistics, and on wood and wood product trade that includes all the countries analyzed.

Forest production statistics reported by the national forest authority can normally be found in terms of volume (generally, cubic meters), but export and import statistics issued by the customs authority are reported in value and weight (usually American dollars and kilograms). In order to tie the two variables together, it is necessary to perform weight to volume conversions (kg to m<sup>3</sup>). Additionally, not all countries have a public and disaggregated information system for wood product trade statistics. With the exception of El Salvador and Costa Rica, official databases on the Internet have limited access (incompatible formats and data disaggregation level, which makes process analysis difficult).

Furthermore, inconsistencies were found on data generated by the very same search engines, even when regional and global databases are fed by official sources. This creates significant discrepancies in comparisons established between the statistics of the databases analyzed.

Since CITES statistics gathered by administrative authorities are not homologated with the customs tariff numbers, it is not possible to crosscheck them against the countries' trade statistics. Finally, the CA-DR region does not have statistics on trade in FSC certified wood products with commercial purposes.

## Statistical Analysis of Wood and Wood Product Trade Flows in the CA-DR Region

In terms of trade data, it was confirmed that El Salvador, Honduras, and Costa Rica have the highest import values on products from other countries within the region (intra-regional), while Guatemala, followed by El Salvador and Costa Rica have the highest intra-regional exports.

Commercial transactions with international markets (extra-regional) are dominated by the Dominican Republic, Panama, and Costa Rica, which hold the highest imported value, while Costa Rica, Panama, and Honduras are the region's main exporters to those markets.

It was also confirmed that most wood and wood product imports from international markets registered in the CA-DR region come from the United States of America, while the European Union is in third place. In turn, the majority of exports are destined to the rest of Asia region.

Possible sources for discrepancies in trade statistics might be mainly due to mistakes in criteria employed for assigning wood product customs tariff numbers (classification criteria), aside from possible typographical errors, incomplete records, different unit conversion systems, and search engine mistakes.

It is concluded that there is no clear evidence that statistical discrepancies between countries are a direct reflection of illegality. However, statistical discrepancies have a similar effect, since they represent lack of credibility in the trade information system.

## International Trade Verification System for Wood and Wood Products Registered in the CA-DR Region

All countries have a forest production, harvesting and processing regulatory framework. This governance scheme frequently manages very complex administrative procedures for accessing forest resources. As a result, legality access costs rise, which creates conditions in which forest actors decide on illegal practices. Such practices are favored by the fact that the government's forest control where forests are located is deficient or inexistent.

In the CA-DR region, international wood and wood product trade administration and control involves three different authorities: forest, phytosanitary, and customs. In terms of exports and imports, phytosanitary and customs authority administration and control requirements are similar in every country. This is due in good part to the commercial integration process that has been taking place, which encourages process standardization. However, forest authority processes have not yet been homologated.

In terms of costs and the number of procedures required for wood and wood product export, the difference between countries is due to two factors: customs broker costs, and forest

authority requirement costs. Customs broker costs depend on each country's transaction costs and on its exporting tradition. The Dominican Republic, Honduras, Belize and Panama have the highest export permit costs (for species not included in the CITES convention). Also, Panama, Nicaragua, the Dominican Republic and Belize have the largest number of procedures for obtaining those permits. All these countries require an export permit or inspection by the Forest Administration for all timber forest species.

In terms of exporting tree species under the CITES convention in the CA-DR region, it is clear that each country has its own procedures for granting an export or import permit or CITES certificate. In terms of costs and processing time, these increase between 30% to 200%, and between 8 to 30 additional days, respectively, in contrast to non-CITES species, which could represent an incentive for illegally trading these valuable species.

Even though in most of the region's countries forest authorities require an administrative process (permit), and wood and wood product export inspection (control), in some cases forest legality verification systems are basically administrative procedures. On the other hand, these authorities are not always present at borders or ports, which limits inspection and audit.

Phytosanitary authorities do not inspect exports (only imports). Furthermore, customs authorities only examine between 5% and 10% of the wood and wood products traded between countries. If we also take into consideration the fact that no export and import auditing processes were observed by either authority, this could be an influencing factor for the proliferation of illegal practices.

Finally, it was clear that in every country in the CA-DR region there are forest production, exploitation and processing irregularities, as well as in wood and wood product trade. Possible causes lie in the poor performance of national authorities regarding forest harvesting and trade controls, and in high costs for adjusting to legal trade schemes. These costs become a perverse incentive inciting forest permit and phytosanitary export requirement evasion.

One might conclude that the high cost for accessing legal wood product trade (species covered by CITES and others outside the agreement) affects the forest sector's competitiveness and reduces the forest resource's profitability, creates illegal logging incentives, and encourages degradation and deforestation processes.

## Wood and Wood Product Trade Monitoring in the CA-DR Region

Statistical data comparison between countries is still an important tool for discrepancy analysis and search for illegal trade evidence (clandestine and smuggling), but must be improved by implementing a monitoring system.

This regional monitoring system is built from wood product trade statistics, so that it helps promote significant improvement in trade legality verification systems and strengthens forest governance schemes.

Using national statistics databases as a starting point, one publicly accessible and transparent common centralized record regional database must be created, by formalizing agreements between institutions for strengthening the surveillance system. SIECA is the organization called upon to act as a driving force, and to serve as springboard for this regional statistics database.

On the other hand, a wood and wood product trade monitoring system must have clear indicators that help measure the proposed initiative's results; for example, the balance between forest lands and legal forest production, and wood exports. Also, such a monitoring system must be able to associate wood product trade information (imports, for example), with the manufacturing capacity, and the industry's actual processing.

This regional system must allow potential international clients to get to know, beyond a doubt, wood's legal origin, product traceability and the mechanism's transparency. Furthermore, it must help generate trust and credibility before international markets buying the CA-DR region's wood and wood products.

Finally, the importance of the following aspects stands out: a) identifying and differentiating wood and wood products with a voluntary forest certification (FSC/COC, for example), in quantity as well as in monetary value; b) coding or creating customs tariff numbers for high-value species products (for example, mahogany or the *Dalbergia* genus species which are CITES species); c) allow traceability of this wood's trade with national production (by species and produced volume).

# 5. Recommendations

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## Resources of Statistical Information in the CA-DR Region

One of the main challenges is to build a single regional database on wood products that will allow to compare statistical data and analyze discrepancies among the countries. This would not only help to generate reliable and robust statistical information available to civil society, but also to implement the legal international trade monitoring of wood products. A regional database must also:

- Offer digital access through a national or regional platform, both to each country's authorities and to civil society.
- Real time recording of wood product trade data and real time identification of the inconsistencies of the trading registries being entered in the system.
- Report forest statistics not only in terms of volume, but also value and weight. Or report wood and wood product trade statistics in terms of value, weight and volume.
- Guarantee active engagement of national and regional authorities of the forest, customs, phytosanitary, forest certification and CITES areas, in order to obtain agreements and synergies in the system's implementations.

## Statistical Analyses of Wood and Wood Product Trade Flows in the CA-DR Region

In order to influence improvement of the information submitted, participatory workshops must be developed with each country's authorities (forest, customs, phytosanitary, statistics-collecting and management authorities and CITES), as a way to return the results of the study performed in the countries. Likewise, inter-institutional dialogue must be promoted to discuss the following aspects:

- Validate administrative governance (procedures) of each country's wood and wood product exports and imports; this would enable simpler procedures and reduce costs for legality.
- Reach agreements and proposals to improve national statistical systems regarding trade control (traceability), monitoring and evaluation, as well as search engines and the way national statistics are reported.
- By means of a harmonized system sensitive to the type of product, units and species, improve wood traceability to promote forest production control, protection of threatened species, forest certification and proper customs administration and control of wood trade, in an integrated manner (from the product's forest market to the forest).

Validating the administrative governance of exports and imports, which would be the first result of these workshops, and using information on wood product trade updated for each country of the region will enable a comprehensive analysis of the trade of each country's forest products with the region and of the region with foreign markets. Based on such information, it would be possible to draw conclusions and define more accurate policy actions within each country.

## International Trade Verification System for Wood and Wood Products Registered in the CA-DR Region

An essential action is to motivate the forest actors of the region to prefer legal wood and wood product production and trading practices. For this purpose, the national forest authorities must start a dialogue to standardize export and import procedures, as phytosanitary and customs authorities have done. Likewise, the CITES administrative authorities can homologate the procedures to grant a CITES export and import permit or certificate in the region. This can be achieved by developing or improving a regional platform (for example, SIECA) and, subsequently, within each country, by reviewing the regulatory processes to have access to the forest resource.

Due to the limited presence of forest authorities in the borders and ports, each country of the region may sign inter-institutional cooperation agreements between the forest and the phytosanitary authority for inspections (controls), mainly of gross wood exports (logs and sawn timber). If it were not possible to inspect 100% of said exports, at least periodical samplings must be performed, especially of the most valuable species.

## Monitoring of International Wood and Wood Product Trade in the CA-DR Region

For the countries' authorities, mainly forest authorities, it is important to complement the trading statistics database with information from 2012, 2013 and eventually 2014. Updated statistics will serve to evaluate the projection made in the study for these two years, improve the analysis of the discrepancies and the possible reasons why they occurred and better understand trade's development during the years previous to submitting the data in the countries.

Further, it is necessary to promote regional efforts dealing with the measurement of variables in the Central American forest sector. The indicators established by this study are closely aligned with the CCAD's Monitoring and Evaluation System of the Regional Strategic Program for Forest Ecosystems Management (Perfor).

Finally, it is considered necessary to harmonize each country's forest statistics system. In the SIECA framework, a regional control proposal may be developed to enable the forest trade verification system to have, with an integrated means of administrative procedures, independent controls, auditing and monitoring. With this, cross controls and balances may be incorporated into the Monitoring and Evaluation System, to guarantee the credibility of the regional and international wood trading system in the CA-DR region.

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## 7. Annexes

### Annex 1. Belize

**Table A1.1** Belizean exports of CITES species from 2006 to 2012. *Exportaciones beliceñas de especies CITES del 2006 al 2012.*

Common name	Scientific Name	2006	2007	2008	2009	2010	2011	2012	Total (m <sup>3</sup> )
Mahogany	<i>Swetenia macrophylla</i>	578.5	614.1	1,082.3	362.7		1,478.8	622.6	4,739.0
Cedar	<i>Cedrela odorata</i>				19.6	331.4	46.0	2.6	399.5
Ziricote	<i>Cordia dodecandra</i>						0.3	0.0	0.3
	<i>Astronium graveolens</i>		2.0			45.5	17.8	18.2	83.4
	<i>Platymiscium yucatanum</i>		0.7	4.9		563.7	352.8	583.7	1,505.7
	<i>Metopium brownei</i>			0.7	27.9	875.6	1,989.6	430.7	3,324.5
	<i>Lonchocarpus castilloi</i>		2.5	54.6	18.8		364.8	163.5	604.0
<b>Total</b>		<b>578.5</b>	<b>619.2</b>	<b>1,142.4</b>	<b>429.0</b>	<b>1,816.1</b>	<b>4,250.1</b>	<b>1,821.1</b>	<b>10,656.5</b>

**Source:** Windsor, M. December, 2012. Forest Department of Ministry of Forestry, Fisheries and Sustainable Development. Personal communication.

**Table A1.2** Procedure for wood and wood product export from Belize in 2012. *Procedimiento para exportar madera y manufacturas de madera desde Belice en el 2012.*

Steps	Place	Requirements	Results	Cost (US\$)*	Duration
1. Get an export permit by the Forest Department or, if applicable, a CITES permit.	Forest Department, Ministry of Forestry, Fisheries and Sustainable Development. Inspection on site or on port/border	<ul style="list-style-type: none"> <li>▪ Supplies and Control License Form</li> <li>▪ Copies of the forest license or permits</li> <li>▪ Certificate of origin</li> <li>▪ Packing list</li> </ul>	<ul style="list-style-type: none"> <li>▪ On-site inspection</li> <li>▪ An export permit letter</li> <li>▪ If applicable, an CITES export permit</li> </ul>	\$15 to \$20	5 to 8 days
2. Obtain Supplies (control) (export) license	Supplies Control Offices	<ul style="list-style-type: none"> <li>▪ Supplies and Control License Form</li> <li>▪ Export permit letter by the Forest Department</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supplies (control) (export) license approved</li> </ul>	\$0	1 to 2 days
3. Obtain phytosanitary certificate	BAHA offices	<ul style="list-style-type: none"> <li>▪ Phone request or presence</li> </ul>	<ul style="list-style-type: none"> <li>▪ If applicable, fumigation by OIRSA</li> <li>▪ Phytosanitary certificate</li> </ul>	\$0 to \$70**  \$50	1 to 3 days
4. Get customs declaration (Export Form C100)	Customs broker offices	<ul style="list-style-type: none"> <li>▪ C100 (SAD) Form or E100 Form for the European Union</li> <li>▪ XCH2 Form by the Central Bank</li> </ul>	<ul style="list-style-type: none"> <li>▪ C100 (SAD) or E100 Form</li> <li>▪ XCH2 Form</li> </ul>	Contract of the customs broker for \$250 to \$350	1 day
5. Present and get approval of all documents at the Customs Office	Port or border by the customs broker (internal freight ranges from \$250 to \$400)	<ul style="list-style-type: none"> <li>▪ Commercial export invoice</li> <li>▪ Packing list</li> <li>▪ Carriage documents: waybill or bill of lading, customs declaration, phytosanitary certificate, export permit by the Forest Department. If applicable, CITES permit and certificate of origin.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of all documents stamped by the Customs and Excise Department</li> </ul>	Included in the customs broker's contract	1 to 3 days
<b>Total per container***</b>				<b>\$315 to \$440</b>	<b>9 to 17 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$10.5 to \$14.7</b>	

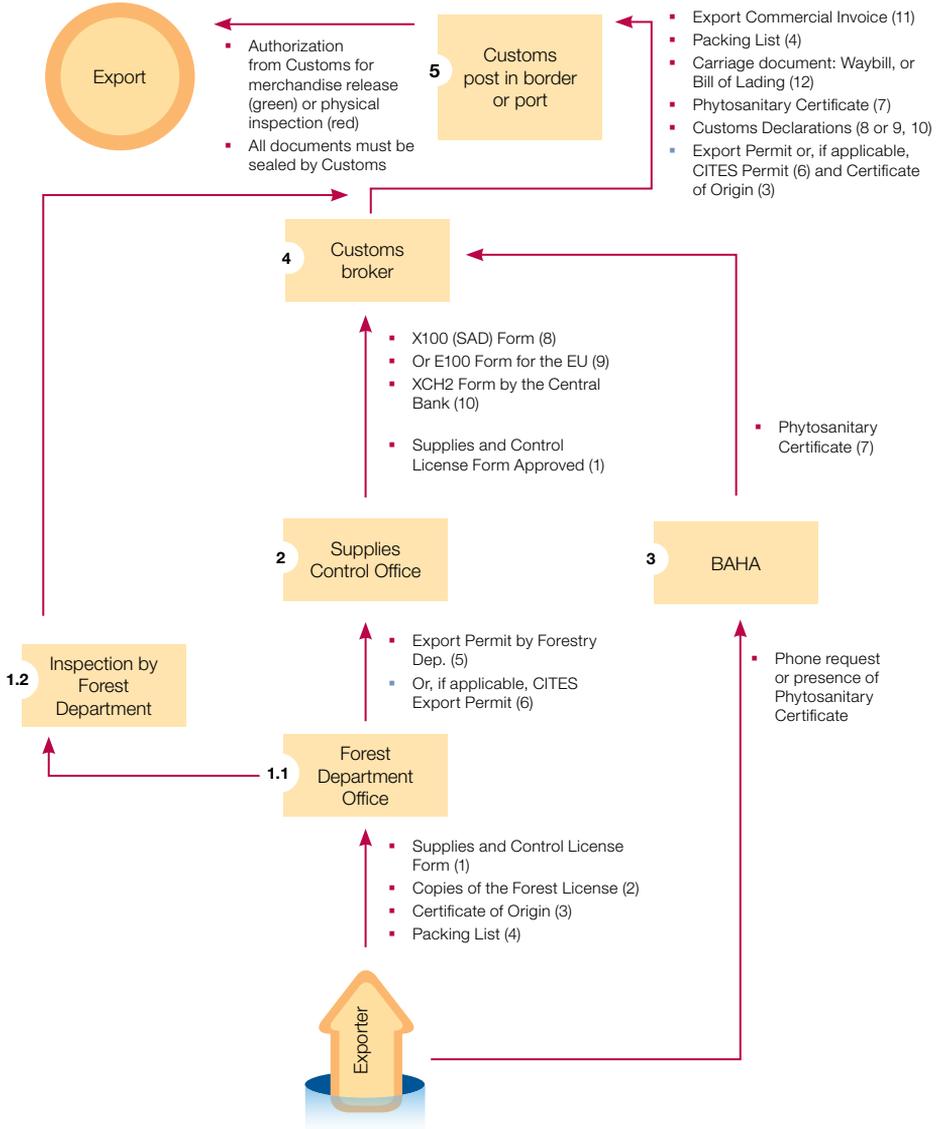
\* It does not include export internal costs like preparation of documents, internal procedures and other "sunk costs", as well as internal freight and port use.

