





OT Africa Line's West African Commodity Report Issue: January 2008

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Ivory Coast Cocoa Sector Staff To Maintain Strike

Staff at Ivory Coast's Coffee and Cocoa Bourse (BCC) and other industry bodies are continuing strike action today [02/01/08] for a fourth business day, preventing registration of cocoa shipments for export. No new shipments of cocoa could be registered since the strike began last Thursday. Loading of ships has continued since the strike began, but only cocoa beans registered for export with the BCC before the strike began can be shipped. It is not clear how much registered stock exporting companies were still holding in their warehouses at the country's two ports.

Staff say they are striking for better pay and conditions but also for changes to senior management of the various structures controlling the highly politicised industry. Staff suspended an earlier two-day stoppage which took place in early December to begin talks with government and industry officials but the union said these failed to take place and they now want to meet with head of state President Laurent Gbagbo. [Reuters 02/01/08]

Ivory Coast Cocoa Arrivals Seen 783,000 T By Dec 30

Cocoa arrivals at ports in Ivory Coast reached around 783,000 tonnes between Oct. 1 and Dec. 30, compared with 622,398 tonnes received in the same period a year ago. Exporters estimated around 62,000 tonnes of beans were received at the world's top cocoa grower's two ports from Dec. 24-30, compared with 64,780 tonnes in the same week one year ago.

Cameroon Aug-Nov Cocoa Exports Fall To 63,723 T

Cameroon's cocoa bean exports totalled 63,723 tonnes from Aug. 1 to Nov. 31, compared with 84,500 tonnes in the same period last year, according to Cocoa and Coffee Interprofessional Board (CCIB) data. November bean exports from the world's fourth biggest cocoa grower almost doubled month on month to 32,152 metric tonnes from 16,821 tonnes in October, but were virtually unchanged from the 32,142 tonnes exported in November 2006.

Cameroon's cocoa season runs from Aug. 1 to July 31, with sales peaking between November and January. Production and marketing was delayed this year by a prolonged rainy season. Some cooperatives in Centre Province had been withholding stocks in hope of a rise in world market prices, but had released beans onto the market under pressure from poor farmers in need of cash. Centre Province is the country's second biggest production zone after South-West Province, which borders Nigeria.

Cameroon's total output was 179,243 tonnes in the 2006/07 season, up from 163,821 metric tonnes the previous year. Almost all of it is exported in bean form, except for around 20,000 tonnes ground each year by local processor SIC Cacao. [Reuters 31/12/07]

COCOBOD Honours Ex-CEOs

The Ghana Cocoa Board has honoured its past Chief Executive Officers (CEOs) for their contribution toward the growth of the cocoa industry. The awardees included Kwame Pianim, Flt. Lt. (rtd) Joe Atiemo, Colonel Takyi, Commander Kwabena Addo, J. H. Newman, Kwame Sarpong and Dr. Kwame Gyamfi who served as CEO between 1973 and 2006. The awards ceremony was held to climax COCOBOD's 60th anniversary held this year. [DG 31/12/07]

Ivory Coast Cocoa Arrivals Seen 720,000 T By Dec 23

Cocoa arrivals at ports in Ivory Coast reached around 720,000 tonnes between Oct. 1 and Dec. 23, compared with 557,618 tonnes received in the same period one year ago. Exporters estimated around 70,000 tonnes of beans were received at the two ports in the world's top cocoa grower from Dec. 17-23, compared with 78,393 tonnes in the same week one year ago. [Reuters 24/12/07]

Ivorian San Pedro Cocoa Arrivals 249,941 T By Dec 9

Cocoa arrivals at Ivory Coast's port of San Pedro reached 249,941 tonnes by Dec. 9, 2007, according to data from the Coffee and Cocoa Bourse (BCC). That compared with 173,901 tonnes delivered to the port during the same period of the 2006/07 season, the data showed. The figures showed 31,545 tonnes arrived at San Pedro port from Nov. 26 to Dec. 9, up from 29,126 tonnes in the same period of the 2006/07 season.

No Rains In Ivory Coast Cocoa Zones

No rains fell in Ivory Coast's main cocoa regions over the last week but the crop was continuing to develop and produce well. Deliveries of cocoa have been hovering around a seasonal peak of about 70,000 tonnes but output is expected to slow in the next few weeks as the October-March main crop enters its declining phase.