\*\* Export cost is highly influenced by fumigation required or not.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information supplied by exporters of hardwood, furniture, customs brokers, Customs and Excise Department, Forest Department, BAHA, Supplies Control Office of the Ministry of Finance.

## BELIZE



Belize Agricultural Health Authority (BAHA)

Cost of access to legal trade: 9-17 days, 12 documents and from \$315 to \$440/container

**Figure A1.1** Procedure for wood product export from Belize in 2012. *Procedimiento para exportar productos de madera desde Belice en el 2012.*

**Table A1.3** Procedure for wood and wood product import to Belize in 2012. *Procedimiento para importar madera y manufacturas de madera a Belice en el 2012.*

Steps	Place	Requirements	Results	Cost (US\$)*	Duration
1. Get an import permit by BAHA	BAHA offices	<ul style="list-style-type: none"> <li>▪ Application form</li> </ul>	<ul style="list-style-type: none"> <li>▪ A phytosanitary import permit</li> </ul>	\$12.5	2 to 8 days
2. Obtain Supplies (control) (import) license	Supplies Control Offices	<ul style="list-style-type: none"> <li>▪ Supplies and control license form</li> <li>▪ Import permit letter by BAHA</li> </ul>	<ul style="list-style-type: none"> <li>▪ Supplies (control) (import) license approved</li> </ul>	\$0	5 to 8 days
3. Relevant enquiries to the Forest Department	Forest Department offices	<ul style="list-style-type: none"> <li>▪ Phytosanitary certificate and certificate of origin. If applicable, CITES export permit from country of origin.</li> </ul>	<ul style="list-style-type: none"> <li>▪ An approval letter</li> </ul>	\$0	
4. Hire a customs broker	Customs broker office; payment of taxes by 10% (GST) and environmental tax between 0-5% of CIF value	<ul style="list-style-type: none"> <li>▪ Commercial invoice from country of origin</li> <li>▪ Packing list</li> <li>▪ Carriage documents: waybill or bill of lading, export policy, certificate of origin and phytosanitary certificate from country of origin. If applicable, CITES export permit from country of origin.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contract of service</li> <li>▪ Customs declaration</li> <li>▪ Proof of payment of taxes and duties</li> </ul>	\$250 to \$350**	1 day
5. Present and get approval of documents at the Quarantine-BAHA and Customs Offices at port or border	Port or border by the customs broker internal freight ranges from \$250 to \$400	<ul style="list-style-type: none"> <li>▪ All commercial documents</li> <li>▪ Phytosanitary certificate</li> <li>▪ Carriage documents and, if applicable, CITES export permit from country of origin</li> <li>▪ Customs declaration</li> <li>▪ Proof of payment of tax and duties</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection of merchandise by BAHA; if applicable, fumigation by OIRSA</li> <li>▪ Customs declaration stamped</li> <li>▪ Customs authorization of release of goods or physical inspection</li> </ul>	\$10 to \$20  \$0 to \$70	2 to 4 days
<b>Total per container***</b>				<b>\$273 to \$453</b>	<b>10 to 21 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$9.1 to \$15.1</b>	

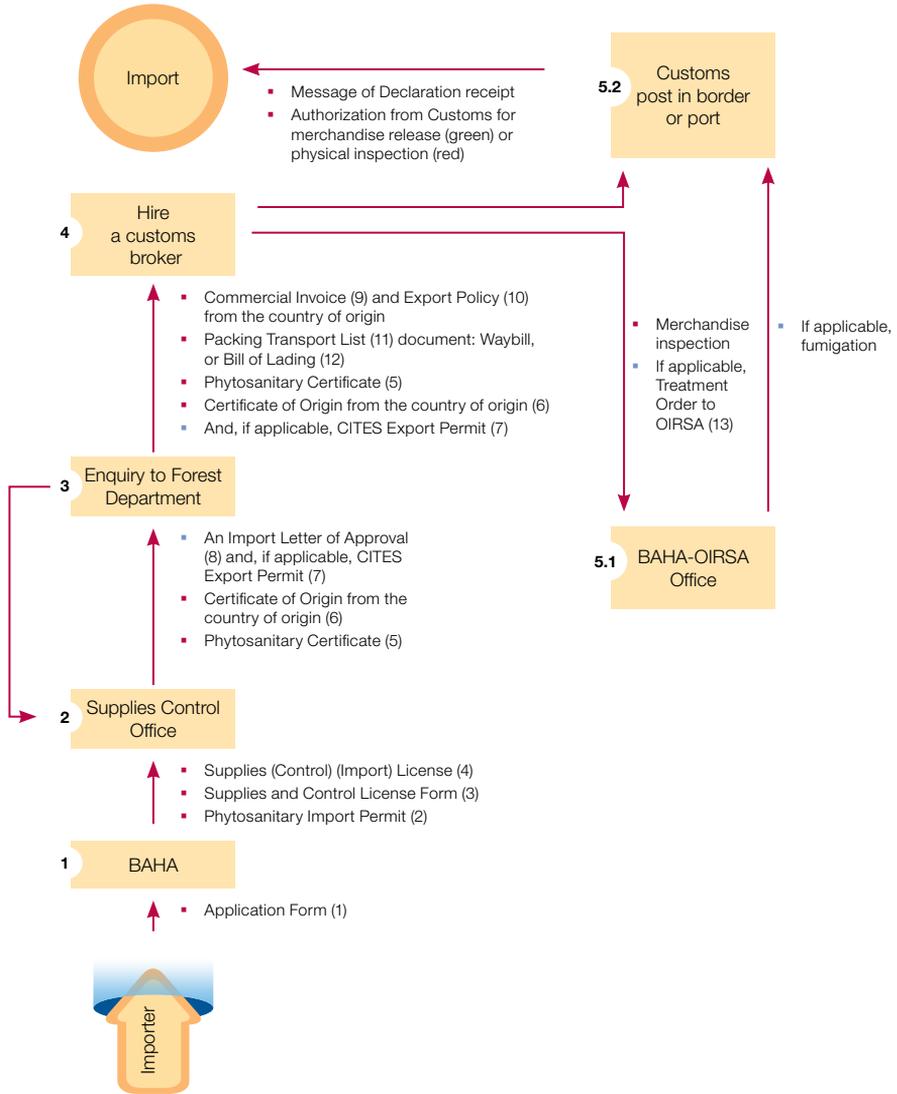
\* It does not include export internal costs like preparation of documents, internal procedures and other "sunk costs", as well as internal freight and port use.

\*\* The export cost is highly influenced by fumigation required or not.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information supplied by importers of softwood, furniture, customs brokers, Customs and Excise Department, Forest Department, BAHA, Supplies Control Office of the Ministry of Finance.

## BELIZE



Belize Agricultural Health Authority (BAHA)

Regional International Organization for Plant Protection and Animal Health (OIRSA)

Cost of access to legal trade: 10-21 days, 13 documents and from \$273 to \$453/container

**Figure A1.2** Procedure for wood product import to Belize in 2012. *Procedimiento para importar productos de madera a Belice en el 2012.*

## Annex 2. Costa Rica

**Table A2.1** Mahogany exports and imports to Costa Rica from 2004 to 2011. *Exportaciones e importaciones de caoba a Costa Rica del 2004 al 2011.*

Year Flow	2004		2005		2006		
	US\$	kg	US\$	kg	US\$	kg	
Exports	0	0	0	0	0	0	
	0	0	0	0	0	0	
	0	0	0	0	0	0	
Raw wood	0	0	0	0	19,503	24,000	
	0	0	0	0	0	0	
	0	0	0	0	19,503	24,000	
Plywood	0	0	0	0	0	0	
	0	0	0	0	0	0	
<b>Total Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19,503</b>	<b>24,000</b>	
Imports	0	0	0	0	0	0	
	0	0	0	0	38,668	86,790	
	4,463	20,000	0	0	17,929	18,801	
Sawn timber	477,113	1,134,500	687,898	1,640,000	936,178	1,720,000	
	0	0	13,254	19,900	16,386	19,990	
	0	0	0	0	0	0	
<b>Total Imports</b>	<b>481,577</b>	<b>1,154,500</b>	<b>701,151</b>	<b>1,659,900</b>	<b>1,009,160</b>	<b>1,845,581</b>	

Source: Prepared based on the data provided by Procomer and BCCR

**Table A2.2** Imports of CITES species to Costa Rica from 2006 to 2011. *Importaciones a Costa Rica de especies CITES entre el 2006 y el 2011.*

Common name	Scientific name	2006		2007		2008		2009		2010-2011		Totals	
		m <sup>3</sup>	kg	m <sup>3</sup>	kg	m <sup>3</sup>	kg	m <sup>3</sup>	kg	m <sup>3</sup>	kg	m <sup>3</sup>	kg
Mahogany (recorded in m <sup>3</sup> )	<i>Swietenia macrophylla</i>	33	23,114			272	190,400			sd	sd	305	213,514
Mahogany (recorded in kg)	<i>Swietenia macrophylla</i>	1.9	1,300	0.1	50	130	91,000			sd	sd	132	92,300
Almendra (recorded in m <sup>3</sup> )	<i>Dypteris panamensis</i>							498	348,600	sd	sd	498	348,600
<b>Totals</b>		<b>35</b>	<b>24,414</b>	<b>0</b>	<b>50</b>	<b>402</b>	<b>281,400</b>	<b>498</b>	<b>348,600</b>	<b>0</b>	<b>0</b>	<b>935</b>	<b>654,414</b>

Conversion factor: 700 kg/m<sup>3</sup>-sawn. sd: no imports reported for 2010 or 2011.

Source: Rodríguez, J. November, 2012. SINAC, San Ramón. Personal communication.

	2007		2008		2009		2011	
	US\$	kg	US\$	kg	US\$	kg	US\$	kg
	19,545	42,706	0	0	0	0	0	0
	0	0	0	0	0	0	20,790	61,500
	0	0	45,426	21,855	0	0	0	0
	0	0	0	0	0	0	0	0
	259,881	1,903,169	0	0	0	0	0	0
	279,427	1,945,875	45,426	21,855	0	0	20,790	61,500
	0	0	3184	2901	0	0	0	0
	0	0	3184	2901	0	0	0	0
	<b>279,427</b>	<b>1,945,875</b>	<b>48,610</b>	<b>24,756</b>	<b>0</b>	<b>0</b>	<b>20,790</b>	<b>61,500</b>
	0	0	61,500	58,195	0	0	0	0
	0	0	0	0	0	0	0	0
	75,107	81,520	39,403	38,102	16,699	13,778	0	0
	909,406	1,461,000	0	0	0	0	0	0
	0	0	0	0	0	0	0	0
	0	0	118,500	134,500	49,100	52,000	0	0
	<b>984,513</b>	<b>1,542,520</b>	<b>219,403</b>	<b>230,797</b>	<b>65,799</b>	<b>65,778</b>	<b>0</b>	<b>0</b>

**Table A2.3** Procedure to export wood and wood products from Costa Rica in 2012.  
*Procedimiento para exportar madera y manufacturas de madera desde Costa Rica en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. If applicable, request CITES-MINAE export permit	MINAE headquarters	<ul style="list-style-type: none"> <li>▪ Request form</li> <li>▪ Wood origin invoice with a copy of waybills or forest permits</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES export permit/certificate</li> </ul>	\$0	0 to 8 business days
2. If applicable, fumigate or apply heat treatment	OIRSA or at heat treatment plant	<ul style="list-style-type: none"> <li>▪ Request form</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation or heat treatment certificate</li> </ul>	\$0 to \$80**	0 to 3 business days
3. Obtain declarations and export certificates	Single window for foreign trade	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Phytosanitary certificate request</li> <li>▪ Certificate of origin request, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ FAUCA or DUA export declaration</li> <li>▪ Phytosanitary certificate</li> <li>▪ Certificate of origin</li> </ul>	<ul style="list-style-type: none"> <li>\$3</li> <li>\$28</li> <li>\$0 to \$3</li> </ul>	30 – 45 minutes to a day
4. Document presentation and approval by the General Directorate of Customs (DGA)	At port or border by exporter; at DGA by customs broker; internal transport ranges from \$250 to \$400.	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Carriage documents: waybill or bill of lading</li> <li>▪ FAUCA or DUA</li> <li>▪ Phytosanitary certificate</li> <li>▪ Forest permit or permit of plantation of origin</li> <li>▪ If applicable, CITES permit and certificate of fumigation or treatment and origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of documents sealed by the DGA</li> <li>▪ Certificate of plantation of origin</li> </ul>	<ul style="list-style-type: none"> <li>Included in contract agent customs; \$200 to \$250</li> <li>\$0 to 40</li> </ul>	1 to 2 days
<b>Total per container***</b>				<b>\$231 to \$404</b>	<b>2 to 14 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$7.7 to \$13.5</b>	

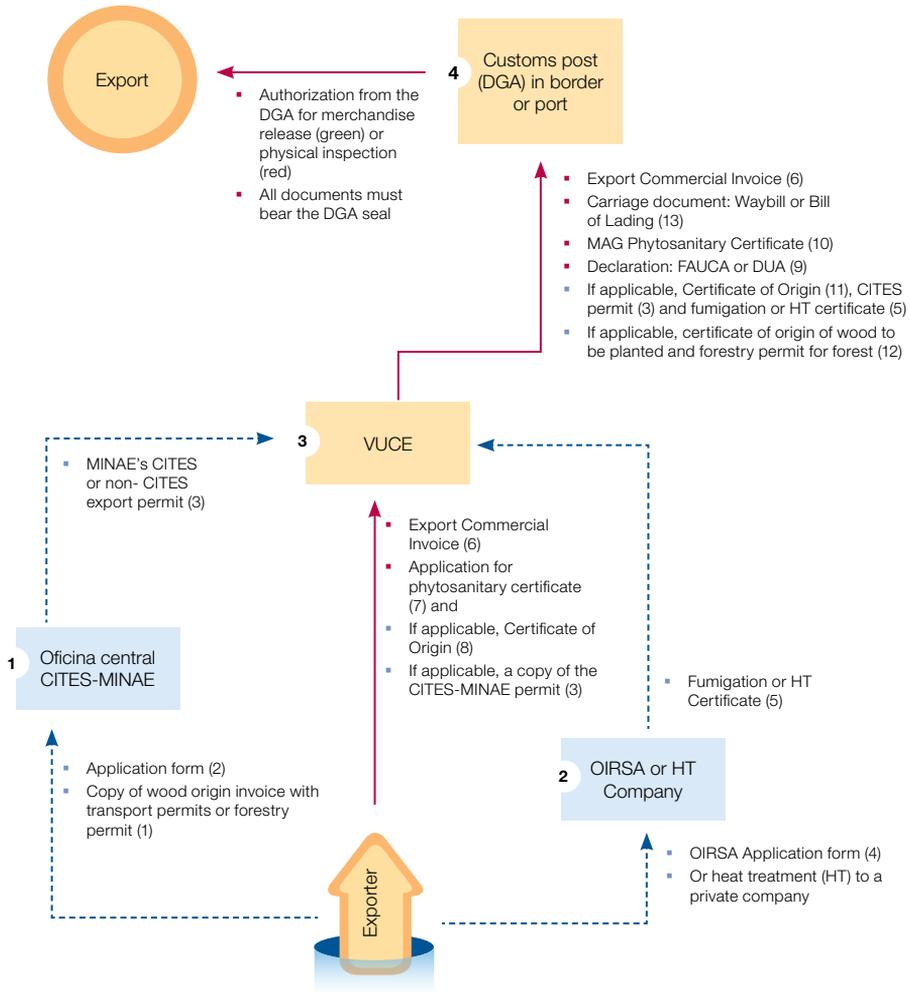
\* It does not include export internal costs like preparation of documents, internal procedures, document presentation and other "sunk costs", as well as internal freight and port use.