Cameroon Earns Best Cocoa Prices For Years

Cocoa farmers in Cameroon claim they are receiving the best farm gate prices for their beans since the country's cocoa sector was liberalised in 1994 due to the strong international market. Prices were expected to fall due to the increase of supplies emerging from growing zones, but prices have increased to CFAFr720 (\$1.58) a kg from CFAFr680 a kg last month.

Cocoa futures for March delivery rose to a five-month high of \$2,138 a tonne, jumping \$24 a tonne in a day to its highest level since July 25 this year. Traders attributed the jump to funds buying after news circulated that an outbreak of black pod disease in Ivory Coast, the world's top producer, could cut output. Cameroon produced 179,239 tonnes of cocoa in the 2006/07 season, up from 164,301 tonnes the year before. [PL 24/12/07]



Ivorian San Pedro Cocoa Arrivals 218,396T By Dec 2

Cocoa arrivals at Ivory Coast's port of San Pedro reached 218,396 tonnes by Dec. 2, according to data from the Coffee and Cocoa Bourse (BCC). That compared with 144,775 tonnes delivered to the port during the same period of the 2006/07 season, the data showed. The figures showed 26,228 tonnes arrived at San Pedro port from Nov. 26 to Dec. 2, up from 24,642 tonnes in the same period of 2006/07. [07/12/07]

Ghana Cocoa Purchases Up 57% In First 4 Weeks / Port Congestion

A strong start to Ghana's cocoa season saw purchases in the first four weeks up 57% on a year ago and the high volumes of beans were causing backlogs at the country's ports. Cocoa purchases declared by private buyers to Ghana's Cocobod industry regulator reached 255,883 tonnes between Oct. 19 and Nov. 15, up from 162,953 a year earlier.

Cocobod has projected purchases for the 2006/07 season, which runs from October to September, to total at least 650,000 tonnes, up from 614,469 last season, including 600,000 tonnes from the 33-week main crop harvest.

High cocoa volumes have caused congestion in the country's ports, as has been common in recent years during the peak season from late November to January. Officials at Takoradi port are currently receiving at least 90 trucks, well above their average 70 trucks daily. Cocobod has increased staffing levels for administrative services supervising exports at Takoradi to help clear the congestion. [Reuters 07/12/07]

Ivorian S.Pedro Oct-Nov Cocoa Product & Bean Exports Down

Exports of semi-finished cocoa products from San Pedro port totalled 4,403 tonnes from October to November, down 14% compared with the same month last year.

Nov 07	Oct 07	Nov 06		
San Pedro	2,042	2,361	2,299	
Cumulative	4,403	2,361	5,143	

Note: Installed grinding capacity in Ivory Coast is 350,000 tonnes per year, less than a third of overall cocoa bean output.

Meanwhile cocoa bean exports from Ivory Coast's San Pedro port totalled 77,755 tonnes from October to November of the 2007/08 season, down about 2% compared with the same month last year.

Nov 07	Oct 07	Nov 06		
San Pedro	54,699	23,056	40,389	
Cumulative	77,755	23,056	79,125	

Ivory Coast Cocoa Tax Hinders EU Trade Deal-Source

Ivory Coast is likely to finalise an interim trade deal with the EU, but will have to modify the way it taxes cocoa exports. The state is seeking a provisional agreement with the 27-member European bloc before preferential trade terms the EU has granted for decades to former colonies expire on 31/12/07, after being deemed illegal by the World Trade Organisation [WTO].

An export tax known by its French acronym DUS and levied at a rate of 220 CFA franc (\$0.49) on each kg (2.2 lb) of cocoa it ships is a major source of revenue, but it does not comply with WTO rules. Negotiations, which have been underway for more than a week, need to find a way to continue taxing cocoa to maintain vital income in a way that was compliant with WTO rules.

Debates include a possible introduction of an excise (tax). Its possible to tax the cocoa, but not when you export it, it would have to be done at an earlier stage.

Without an interim deal, cocoa would be subject to a 6% import duty at EU ports. An interim deal will seek to abolish tariffs on goods imported into Ivory Coast from Europe except for a limited list of sensitive products the Ivorian government has been preparing. By signing an interim trade deal, the former French colony will break ranks with the ECOWAS, which is seeking as a group to extend current preferential trade terms until a full regional Economic Partnership Agreement [EPA] is finalised.