\*\* The cost is influenced by the need for fumigation and if hiring a customs broker is required.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by teak and balsa wood exporters, customs brokers, Procomer, MAG, MINAE, OIRSA, and <http://costarica.eregulations.org/show-step.asp?l=es&mid=50&rid=53>

## COSTA RICA



- Necessary step
- - - - - Step if applicable

Single Window for Foreign Trade (VUCE)  
 Regional International Organization for Plant Protection and Animal Health (OIRSA)  
 General Directorate of Customs (DGA),  
 Heat Treatment (HT)

Cost of access to legal trade: 2-14 days, 13 documents and from \$231 to \$404/container

**Figure A2.1** Procedure to export wood products from Costa Rica in 2012. *Procedimiento para exportar productos de madera desde Costa Rica en el 2012.*

**Table A2.4** Procedure to import wood and wood products to Costa Rica in 2012. *Procedimiento para importar madera y manufacturas de madera a Costa Rica en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Obtain a previous phytosanitary permit from the MAG	Online or at MAG's Government Phytosanitary Service offices	<ul style="list-style-type: none"> <li>▪ Prior import permit request</li> <li>▪ Exporter's invoice or <i>pro forma</i> at country of origin</li> <li>▪ Carriage documents: Waybill or bill of lading</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phytosanitary import permit. Product's phytosanitary requirements.</li> </ul>	\$43	From 15 to 30 minutes (online) to one day
2. Hire a customs broker (AA)	AA office; sales tax and forest law taxes (10% and 3% of CIF value), and import tariff rights (DAI)/tariffs (5%-15%)	<ul style="list-style-type: none"> <li>▪ Country of origin invoice – Carriage documents</li> <li>▪ Country of origin CITES export permit, if applicable</li> <li>▪ Certificate of origin</li> <li>▪ FAUCA or export policy</li> <li>▪ Phytosanitary certificate from the country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ AA service contract</li> <li>▪ TICA online declaration</li> <li>▪ Tax and tariff payment receipt</li> </ul>	\$250 to \$300	One day
3. Present and obtain approval of quarantine documents – MAG and DGA	MAG-OIRSA window, internal transport ranges from \$250 to \$400	<ul style="list-style-type: none"> <li>▪ Tax and tariff proof of payment. TICA online declaration</li> <li>▪ All commercial and phytosanitary documents. If applicable, CITES import and export permits from the country of origin.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Merchandise inspection by MAG and fumigation by OIRSA, if applicable</li> <li>▪ Declaration (DUA) receipt message by the DGA</li> <li>▪ Message from the DGA authorizing the release of merchandise at customs department or physical inspection</li> <li>▪ Aspersión of loading unit</li> </ul>	<p>Online \$0 to \$80**</p> <p>\$6</p>	1 to 4 days
<b>Total per container ***</b>				<b>\$299 to \$429</b>	<b>3 to 6 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$10.0 to \$14.3</b>	

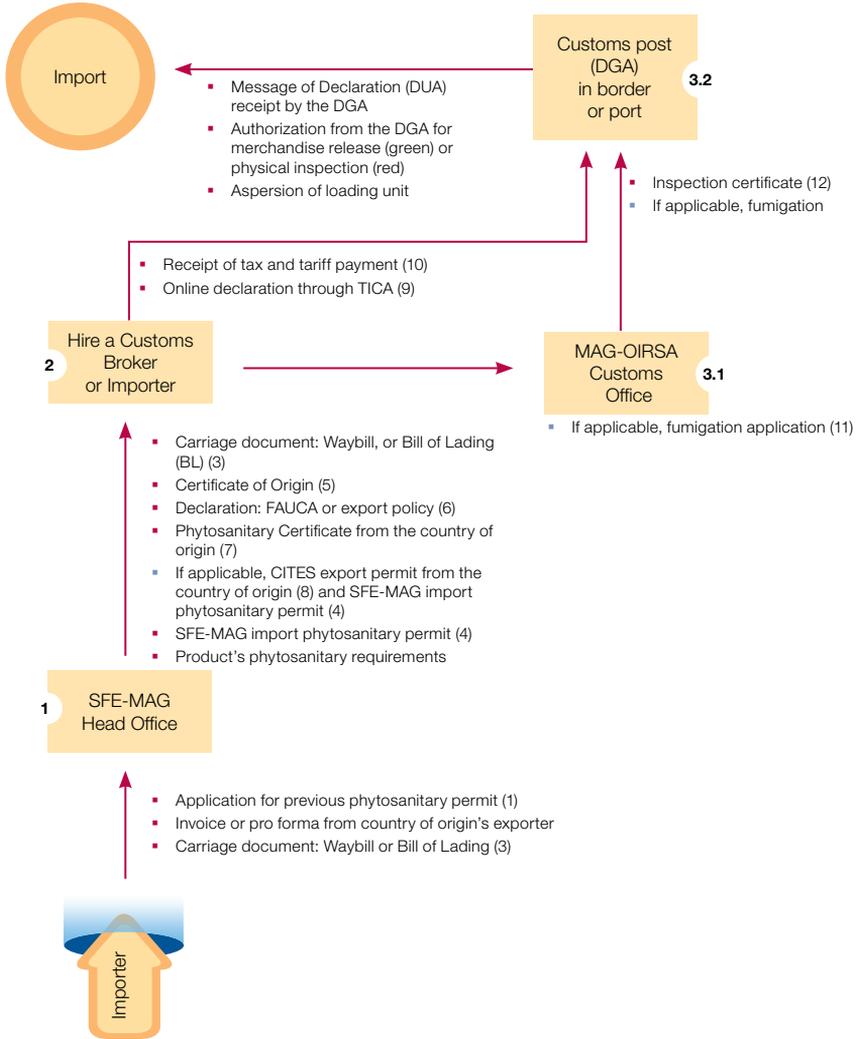
\* It does not include import internal costs like preparation of documents, internal procedures, document presentation and other "sunk costs", as well as internal freight and port use.

\*\* Cost is influenced by fumigation required or not, by a customs broker.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by importers of pinewood, plywood from the USA and furniture; customs brokers, Pro-Comer, MAG, MINAE, OIRSA and <http://costarica.eregulations.org/show-list.asp?l=es&mid=85>

## COSTA RICA



→ Necessary step

Government Phytosanitary Service (SFE)  
Ministry of Agriculture and Livestock (MAG)  
Regional International Organization for Plant Protection and Animal Health (OIRSA)  
General Directorate of Customs (DGA)

Cost of access to legal trade: 3-6 days, 12 documents and from \$299 to \$429/container

**Figure A2.2** Procedure to import wood products to Costa Rica in 2012. *Procedimiento para importar productos de madera a Costa Rica en el 2012.*

## Annex 3. El Salvador

**Table A3.1** Authorized volume (m<sup>3</sup>) for harvesting threatened or endangered species in El Salvador from 2006 to 2011. *Volumen (m<sup>3</sup>) autorizado para el aprovechamiento de especies amenazadas o en peligro de extinción en El Salvador del 2006 al 2011.*

Species	2006	2007	2008	2009	2010	2011	Total (m <sup>3</sup> )
Mahogany	16.96	20.86	22.98	9.32	25.02	7.23	102.37
Cedar	16.23	488.47	803.61	479.93	1,119.90	546.42	3,454.56
<b>Total</b>	<b>34.48</b>	<b>719.84</b>	<b>832.26</b>	<b>489.25</b>	<b>1,144.92</b>	<b>553.65</b>	<b>3,774.40</b>

**Source:** Aguilar, J. Marzo 2013. Forest Resources Area DGFCR-MAG. Personal Communication.

**Table A3.2** Procedure to export wood and wood products from El Salvador in 2012. *Procedimiento para exportar madera y manufacturas de madera desde El Salvador en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Request CITES-MAG export permit, if applicable	MAG headquarters	<ul style="list-style-type: none"> <li>▪ Request form</li> <li>▪ A copy of the forest permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES or non-CITES export permit/certificate</li> <li>▪ MAG proof of payment</li> </ul>	\$0 to \$15	0 to 2 business days
2. Perform fumigation, heat treatment or pest control pre-certification, if applicable	OIRSA at plant or at point of exit, or at heat treatment plant, or at MAG	<ul style="list-style-type: none"> <li>▪ OIRSA request by email or phone</li> <li>▪ MAG phytosanitary pre-certification, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation certificate</li> <li>▪ Pre-certification</li> <li>▪ Heat treatment certificate</li> </ul>	\$0 to \$69  \$0 to \$51	0 to 3 business days
3. Obtain export declarations and certificates	CIEX headquarters or online	<ul style="list-style-type: none"> <li>▪ A copy of the export commercial invoice</li> <li>▪ Phytosanitary certificate request</li> <li>▪ Certificate of origin request, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Export declaration (FAUCA or DM)</li> <li>▪ Phytosanitary certificate</li> <li>▪ Certificate of origin</li> </ul>	  \$6.80  \$13	30 to 45 minutes (online) to one day
4. Present documents and obtain their approval at the DGA and MAG-OIRSA	At port or border by exporter, or at the DGA by the customs broker; internal transport varies from \$250 to \$400	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Packing list</li> <li>▪ Carriage documents: waybill, or bill of lading, export declaration (FAUCA or DM), phytosanitary certificate; if applicable, CITES permit and certificate of fumigation or treatment, or pre-certification and origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of documents sealed by the DGA</li> </ul>	Included in the AA contract, from \$50 to \$80 **	1 to 2 days
<b>Total per container ***</b>				<b>\$70 to \$235</b>	<b>2 to 8 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$2.3 to \$7.8</b>	

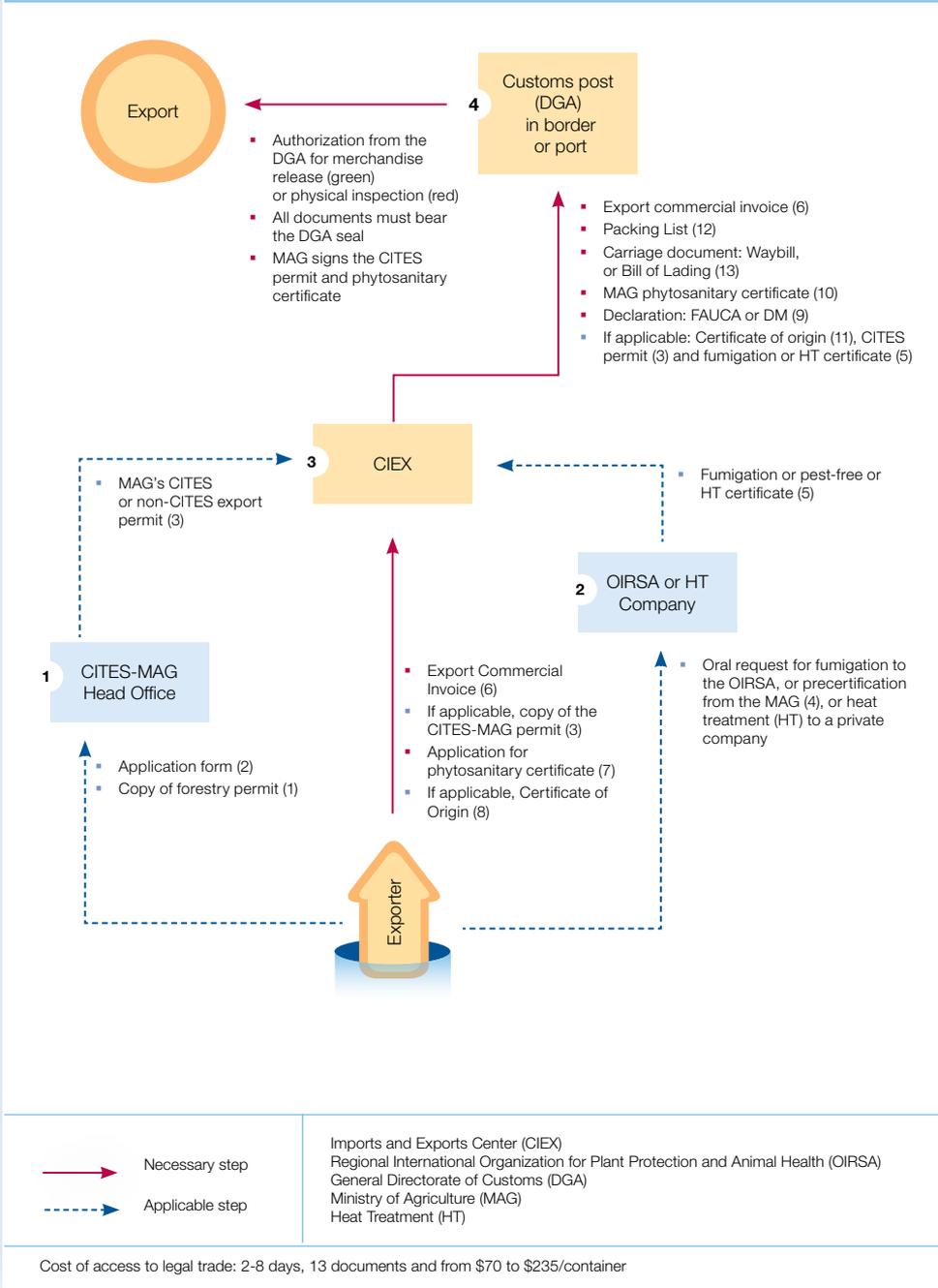
\* It does not include export internal costs like preparation of documents, internal procedures, document presentation and other "sunk costs", as well as internal freight and port use.

\*\* Cost is influenced by fumigation required or not, by a customs broker.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by teak wood exporters, customs brokers, CIEX, DGFCR, MAG's DGSVA, PROESA, OIRSA, and <http://elsalvador.eregulations.org/procedure/373/243?l=es>

## EL SALVADOR



**Figure A3.1** Procedure to export wood products from El Salvador in 2012. *Procedimiento para exportar productos de madera desde El Salvador en el 2012.*

**Table A3.3** Procedure to import wood and wood products to El Salvador in 2012. *Procedimiento para importar madera y manufacturas de madera a El Salvador en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Obtain prior phytosanitary import permit	MAG office or online	<ul style="list-style-type: none"> <li>▪ Import request</li> <li>▪ Exporter's invoice or <i>pro forma</i> from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phytosanitary import authorization</li> </ul>	\$82	1 to 3 days
2. Request CITES-MAG import permit, if applicable	MAG headquarters	<ul style="list-style-type: none"> <li>▪ Request form</li> <li>▪ CITES permit, receipt and phytosanitary certificate from country of origin</li> <li>▪ MAG phytosanitary import authorization</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES import permit/certificate</li> <li>▪ MAG proof of payment</li> </ul>	\$0 to \$15	0 to 2 business days
3. Hire a customs broker (AA) or customs special representative	AA offices; tax payment: sales tax (12% CIF value), and DAI/tariffs (5%-15%)	<ul style="list-style-type: none"> <li>▪ Invoice and packing list</li> <li>▪ Certificate of origin</li> <li>▪ FAUCA or export policy, and phytosanitary certificate from the country of origin</li> <li>▪ Carriage documents: waybill or bill of lading</li> <li>▪ MAG import authorization, and CITES export permit from the country of origin, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Container(s) service contract</li> <li>▪ Tax and tariff proof of payment</li> <li>▪ Online declaration issued by Sidunea</li> </ul>	\$150 to \$200	One day
4. Present documents and obtain approval from MAG and DGA	MAG-OIRSA window, internal transport ranges from \$250 to \$400	<ul style="list-style-type: none"> <li>▪ Tax and tariff proof of payment</li> <li>▪ Online declaration issued by Sidunea</li> <li>▪ All commercial and phytosanitary documents</li> <li>▪ CITES-MAG import permit, and export permit from the country of origin, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection, if applicable, treatment order, and fumigation by OIRSA</li> <li>▪ DGA message stating declaration (DUA) receipt, and merchandise release authorization or physical inspection</li> <li>▪ Aspersions of loading unit</li> </ul>	Online \$0 to \$69**	1 to 3 days
<b>Total per container ***</b>				<b>\$238 to \$376</b>	<b>3 to 9 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$7.9 to \$12.5</b>	

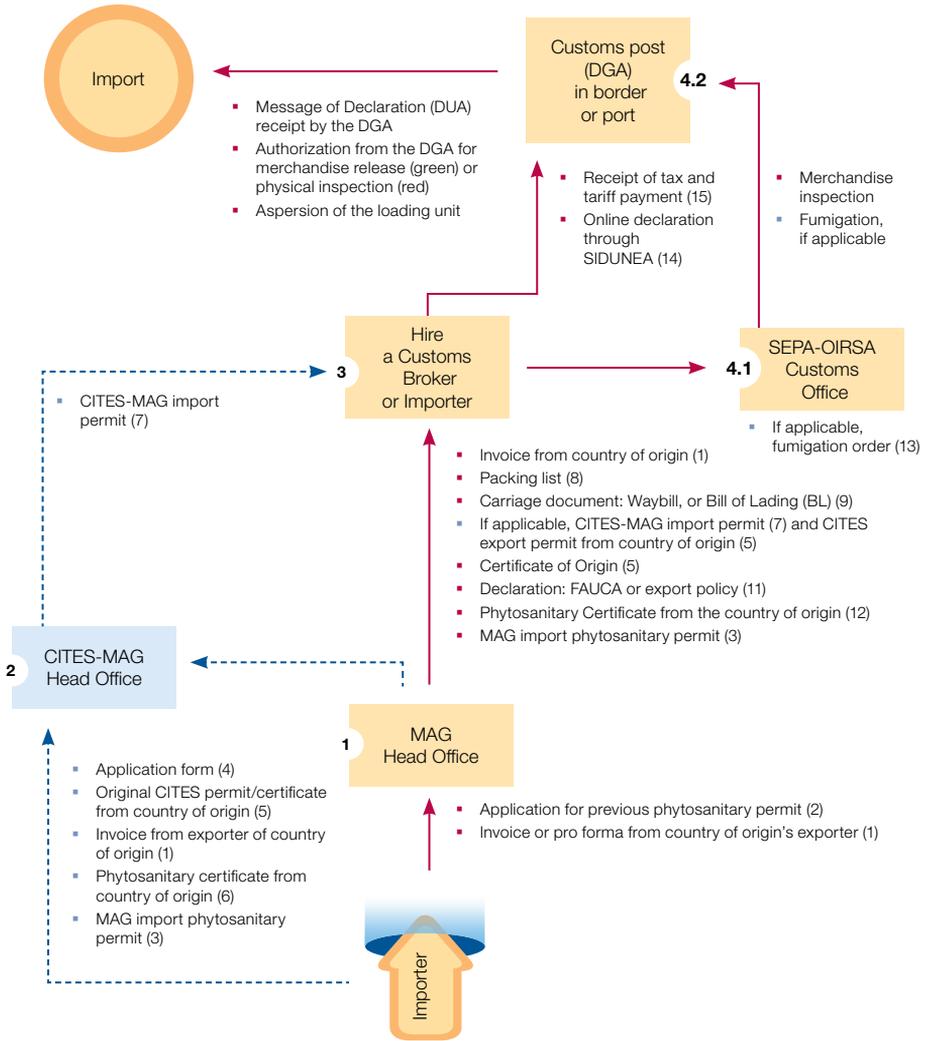
\* It does not include import internal costs like preparation of documents, internal procedures, document presentation and other "sunk costs", as well as internal freight, taxes or tariffs and port use.

\*\* Import cost is influenced by fumigation; the import time depends on the need for a CITES permit/certificate, on the previous phytosanitary import permit and if the species has been previously imported or not.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by importers of plywood from the USA and China, pinewood from Honduras and Chile; customs brokers, CIEX, MAG's DGFCR and DGSA, PROESA, OIRSA and <http://elsalvador.eregulations.org/menu/383>

## EI SALVADOR



- Necessary step
- - - - - → Applicable step

Agriculture and Livestock Protection Service (SEPA)  
 Regional International Organization for Plant Protection and Animal Health (OIRSA)  
 General Directorate of Customs (DGA)  
 Ministry of Agriculture (MAG)

Cost of access to legal trade: 3-9days, 15 documents and from \$238 to \$376/container

**Figure A3.2.** Procedure to import wood products to El Salvador in 2012. *Procedimiento para importar productos de madera a El Salvador en el 2012.*

## Annex 4. Guatemala

**Table A4.1** CITES species export from Guatemala from 2008 to 2012. *Exportaciones de especies CITES desde Guatemala del 2008 al 2012.*

Common name	Scientific name	2008		2009		2010		2011		2012		Totals	
		m <sup>3</sup>	US\$										
Mahogany	<i>Swetenia macrophylla</i>	5,818	6,813,115	4,234	4,441,907	4,082	5,466,136	3,605	5,654,253	4,150	4,589,241	21,889	226,964,651
Mahogany	<i>Swetenia humilis</i>	491	309,983	244	212,878	104	67,365	0	-	87	40,737	925	630,962
Cedar	<i>Cedrela odorata</i>	683	519,992	399	300,733	617	470,811	903	887,966	606	480,053	3,207	2,659,556
Cocobolo	<i>Dalbergia retusa</i>	20	38,381	0	-	0	-	40	335,686	0	-	59	374,067
Cocobolo	<i>Dalbergia stevensonii</i>	151	311,772	89	178,990	67	148,646	125	331,272	153	301,415	586	1,272,095
<b>Totals</b>		<b>7,161</b>	<b>7,993,241</b>	<b>4,966</b>	<b>5,134,508</b>	<b>4,870</b>	<b>6,152,958</b>	<b>4,673</b>	<b>7,209,177</b>	<b>4,997</b>	<b>5,411,446</b>	<b>26,667</b>	<b>31,901,331</b>

Source: Gálvez, A. December, 2012. CITES Timber Species Unit, CONAP's Forest Management Department. Personal Communication.

**Table A4.2** CITES species imports to Guatemala in 2012. *Importaciones de especies CITES a Guatemala en el 2012.*

Common name	Scientific name	2012	
		Volume (m <sup>3</sup> )	Value (US\$)
Mahogany	<i>Swetenia macrophylla</i>	50	\$10,617
Mahogany	<i>Swetenia humilis</i>	0	0
Cedar	<i>Cedrela odorata</i>	0	0
Cocobolo	<i>Dalbergia retusa</i>	0	0
Cocobolo	<i>Dalbergia stevensonii</i>	14	\$7,222
<b>Totals</b>		<b>64</b>	<b>\$17,839</b>

Source: Gálvez, A. December, 2012. CITES Timber Species Unit, CONAP's Forest Management Department. Personal Communication.

**Table A4.3** Procedure to export wood and wood products from Guatemala in 2012. *Procedimiento para exportar madera y manufacturas de madera desde Guatemala en el 2012.*

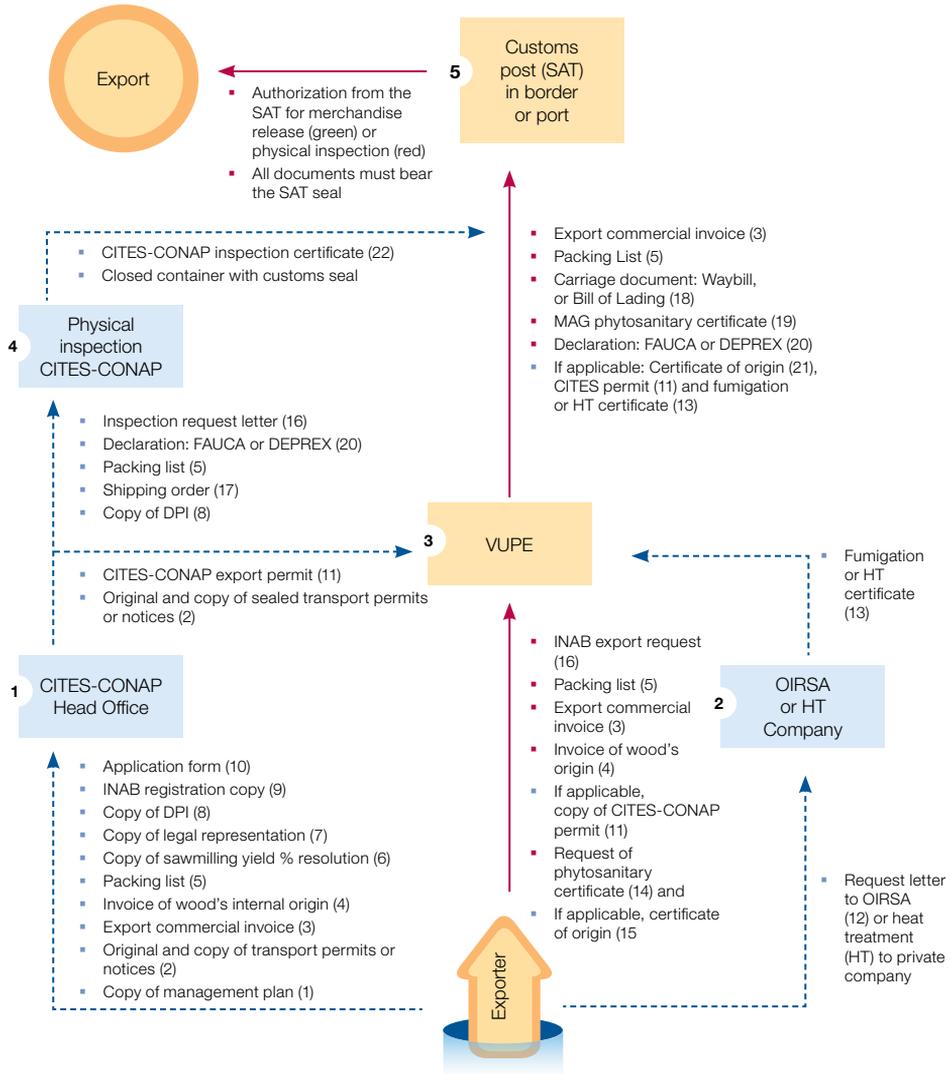
Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Request CITES-CONAP export permit, if applicable	CONAP headquarters	<ul style="list-style-type: none"> <li>▪ Request form</li> <li>▪ INAB registration copy</li> <li>▪ Copy of ID document and legal representation</li> <li>▪ Copy of sawmill performance percentage resolution</li> <li>▪ Packing list</li> <li>▪ Wood origin invoice, export commercial invoice</li> <li>▪ Original and copy of transport permits or shipment waybills</li> <li>▪ Copy of forest management plan</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES export permit/certificate</li> <li>▪ Sealed transport permits or waybills</li> </ul>	\$0 to \$150	0 to 8 business days
2. Fumigation or heat treatment, if applicable	At OIRSA or heat treatment plant	<ul style="list-style-type: none"> <li>▪ Request letter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation or heat treatment certificate</li> </ul>	\$0 to \$95	0 to 3 business days
3. Obtain export declaration and certificates	At VUPE	<ul style="list-style-type: none"> <li>▪ Export request issued by INAB</li> <li>▪ Packing list</li> <li>▪ Export commercial invoice</li> <li>▪ Phytosanitary certificate request</li> <li>▪ Wood origin invoice</li> <li>▪ Certificate of origin request, and CITES permit copy, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ INAB export permit</li> <li>▪ FAUCA or DEPSEX declaration</li> <li>▪ MAGA phytosanitary certificate</li> <li>▪ Certificate of origin</li> </ul>	\$15.63 \$4 \$6.25 \$0 to \$3.15	From 45-60 minutes to a day
4. CITES physical inspection at plant or port request, if applicable	CONAP headquarters and at plant or port	<ul style="list-style-type: none"> <li>▪ Request letter</li> <li>▪ FAUCA or DEPSEX declaration</li> <li>▪ Packing list</li> <li>▪ Shipping order</li> <li>▪ Customs seal</li> <li>▪ ID document copy</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES inspection certificate</li> <li>▪ Closed customs seal</li> </ul>		1 to 3 days
5. Present and obtain document approval at the Superintendency for Tax Administration (SAT) office	At port or border, by exporter or customs broker; wharfage cost and dispatch is approximately \$100/container.	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Packing list</li> <li>▪ Carriage documents: waybill or bill of lading, FAUCA or DEPSEX, phytosanitary certificate</li> <li>▪ CITES permit and certificate of fumigation or heat treatment, and origin, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of documents sealed by SAT</li> </ul>	In AA contract, from \$200 to \$250	1 to 2 days
<b>Total per container ***</b>				<b>\$226 to \$524</b>	<b>3 to 17 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$7.5 to \$17.5</b>	

\* It does not include export internal costs like document preparation, internal procedures, document presentation and other "sunk costs", as well as internal freight and port use.

\*\* The cost is influenced by fumigation and the use or not of a customs broker and depends on the need for a CITES permit/certificate.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

## GUATEMALA



- Necessary step
- - - → Applicable step

Single Window for Foreign Trade (VUPE), Regional International Organization for Plant Protection and Animal Health (OIRSA), Superintendency for Tax Administration (SAT), Heat Treatment (HT), Personal Identification Document (DPI)

Cost of access to legal trade: 3-17 days, 10-22 documents and from \$226 to \$524/container (\$7.5 – 17.5/m<sup>3</sup>)

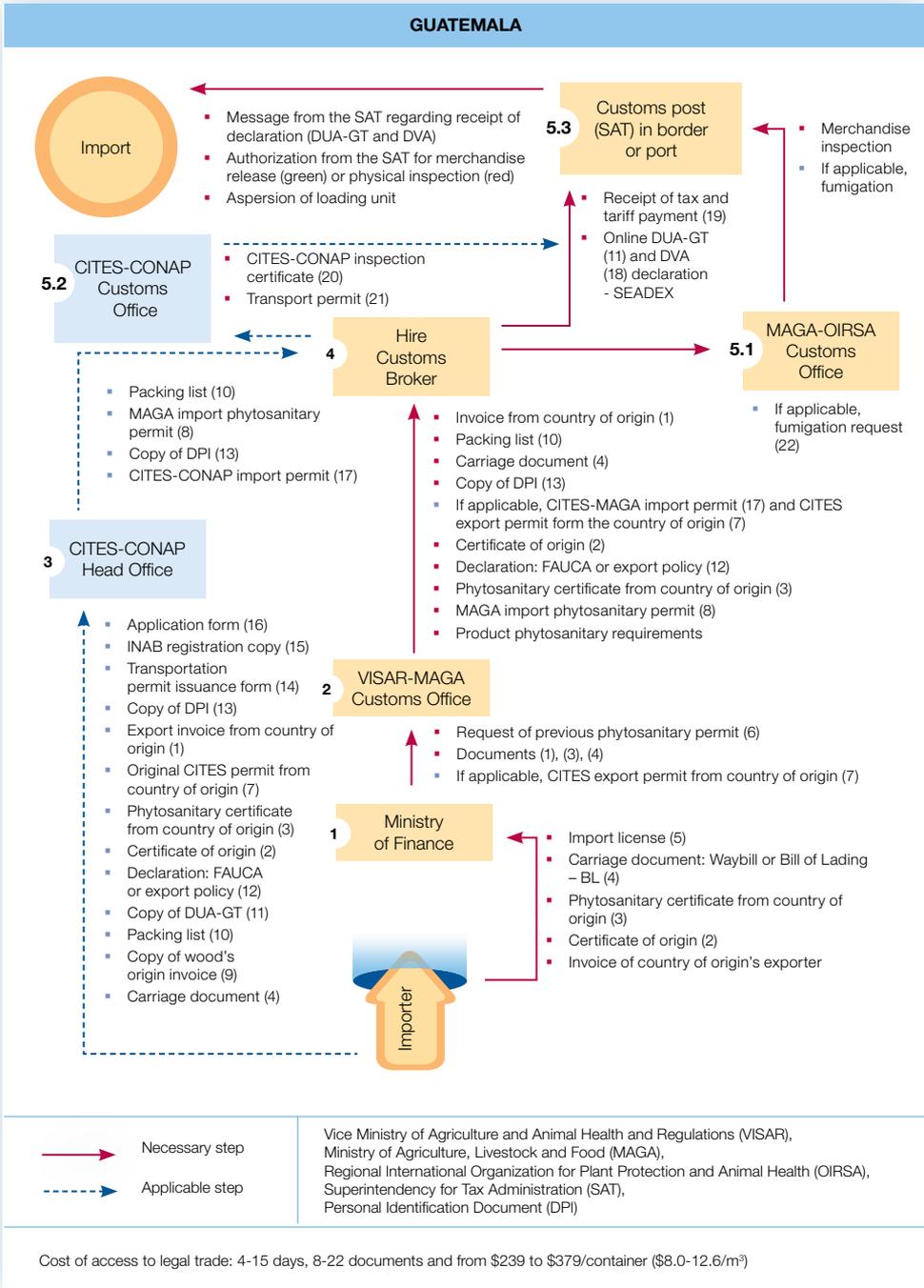
**Figure A4.1** Procedure to export wood products from Guatemala in 2012. *Procedimiento para exportar productos de madera desde Guatemala en el 2012.*

**Table A4.4** Procedure to import wood and wood products to Guatemala in 2012. *Procedimiento para importar madera y manufacturas de madera a Guatemala en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Obtain import license from the Ministry of Finance	Ministry of Finance	<ul style="list-style-type: none"> <li>▪ Commercial invoice, certificate of origin, phytosanitary certificate from country of origin</li> <li>▪ Copy of carriage document: waybill or bill of lading</li> </ul>	<ul style="list-style-type: none"> <li>▪ Import license</li> </ul>	–	One day
2. Obtain prior phytosanitary import permit from VISAR-MAGA	Online or at VISAR-MAGA offices	<ul style="list-style-type: none"> <li>▪ Application to request prior phytosanitary import permit</li> <li>▪ Exporter invoice copy, and phytosanitary certificate from country of origin</li> <li>▪ Copy of carriage document</li> <li>▪ Original CITES permit from country of origin, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prior phytosanitary import permit</li> <li>▪ Product's phytosanitary requirements</li> </ul>	\$31.25	15-30 minutes (online) to one day
3. Request CITES/ CONAP import permit/certificate, if applicable	CONAP headquarters. Process with a minimum of 7 days prior to shipment entrance	<ul style="list-style-type: none"> <li>▪ INAB and CONAP registration certificate</li> <li>▪ Request form, application form to issue transport permit; copy of ID document</li> <li>▪ Original CITES permit/ certificate, export invoice, copy of phytosanitary certificate</li> <li>▪ Certificate of origin, packing list, copy of wood purchase invoice, and copy of country of origin export declaration</li> <li>▪ Copy of DUA-GT, and carriage document</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES import permit/certificate</li> </ul>	\$0 to \$15.63**	0 to 8 days
4. Hire customs broker (AA)	AA office; tax payment: VAT (12% CIF value), and tariffs (5-15%)	<ul style="list-style-type: none"> <li>▪ Invoice from country of origin and packing list</li> <li>▪ Copy of carriage document and ID document</li> <li>▪ CITES-CONAP import permit, and CITES export permit from country of origin, if applicable</li> <li>▪ Certificate of origin, FAUCA or export policy, and phytosanitary certificate from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Container(s) service contract</li> <li>▪ Tax and tariff proof of payment</li> <li>▪ SEADDEX online declaration: DVA, and DUA-GT</li> </ul>	\$200 to \$250	One day

Continue...





**Figure A4.2** Procedure to import wood products to Guatemala in 2012. *Procedimiento para importar productos de madera a Guatemala en el 2012.*

**Source:** Information obtained during fieldwork in Guatemala. Authors: Navarro, G; Santamaria, O; Vargas, L; Milla, V. (2013).

## Annex 5. Honduras

**Table A5.1** Mahogany exports from Honduras between 2005 and 2012. *Exportaciones de caoba desde Honduras entre 2005 y 2012.*

Year	Board feet (FBM) by Exporter		Total (FBM)*	Total (m <sup>3</sup> )
	UNICAF-BRP	Fundación Madera Verde		
2005	25,163	13,151	38,314	90
2006	28,375	7,985	36,360	86
2007	24,723	9,960	34,683	82
2008	25,787	19,739	45,526	107
2009	28,434	23,590	52,024	123
2010	18,761	36,842	55,603	131
2011	16,367	0	16,367	39
2012	30,211	50,137	80,348	190
<b>Total</b>	<b>197,821</b>	<b>161,404</b>	<b>359,225</b>	<b>847</b>

\* One board foot is a piece of wood 1 inch thick, 12 inches long and 12 inches wide (equivalent to 144 cubic inches); one cubic meter has 424 FBM.

**Source:** Sandoval, C. February, 2013. Consultant in Honduras. Personal communication.

**Table A5.2** Procedure to export wood and wood products from Honduras in 2012. *Procedimiento para exportar madera y manufacturas demadera desde Honduras en el 2012.*

Steps*	Place	Requirements	Results	Cost** (US\$)	Duration
1. Request certification of export document reception	Regional ICF office	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Wood origin invoice</li> </ul>	<ul style="list-style-type: none"> <li>▪ ICF certification of having received export documents</li> <li>▪ Proof of payment</li> <li>▪ ICF</li> </ul>	\$120	1 to 2 hours
2. Request CITES-SAG export permit, if applicable	SAG headquarters, followed by ICF, through a legal representative/lawyer	<ul style="list-style-type: none"> <li>▪ Request letter and power of attorney</li> <li>▪ Original of company's articles of incorporation and bylaws</li> <li>▪ ICF certification</li> <li>▪ Wood origin invoice</li> <li>▪ A copy of the environmental license</li> <li>▪ Export commercial invoice</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES permit/certificate and SAG export permit</li> </ul>	\$0 to \$600	0 to 30 business days*
3. Request fumigation or heat treatment, if applicable	At OIRSA or heat treatment plant	<ul style="list-style-type: none"> <li>▪ Request letter</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation or heat treatment certificate</li> </ul>	\$0 to \$75***	0 to 3 business days
4. Obtain export certificates and declarations	Centrex	<ul style="list-style-type: none"> <li>▪ BCH declaration request</li> <li>▪ Export commercial invoice</li> <li>▪ RTN copy and ICF certification</li> <li>▪ Phytosanitary certificate request</li> <li>▪ Certificate of origin request, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ BCR export declaration</li> <li>▪ FAUCA or DUA</li> <li>▪ Phytosanitary certificate</li> <li>▪ Certificate of origin</li> </ul>	\$4  \$18.80  \$0 to \$5	From 30-45 minutes to a day
5. Present and obtain approval of customs documents at the Executive Directorate of Revenue (DEI)	At port or border, by the exporter or at DEI by AA. Internal transport varies from \$250 to \$1,550; wharfage is approximately \$25 per container.	<ul style="list-style-type: none"> <li>▪ Export commercial invoice</li> <li>▪ Carriage documents: waybill or bill of lading, FAUCA or DUA, phytosanitary certificate</li> <li>▪ CITES permit and fumigation or heat treatment certificate, and certificate of origin, if applicable</li> <li>▪ Packing list (optional)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of documents sealed by the DEI</li> <li>▪ Selectivity: merchandise release or physical inspection permit</li> </ul>	Including AA contract, from \$130 to \$300	1 to 2 days
<b>Total per container****</b>				<b>\$273 to \$1,123</b>	<b>3 to 36 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$9.1 to \$37.4</b>	

\* A new ICF procedure from March 14, 2013 hopes to reduce process time to 10-15 days.

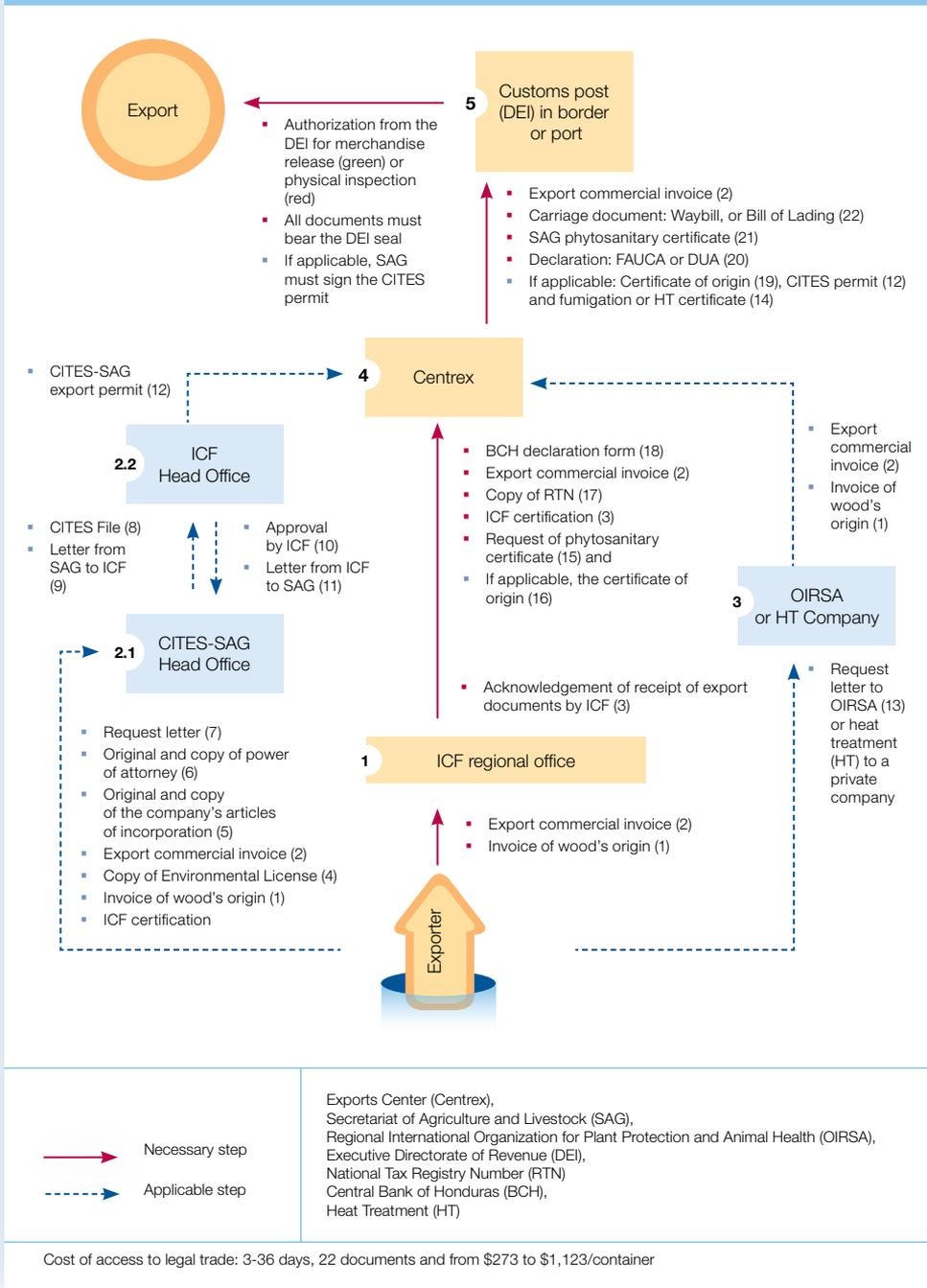
\*\* It does not include export internal costs like preparation of documents, internal procedures, document presentation and other "sunk costs", as well as internal freight and port use.

\*\*\*The cost depends on the need or not for fumigation and a customs broker; and on the need of the CITES-SAG permit/certificate, and if hiring a legal representative/lawyer is required.

\*\*\*\*A container holds approximately 30 m<sup>3</sup>.

Source: Information provided by teak, mahogany, and pinewood exporters, customs brokers, Centrex, SEPA-SAG, ICF, OIRSA, and <http://honduras.eregulations.org/show-list.asp?l=es&mid=127>

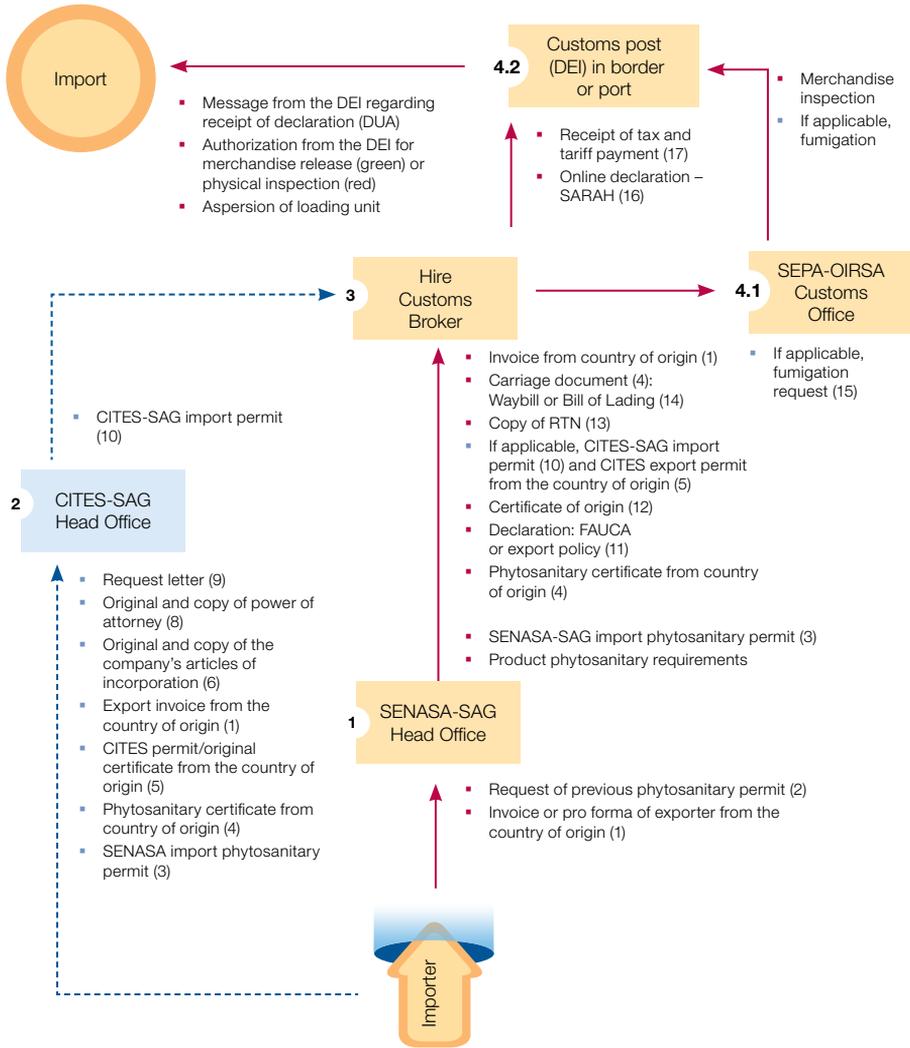
## HONDURAS



**Figure A5.1** Procedure to export wood products from Honduras in 2012. *Procedimiento para la exportación de productos de madera desde Honduras en el 2012.*



## HONDURAS



- Necessary step
- - - → Applicable step

Agriculture and Livestock Protection Service (SEPA),  
National Service of Agriculture (SENASA),  
Secretariat of Agriculture and Livestock (SAG),  
Regional International Organization for Plant Protection and Animal Health (OIRSA),  
Executive Directorate of Revenue (DEI),  
National Tax Registry Number (RTN)

Cost of access to legal trade: 3-14 days, 17 documents and from \$251 to \$679/container

**Figure A5.2** Procedure to import wood products to Honduras in 2012. *Procedimiento para importar productos de madera a Honduras en el 2012.*

## Annex 6. Nicaragua

**Table A6.1** Mahogany exports from Nicaragua between 2001 and 2006. *Exportaciones de caoba desde Nicaragua entre el 2001 y el 2006.*

Year	Number of permits issued	Exported volume (m <sup>3</sup> )	Major importing countries
2001	193	9,846.00	Honduras, Spain, United States, Puerto Rico, Dominican Republic, Denmark, Costa Rica, Portugal, Cuba, El Salvador, Cayman Islands
2002	152	7,199.83	Spain, United States, Puerto Rico, Dominican Republic, Denmark, Costa Rica, Honduras, Portugal, Cuba, El Salvador, Cayman Islands
2003	143	7,211.61	Spain, United States, Puerto Rico, Dominican Republic, Denmark, Costa Rica, El Salvador, Cuba, Mexico, Germany
2004	120	5,271.63	Dominican Republic, United States, Denmark, Spain, Mexico, Belize, Honduras, Russia
2005*	184	7,149.67	United States, Denmark, Dominican Republic, Spain, Mexico, Puerto Rico, Honduras, Guatemala, Belize
2006	49	1,466.22	United States, Honduras, Spain, Dominican Republic, Germany

\* 2005 was the last year with major mahogany exports; 2006 starts displaying a considerable decrease due to the entry into force of Season Law 585.

**Source:** Calero, F. February, 2013. Consultant in Nicaragua. Personal communication based on data from the Marena 2006 Annual Report.

**Table A6.2** CITES species exports from Nicaragua between 2007 and 2011. *Exportaciones de especies CITES desde Nicaragua entre el 2007 y el 2011.*

Species	2007	2008	2009	2010	2011	Observation
Mahogany ( <i>Swietenia macrophylla</i> ), (m <sup>3</sup> )	1,388.71	1,359.37	799.49	710.74	219.1	Trees felled by Hurricane Felix and with second transformation
Ñambar ( <i>Dalbergia retusa</i> ), (m <sup>3</sup> )	---	---	---	48.43	66.1	

\* Inafor Resolutions, DE-68-2011 and DE-69-2011 define first and second transformation products as follows: first transformation is the first processing that round wood undergoes to obtain sawn timber in different dimensions; second transformation is the productive activity that uses as raw material the products derived from the first transformation and converts them into any intermediate or finished product (brushing, dimensioning and drying process, at a minimum).

**Source:** Castellón, R. February, 2013. CITES-Marena. Personal communication.

**Table A6.3** Procedure to export wood and wood products from Nicaragua in 2012.  
*Procedimiento para exportar madera y manufacturas de madera desde Nicaragua en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Request a wood product transport permit/waybill from Inafor	Inafor delegation where export originates from	<ul style="list-style-type: none"> <li>▪ Permit request letter</li> <li>▪ Copy of forest permit, and processed or roundwood waybills</li> <li>▪ Packing list</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inafor transport permit/waybill</li> </ul>		1 to 2 days
2. Request a certification of technical inspection for export from Inafor.	Inafor delegation closest to point of exit	<ul style="list-style-type: none"> <li>▪ Inspection request letter</li> <li>▪ Export invoice and packing list</li> <li>▪ Copy of forest permit</li> <li>▪ Original and copy of wood origin invoice</li> <li>▪ Copies of waybills for processed or roundwood</li> <li>▪ Certification of original waybills delivered to Inafor</li> </ul>	<ul style="list-style-type: none"> <li>▪ Technical export inspection certification</li> <li>▪ Proof of payment to Inafor</li> </ul>	\$24 to \$35	1 to 2 days
3. Request CITES-Marena export permit, if applicable	Marena headquarters	<ul style="list-style-type: none"> <li>▪ Request letter, and permit receipt and verification</li> <li>▪ Marena and Inafor exporter record</li> <li>▪ Inafor inspection copy</li> <li>▪ Export commercial invoice, packing list, copies of transport permits, and forest permit</li> <li>▪ Wood origin invoice or cession of rights</li> </ul>	<ul style="list-style-type: none"> <li>▪ CITES export permit/certificate</li> <li>▪ Proof of payment to Marena</li> </ul>	\$0 to \$40	0 to 8 business days
4. Obtain phytosanitary export (pre) certification record from Magfor	Online or at DGPSA-Magfor headquarters	<ul style="list-style-type: none"> <li>▪ Phytosanitary export inspection request application</li> <li>▪ Copy and original of export invoice</li> <li>▪ Copy and original of Inafor inspection</li> </ul>	<ul style="list-style-type: none"> <li>▪ Record of phytosanitary (pre)certification</li> <li>▪ OIRSA treatment order, if applicable</li> <li>▪ Proof of payment to Magfor</li> </ul>	\$10	15-30 minutes (online) to one day
5. Request fumigation or heat treatment, if applicable	At OIRSA, at the plant or point of exit, or at heat treatment plant	<ul style="list-style-type: none"> <li>▪ Treatment request application</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation or heat treatment certificate</li> </ul>	\$0 to \$75**	0 to 3 business days

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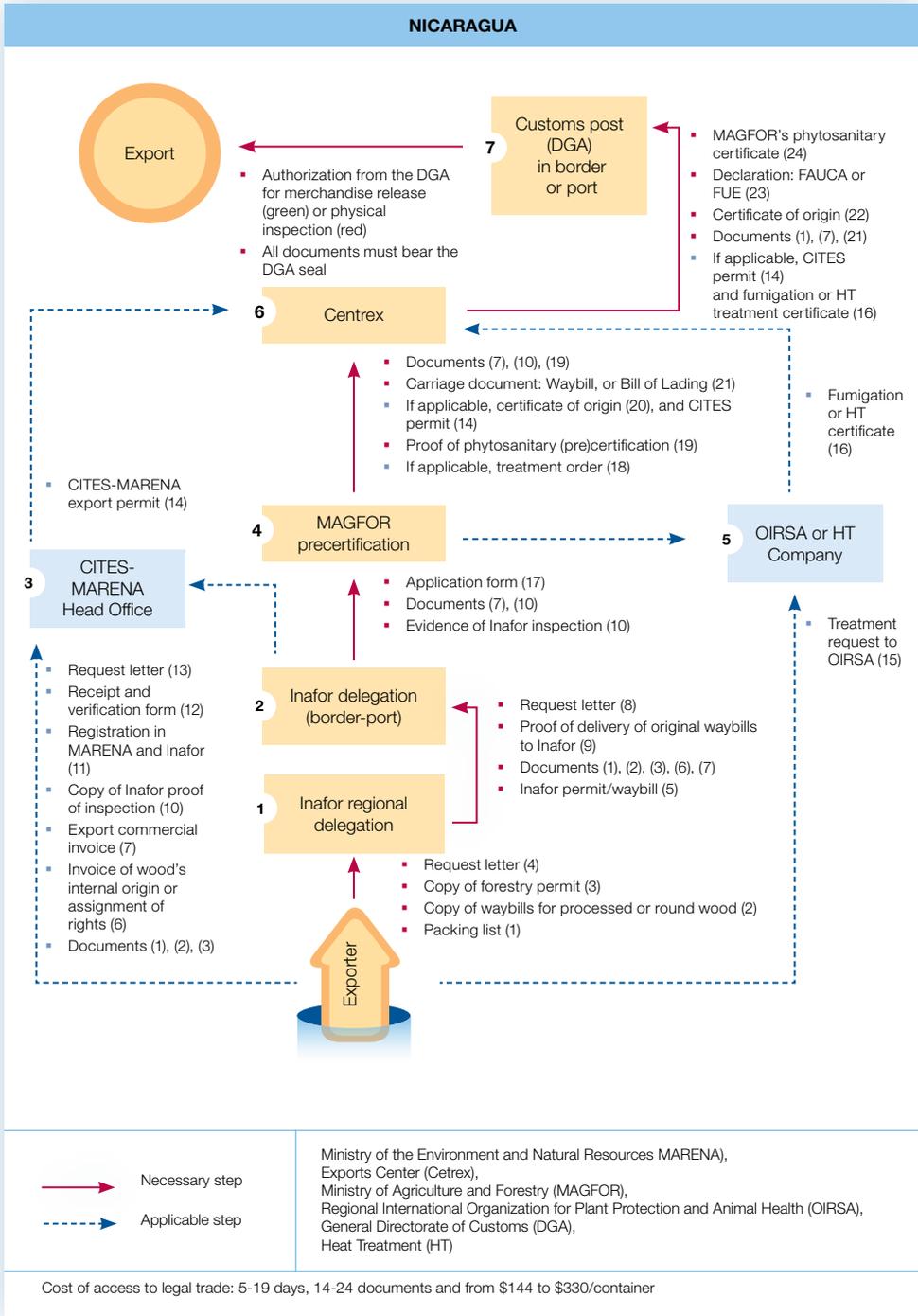
Steps	Place	Requirements	Results	Cost* (US\$)	Duration
6. Obtain Cetrex export declarations and certificates	Cetrex headquarters, or at ports or borders	<ul style="list-style-type: none"> <li>▪ Copy of phytosanitary (pre)certification record</li> <li>▪ Copy of export commercial invoice, and Inafor inspection</li> <li>▪ Certificate of origin request, if applicable</li> <li>▪ Carriage document: waybill or bill of lading</li> <li>▪ CITES-Marenade export permit, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ FAUCA or FUE/DME export declaration</li> <li>▪ Phytosanitary certificate, and certificate of origin</li> </ul>	\$20	30-45 minutes to one day
7. Present documents and obtain approval at the General Directorate of Customs Services (DGA)	At the DGA at port or border by the exporter or AA. Internal transport goes from \$350 to \$600.	<ul style="list-style-type: none"> <li>▪ Export commercial invoice, and packing list</li> <li>▪ Carriage document</li> <li>▪ FAUCA or FUE/DME, and phytosanitary certificate</li> <li>▪ CITES permit, and fumigation or heat treatment certificate, and certificate of origin, if applicable</li> </ul>	<ul style="list-style-type: none"> <li>▪ Copy of documents sealed by the DGA</li> <li>▪ Selectivity: merchandise release permit or physical inspection</li> </ul>	Included in AA contract from \$90 to \$150	1 to 2 days
<b>Total per container***</b>				<b>\$144 to \$330</b>	<b>5 to 19 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$4.8 to \$11.0</b>	

\* Does not include internal costs incurred by the exporter for document preparation, internal procedures, document presentation, and other costs, nor internal freight or port use.

\*\* Cost depends on whether fumigation is required, and on whether a customs broker is hired; as well as on whether the species requires CITES-Marena permit/certificate.

\*\*\*A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by teak, caobilla (*Couratari guianensis*), and pine exporters, customs brokers, Cetrex, Magfor's DGPSA, Inafor, Marena, and OIRSA, and <http://nicaragua.eregulations.org/menu/247?l=es>



**Figure A6.1** Procedure to export wood products from Nicaragua in 2012. *Procedimiento para exportar productos de madera desde Nicaragua en el 2012.*

**Table A6.4** Procedure to import wood and wood products to Nicaragua in 2012. *Procedimiento para importar madera y manufacturas de madera a Nicaragua en el 2012.*

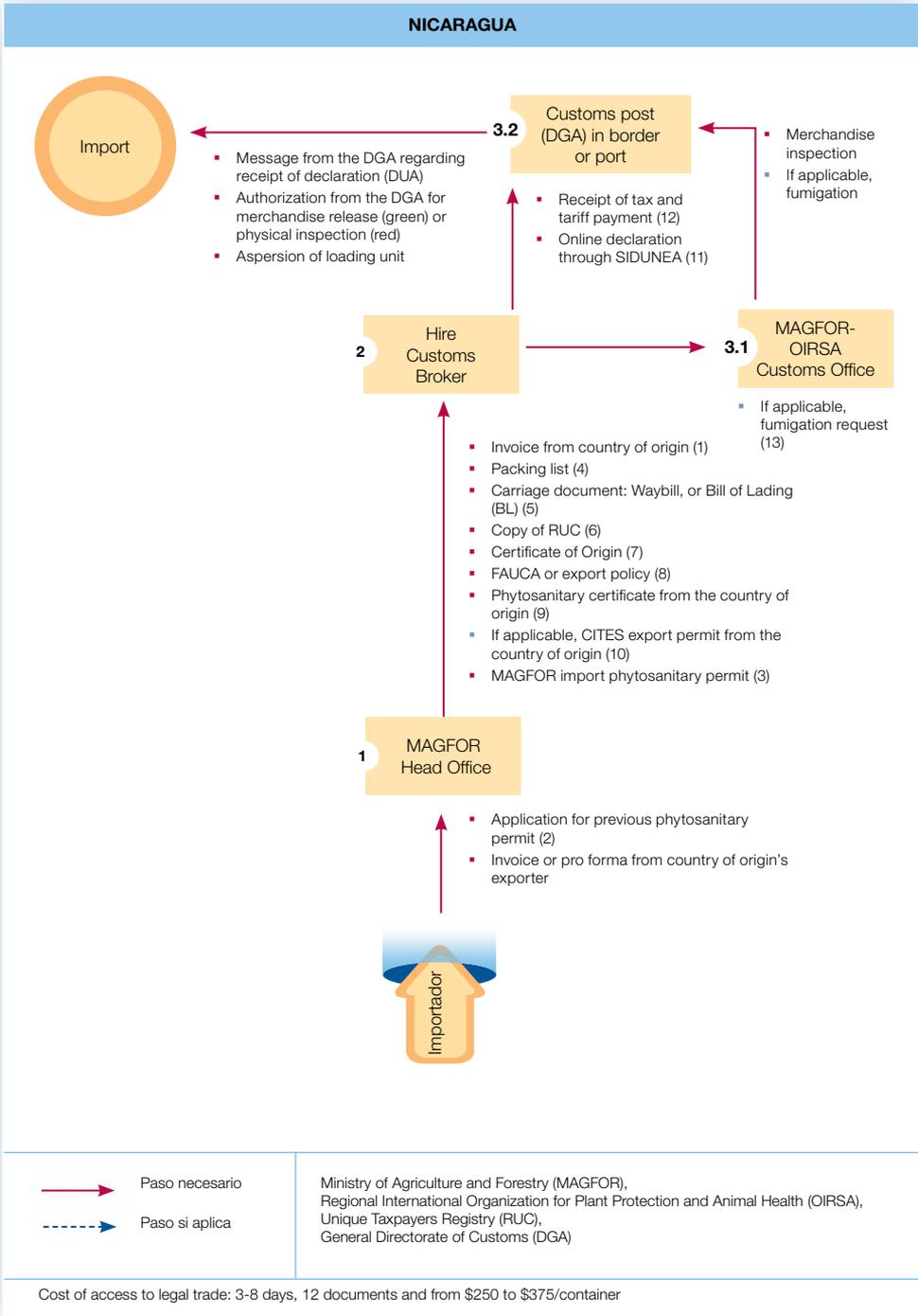
Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Obtain phytosanitary import permit from Magfor.	Magfor office	<ul style="list-style-type: none"> <li>▪ Request (previous) import phytosanitary permit</li> <li>▪ Invoice or <i>pro forma</i> from exporter of country or origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Import phytosanitary permit by Magfor</li> </ul>	\$45	1 to 3 days
2. Hire a customs broker (AA)	AA office; tax payment: sales tax (12% CIF value), and DAL/tariffs (5%-15%)	<ul style="list-style-type: none"> <li>▪ Invoice from country of origin and packing list</li> <li>▪ Carriage document: waybill or bill of lading, copy of RUC, certificate of origin, FAUCA or export policy and phytosanitary certificate of the country of origin</li> <li>▪ If applicable, Magfor's import permit and CITES export permit to country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Container(s) service contract</li> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through SiduneaWorld</li> </ul>	\$200 to \$250	One day
3. Present documents and obtain approval from Magfor and the DGA, at port or border	Magfor-OIRSA window. Internal freight varies from \$350 to \$600	<ul style="list-style-type: none"> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through Sidunea</li> <li>▪ Commercial and phytosanitary documents</li> <li>▪ FAUCA or export policy</li> <li>▪ If applicable, CITES export permit from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ If applicable, merchandise inspection and fumigation by OIRSA</li> <li>▪ Message from the DGA regarding receipt of declaration (DUA) and authorization for merchandise release in customs post or physical inspection</li> <li>▪ Aspersion of loading unit</li> </ul>	\$0 to \$75** Online	1 to 4 days
<b>Total per container***</b>				<b>\$250 to \$375</b>	<b>3 to 8 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$8.3 to \$12.5</b>	

\* Does not include internal costs incurred by the importer for document preparation, internal procedures, document presentation, and other "sunken costs", nor internal freight, tax and tariff payments or port use.

\*\* Cost depends on whether fumigation is required; the time depends on previous import phytosanitary permit and if the species has been previously imported.

\*\*\*A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by plywood importers of the USA and China, customs brokers, Cetrex, Magfor's DGPSA, Inafor, Marena, OIRSA and <http://nicaragua.eregulations.org/menu/247?l=es>



**Figure A6.2** Procedure to import wood products to Nicaragua in 2012. *Procedimiento para importar productos de madera a Nicaragua en el 2012.*

## Annex 7. Panama

**Table A7.1** Procedure to export wood and wood products from Panama in 2012. *Procedimiento para exportar madera y manufacturas de madera desde Panamá en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. If applicable, request fumigation or heat treatment	At OIRSA, at plant or in point of exit, or at heat treatment plant	<ul style="list-style-type: none"> <li>Fumigation request form</li> </ul>	<ul style="list-style-type: none"> <li>Fumigation or heat treatment certificate</li> </ul>	\$0 to \$75**	0 to 3 business days
2. Obtain declarations and export certificates	Online or MICI window	<ul style="list-style-type: none"> <li>Copy of export commercial invoice and packing list</li> <li>If applicable, request of certificate of origin and zoo-phytosanitary certificate with carriage document</li> </ul>	<ul style="list-style-type: none"> <li>Export declaration</li> <li>MIDA zoo-phytosanitary certificate</li> <li>Certificate of origin</li> </ul>	\$5 \$5 \$2	30-45 minutes to one day
3. Request a wood product waybill and inspection from the ANAM	At the ANAM regional office where the export process originates	<ul style="list-style-type: none"> <li>Telephone request of load inspection</li> <li>Request letter of waybill</li> <li>Packing list</li> <li>Export declaration</li> </ul>	<ul style="list-style-type: none"> <li>Waybill</li> <li>Packing list sealed and signed with pictures of the load</li> </ul>	\$10	1 to 2 days
4. Request export permit to ANAM and, if applicable, request the CITES permit	ANAM Headquarters	<ul style="list-style-type: none"> <li>Letter of request for export permit</li> <li>Copy of the Forest Registry and the legal representative's ID</li> <li>Copy of export declaration and export invoice</li> <li>Packing list</li> <li>ANAM and national good standing certificate</li> <li>If applicable, wood origin invoice, copy of waybill or copy of forest permit (for CITES)</li> </ul>	<ul style="list-style-type: none"> <li>Export permit</li> <li>If applicable, the CITES permit</li> </ul>	\$90 to \$200	1 to 2 days
5. Present and obtain approval of all documents from the National Customs Authority (ANA). The internal freight ranges from \$250 to \$350	At ANA offices at port or border, by the exporter or AA; tax payment: tax on transfer of goods and services (ITBMS) (7% of CIF value) and tariffs (0-5%)	<ul style="list-style-type: none"> <li>Export commercial invoice and packing list bearing the ANAM seal</li> <li>Export declaration</li> <li>Carriage document: waybill or bill of lading, export permit by ANAM, zoo-phytosanitary certificate</li> <li>If applicable, CITES permit and fumigation or heat treatment certificate and certificate of origin</li> </ul>	<ul style="list-style-type: none"> <li>Selectivity: merchandise release or physical inspection permit</li> <li>Copy of documents sealed by the ANA</li> <li>Proof of tax payment from the ANA</li> </ul>	Included in the AA contract, from \$100 to \$150	1 to 2 days
<b>Total per container***</b>				<b>\$212 to \$437</b>	<b>4 to 10 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$7.1 to \$14.6</b>	

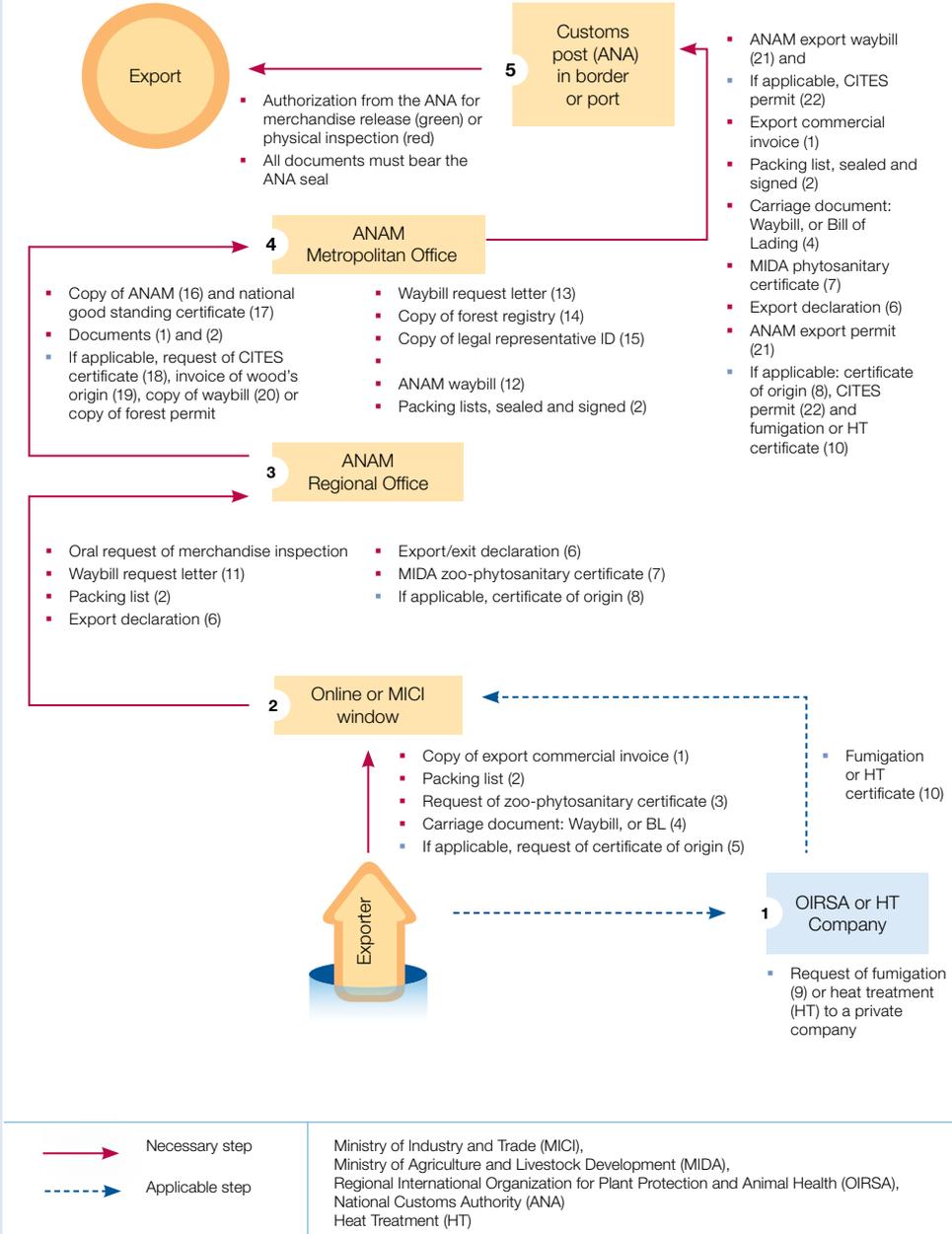
\* Does not include internal costs incurred by the exporter for document preparation, internal procedures, document presentation, and other "sunken costs", nor internal freight or port use.

\*\* Cost depends on whether fumigation and hiring of a customs broker is required.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by teak and wood floor exporters, customs brokers, single window of MICI, MIDA, ANA, ANAM, OIRSA and <http://www.panamatramita.gob.pa/tramite/exportaci%C3%B3n-de-especies>

## PANAMÁ



**Figure A7.1** Procedure to export wood products from Panama in 2012. *Procedimiento para exportar productos de madera desde Panamá en el 2012.*

**Table A7.2** Procedure to import wood and wood products to Panama in 2012. *Procedimiento para importar madera y manufacturas de madera a Panamá en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Obtain previous import zoo-phytosanitary permit	MIDA office	<ul style="list-style-type: none"> <li>▪ Request of import permit</li> <li>▪ Invoice or <i>pro forma</i> from the exporter in the country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Import zoo-phytosanitary permit issued by MIDA</li> </ul>	\$45	1 to 3 days
2. Obtain import permit and, if applicable, the CITES permit	ANAM's Headquarters	<ul style="list-style-type: none"> <li>▪ Import permit request</li> <li>▪ If applicable, CITES certificate of origin and export permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Import permit issued by the ANAM</li> <li>▪ If applicable, the CITES permit</li> </ul>	\$50 to \$100	1 to 3 days
3. Hire a customs broker	At AA offices payment of tax on transfer of goods and services (ITBMS) (7% of CIF value) and tariffs (0-5%)	<ul style="list-style-type: none"> <li>▪ Invoice and packing list from country of origin</li> <li>▪ Carriage document: waybill or bill of lading, certificate of origin, FAUCA or export policy and phytosanitary certificate from the country of origin</li> <li>▪ MIDA import permit</li> <li>▪ ANAM import permit or, if applicable, CITES export permit from the country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Container(s) service contract</li> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through SICE</li> </ul>	\$150 to \$200	One day
4. Present and obtain approval of all documents from MIDA and the ANA	MIDA-OIRSA window in customs post Internal freight ranges from \$250 to \$350	<ul style="list-style-type: none"> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through SICE</li> <li>▪ All commercial and phytosanitary documents</li> <li>▪ If applicable, CITES export permit from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ If applicable, merchandise inspection and fumigation by OIRSA</li> <li>▪ Message from the ANA regarding receipt of declaration (DUA) and authorization for merchandise release or physical inspection</li> <li>▪ Aspersion of loading unit</li> </ul>	Online \$0 to \$75**          \$6	1 to 4 days
<b>Total per container***</b>				<b>\$251 to \$420</b>	<b>4 to 11 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$8.4 to \$14</b>	

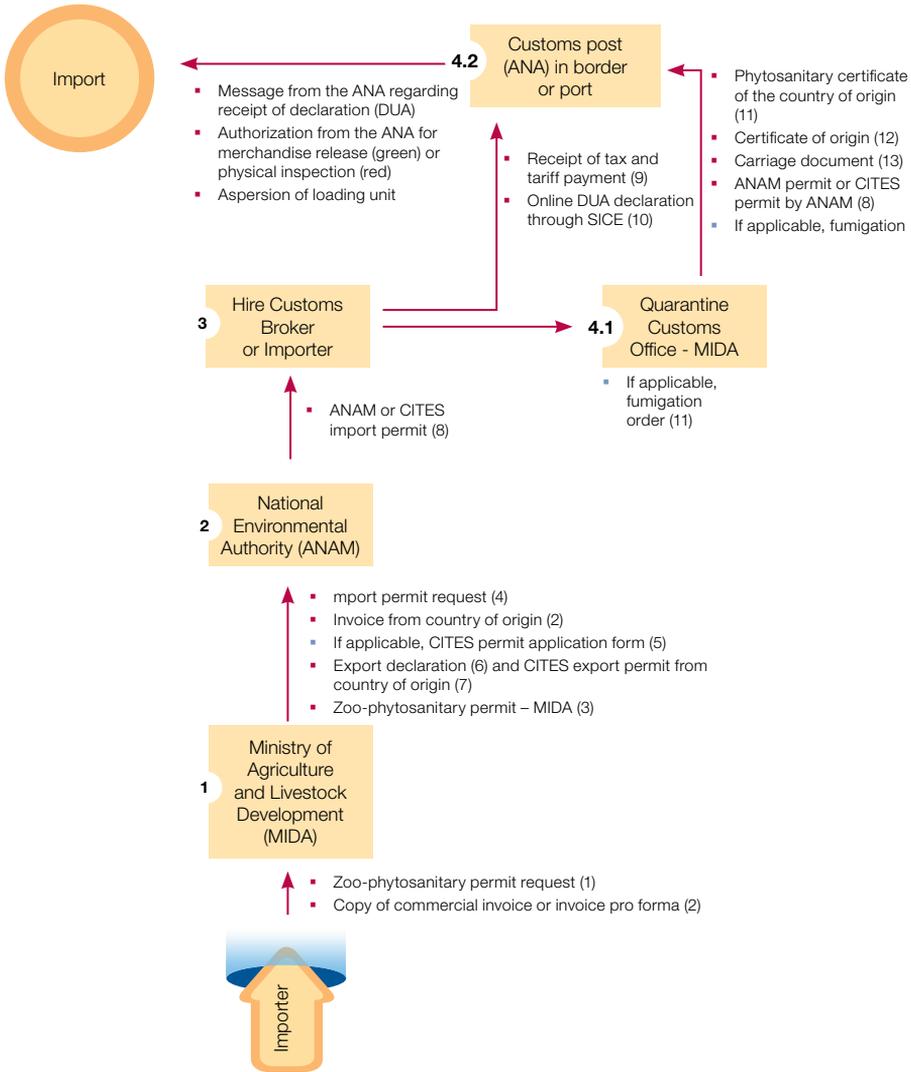
\* Does not include internal costs incurred by the importer for document preparation, internal procedures, document presentation, and other costs, nor internal freight, tax and tariff payment or port use.

\*\* Cost depends on whether fumigation is required; time depends on previous import phytosanitary permit and if the species has been previously imported or not.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by pinewood, plywood and door importers, customs brokers, window of MICI, MIDA, ANA, ANAM, OIRSA and <http://www.panamatramita.gob.pa/tramite/importaci%C3%B3n-de-especies>

PANAMÁ



- Necessary step
- - - - - → Applicable step

Ministry of Agriculture and Livestock Development (MIDA),  
National Customs Authority (ANA)

Cost of access to legal trade: 4-11 days, 13 documents and from \$251 to \$420/container

**Figure A7.2** Procedure to import wood products to Panama in 2012. *Procedimiento para importar productos de madera a Panamá en el 2012.*

## Annex 8. Dominican Republic

**Table A8.1** CITES species imports to the Dominican Republic from 2007 to 2011. *Importaciones de especies CITES a la República Dominicana del 2007 al 2011.*

Year	Species	Description	Volume (m <sup>3</sup> )	Country of origin
2007	<i>Swietenia macrophylla</i>	Mahogany	344.6	Bolivia
			214.5	Brazil
			6,557.1	Fiji*
			1,740.7	Guatemala
			672.7	Peru
			35.6	Philippines
			2,093.2	United States**
			<b>Subtotal 2007</b>	<b>11,658.4</b>
2008	<i>Swietenia macrophylla</i>	Mahogany	137.9	Bolivia
			309.6	Brazil
			82.6	Ecuador
			8,668.9	Fiji*
			844.6	Guatemala
			110.0	Nicaragua
			1,860.5	United States**
			<b>Subtotal 2008</b>	<b>12,014.1</b>
2009	<i>Cedrela odorata</i>	Mahogany	248.8	Peru
	<i>Swietenia macrophylla</i>	Mahogany	395.0	Bolivia
			46.0	Ivory Coast
			9,988.1	Fiji*
			1,596.3	Guatemala
			48.0	Nicaragua
			535.7	Peru
			290.1	Philippines
			1,470.2	United States**
<b>Subtotal 2009</b>	<b>14,618.2</b>			

Continue...

Year	Species	Description	Volume (m <sup>3</sup> )	Country of origin
2010	<i>Cedrela odorata</i>	Cedar	46.0	Bolivia
			118.1	Brazil
	<i>Swietenia macrophylla</i>	Mahogany	607.7	Bolivia
			282.5	Chile
			116.7	Denmark
			20,330.0	Fiji*
			1,128.8	Guatemala
			26.3	Nicaragua
			95.0	Panama
	261.9	Peru		
	160.4	United States**		
<b>Subtotal 2010</b>				
2011	<i>Cedrela odorata</i>	Cedar	29.1	Bolivia
			79.0	Brazil
			104.1	Guatemala
	<i>Swietenia macrophylla</i>	Mahogany	235.5	Bolivia
			14,112.3	Fiji*
			397.9	Guatemala
			25.9	Panama
			39.4	Peru
			135.4	United States**
			<b>Subtotal 2011</b>	

\* Fiji has not signed the CITES convention; to import to the country only the certificate of origin is required.

\*\* The United States of America reexports wood from other countries such as Bolivia, Peru and Fiji.

**Source:** Bonilla, S. April, 2013. Consultant in the Dominican Republic. Personal communication, based on statistics provided by the MARN's Vice-Ministry of Protected Areas and Biodiversity.

**Table A8.2** CITES species reexports from the Dominican Republic between 2007 and 2011.  
*Reexportaciones de especies CITES desde la República Dominicana del 2007 al 2011.*

Year	Species	Description	Volume (m <sup>3</sup> )	Country of Origin	Observation
2007	<i>Swietenia macrophylla</i>	Mahogany	55.0	Bolivia	Export permit 0061 d/f 12/20/06
			101.0	Bolivia	Export permit 00049 d/f 12/19/06. This wood was seized on instructions of the Plant Health Department and reshipped to its country of origin
			302.0	Fiji	Furniture elaborated using mahogany wood imported from Fiji by Indomaca S.A. The volume imported was 29,028 m <sup>3</sup> , as indicated in the phytosanitary registry
2008			Not reported		
2009	<i>Swietenia macrophylla</i>	Mahogany	27.4	Guatemala	
			70.8	Peru	
			36.7	Peru	
2010		Not reported			
2011	<i>Cedrela odorata</i>	Cedar	34.5	Aruba	This reexport permit entered the country with import permit No. 1606
<b>Total</b>			<b>627.3</b>		

**Source:** Bonilla, S. April, 2013. Consultant in the Dominican Republic. Personal communication, based on statistics from provided by the MARN's Vice Minister of Protected Areas and Biodiversity.

**Table A8.3** Procedure to export wood and wood products to the Dominican Republic in 2012. *Procedimiento para exportar madera y manufacturas de madera desde la República Dominicana en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Request export permit and, if required, request CITES permit to the MARN	Headquarters of the Ministry of the Environment and Natural Resources (MARN)	<ul style="list-style-type: none"> <li>▪ Request letter of no objection certificate, or</li> <li>▪ Request letter of CITES permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ No objection letter/ certificate</li> <li>▪ CITES export permit/certificate</li> </ul>	<p>\$15</p> <p>\$0 to \$50</p>	1 to 2 days
2. Obtain phytosanitary certificate from the MAG	Headquarters of the Ministry of Agriculture	<ul style="list-style-type: none"> <li>▪ Request letter</li> <li>▪ Fill in application</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phytosanitary certificate</li> </ul>	\$7.5	1 to 2 days
3. If applicable, request fumigation or heat treatment	At the plant for heat treatment or fumigation	<ul style="list-style-type: none"> <li>▪ Telephone or e-mail request</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fumigation or heat treatment certificate</li> </ul>	\$0 to \$45**	0 to 2 days
4. Obtain export declarations and certificates	Online or at ports or borders	<ul style="list-style-type: none"> <li>▪ Request of Single Customs Declaration (DUA)</li> <li>▪ If applicable, certificate of origin request</li> </ul>	<ul style="list-style-type: none"> <li>▪ DUA export declaration</li> <li>▪ Certificate of origin</li> </ul>	<p>\$7.5</p> <p>\$7.5</p>	30-60 minutes to one day
5. If desired, request an export inspection certificate from the DGA and DNCD outside the customs area. Present and obtain approval of documents from the DGA.	Online, or at the DGA, port or border or by the exporter or AA. The internal freight ranges from \$200 to \$350; wharfage and dispatch ranges from \$175 to \$200 per container.	<ul style="list-style-type: none"> <li>▪ Telephone or e-mail request</li> <li>▪ Export commercial invoice</li> <li>▪ Carriage document: waybill or bill of lading, DUA, phytosanitary certificate</li> <li>▪ If applicable, CITES permit and certificate of fumigation, heat treatment or origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Origin verification certificate</li> <li>▪ Selectivity: merchandise release or physical inspection permit</li> <li>▪ Copy of documents sealed by the DGA</li> </ul>	<p>\$0 to \$144</p> <p>included in the AA contract; from \$250 to \$300</p>	1 to 3 days
<b>Total per container***</b>				<b>\$288 to \$562</b>	<b>4 to 10 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$9.6 to \$18.7</b>	

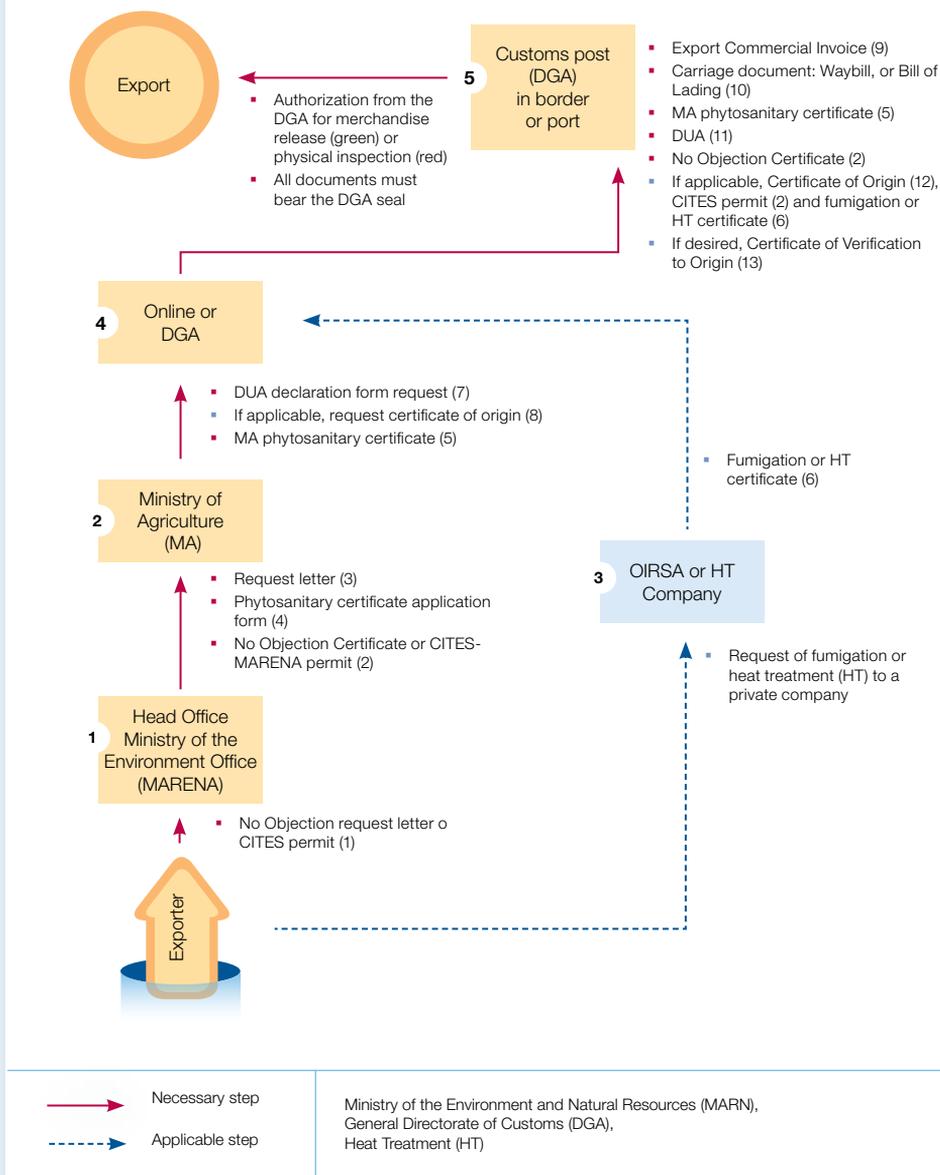
\* Does not include internal costs incurred by the exporter for document preparation, internal procedures, document presentation, and other "sunken costs", nor internal freight, tax or port use.

\*\* Cost depends on whether fumigation and hiring a customs broker is required.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by pinewood, charcoal and furniture exporters; customs brokers, CEI-RD, DGA, MAG, MARN and fumigation companies.

## DOMINICAN REPUBLIC



Cost of access to legal trade: 4-10 days, 13 documents and from \$288 to \$562/container

**Figura A8.1** Procedure to export wood products from the Dominican Republic in 2012. *Procedimiento para exportar productos de madera desde la República Dominicana en el 2012.*

**Table A8.4** Procedure to import wood and wood products to the Dominican Republic in 2012. *Procedimiento para importar madera y manufacturas de madera a la República Dominicana en el 2012.*

Steps	Place	Requirements	Results	Cost* (US\$)	Duration
1. Request no phytosanitary objection document regarding import, issued by the MAG	MAG's Plant Health offices	<ul style="list-style-type: none"> <li>▪ Request letter</li> <li>▪ Waybill form</li> </ul>	<ul style="list-style-type: none"> <li>▪ No objection phytosanitary notice from the MAG</li> <li>▪ Product's phytosanitary requirements</li> </ul>	\$50	1 to 2 days
2. Request no objection letter to the MARN regarding import and, if required, request CITES permit	MARN Headquarters. Requested when the shipment is at port.	<ul style="list-style-type: none"> <li>▪ No objection letter request and its application</li> <li>▪ Carriage document: waybill or bill of lading, original and copy of phytosanitary permit, of certificate of origin and copy of export invoice from country of origin</li> <li>▪ If applicable, CITES permit application form, packing list and original CITES certificate from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ MARN's no objection letter</li> <li>▪ CITES import permit/ certificate</li> </ul>	\$15 \$0 a \$50	1 to 2 days
3. If applicable, hire customs broker (AA)	AA office; payment of tax on transfer of goods and services (TBMS) (18% of CIF value) and tariffs (14-20%)	<ul style="list-style-type: none"> <li>▪ Invoice from country of origin and carriage document</li> <li>▪ If applicable, CITES import and export CITES permit from country of origin</li> <li>▪ Certificate of origin, export policy and phytosanitary certificate from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Container(s) service contract</li> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through SIGA</li> </ul>	\$300 to \$350	0 to 1 day
4. Present and obtain approval of documents under quarantine from the MAG and the DGA at port or border	Quarantine window and DGA window. The internal freight ranges from \$200 to \$350 per container, and the wharfage and dispatch cost ranges from \$175 to \$200	<ul style="list-style-type: none"> <li>▪ Merchandise inspection by commission</li> <li>▪ Proof of tax and tariff payment</li> <li>▪ Online declaration through SIGA</li> <li>▪ All commercial and phytosanitary documents</li> <li>▪ No objection letter regarding import and, if required, CITES import permit, CITES export and fumigation permit from country of origin</li> </ul>	<ul style="list-style-type: none"> <li>▪ Delivery of no objection letter</li> <li>▪ If applicable, fumigation</li> <li>▪ Message from the DGA regarding receipt of declaration (DUA) and authorization for merchandise release or physical inspection</li> <li>▪ Aspersing of loading unit</li> </ul>	\$0 to \$45** Online \$5	2 to 4 days
<b>Total per container***</b>				<b>\$370 to \$515</b>	<b>4 to 9 days</b>
<b>Total per m<sup>3</sup></b>				<b>\$12.3 to \$17.2</b>	

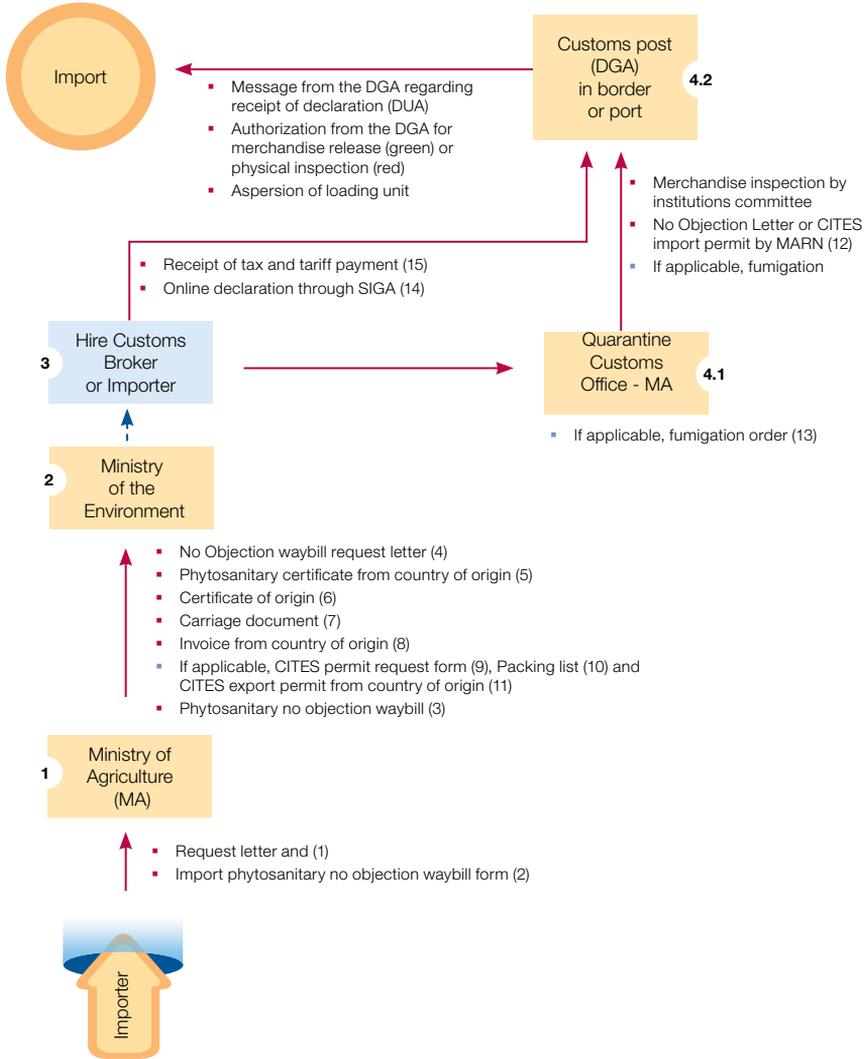
\* Does not include internal costs incurred by the importer for document preparation, internal procedures, document presentation, and other "sunken" costs, nor internal freight, tax and tariff payment or port use.

\*\* Cost depends on whether fumigation and hiring a customs broker is required.

\*\*\* A container holds approximately 30 m<sup>3</sup>.

**Source:** Information provided by pinewood and *caobilla* importers, customs brokers, CEI-RD, DGA, MAG, MARN and fumigation companies.

## DOMINICAN REPUBLIC



- Necessary step
- - - - - → Applicable step

Ministry of Agriculture (MA),  
Ministry of the Environment and Natural Resources (MARN),  
General Directorate of Customs (DGA),

Cost of access to legal trade: 4-9 days, 11-15 documents and from \$370 to \$515/container (\$12.3-17.2m2)

**Figure A8.2** Procedure to import wood products to the Dominican Republic in 2012. *Procedimiento para importar productos de madera a la República Dominicana en el 2012.*



**INTERNATIONAL UNION  
FOR CONSERVATION OF NATURE (IUCN)**

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