Ivory Coast, Ghana and Nigeria would be hit hardest within the ECOWAS bloc once the preferential trade terms end because they do not qualify for continued tariff-free or reduced-tariff access to the EU market under the Europe's "Everything but Arms" initiative granted to poor countries. [PL 06/11/07]

Ivorian Cocoa Strike Ends

Workers at Ivory Coast's Coffee and Cocoa Bourse (BCC) and other industry bodies resumed work today, enabling exporters to register shipments of cocoa for export following a two-day stoppage. Negotiations are being held with the civil service minister over pay. [06/12/07]

Sucso Opens Cocoa Processing Plant In Ivory Coast

Cocoa exporter SUCSO has opened a US\$7 million cocoa processing plant in southwest Ivory Coast with a capacity of up to 14,000 tonnes of cocoa liquor per year. The plant will push up grinding capacity in the world's top cocoa grower to around 374,000 tonnes, of which around 50,000 tonnes is in San Pedro where a plant owned by the Barry Callebaut group is also located.

SUCSO's management say they plan to double grinding capacity at the plant by 2010. The plant was inaugurated in the presence of President Laurent Gbagbo on 05/12/07 as part of the 35th anniversary celebrations of San Pedro's port which ships nearly half of the country's cocoa. [Reuters 05/12/07]

Drier Weather May Help Nigeria Cocoa Pod Growth

Nigeria's main cocoa regions are enjoying drier weather with long sunny spells after months of higher-than-average rainfall that will help sustain pod growth. Further northeast in the state of Taraba, about 400 km from the port of Calabar - Nigeria's second main export route after Lagos - farmers said the harmattan winds had begun, causing high temperatures that help the fermenting and drying of cocoa beans.

The October to March main crop started on a robust note and traders said they expected an increase in the flow of beans from upcountry should the weather persist. Nigeria is the world's number five cocoa grower with an annual output of over 450,000 tonnes, according to estimates by the government. The CAN has forecast Nigeria's 2007/08 crop at around 300,000 tonnes, but Lagos-

based exporters have projected a much lower figure. Nigeria has not had a credible database since its cocoa sector was deregulated in 1986 because deregulation has made record-keeping difficult. [05/12/07]

Ivorian Farmer Union Delays Strike On Cocoa Price

Ivory Coast cocoa farmers union SAPICOCI has delayed a threatened blockade of the southwestern port of San Pedro until 05/12/07 to avoid disrupting a visit there by President Laurent Gbagbo for the ports 35th anniversary celebrations. SAPICOCI had threatened to block main roads into San Pedro town from Monday unless farmers were paid a guaranteed price of 600 CFA francs (\$1.35) per kg. Ivory Coast's cocoa farmer unions make frequent threats to strike but rarely carry them out. [Reuters 03/12/07]

Ghana Bans Transit Of Foreign Cocoa Across Country

Ghana has banned the overland transit of cocoa and cocoa waste from neighbouring states across its territory to stop this being used as a cover for smuggling Ghanaian beans out of the country. Stephen Ntim, deputy chief executive of industry regulator Cocobod, stated some foreign cocoa merchants who obtained customs permits to transport cocoa from the Ivory Coast through Ghana to Togo were found to have been smuggling beans produced in Ghana's high-yielding Western cocoa region.

Recently, Ghana's Commissioner of Customs ordered the cancellation of permits granted to foreign companies engaged in the overland transit of foreign cocoa beans and cocoa waste, but the government was now transforming this into an all-out ban.

Ntim said although Ghana paid higher farm-gate prices than its neighbours, including Ivory Coast, merchants in those countries often preferred to have Ghana's cocoa to mix with their stock and improve its value. Ghanaian cocoa is ranked among the world's best in terms of quality and enjoys a high premium.

Local authorities in the eastern Volta Region, which shares a border with Togo, said smuggling of cocoa was on the increase and they were setting up a task force of farmers, local chiefs and young people to combat the illicit trade. Jasikan, Hohoe and Kadjebi growing areas are the main focus of the proposed taskforce in the east.

As part of the anti-smuggling efforts, Cocobod has been providing vehicles and incentives to a unit of the armed forces that patrols the country's borders to stop smuggling of cocoa from high yielding areas such as Western, Brong Ahafo and Ashanti regions. [Reuters 30/11/07]

Ivory Coast To Reduce Cocoa Levies In 2008/09 Season

Ivory Coast's government will reduce levies paid on cocoa exports by up to 6 CFA francs (\$0.01) per kg from the 2008/2009 season in line with a World Bank request to improve farmer income. Exporters pay 49.11 CFA (\$0.11) per kg in levies used to fund a host of management bodies controlling the coffee and cocoa sector on top of an export tax of 220 CFA per (\$0.50) kg but deduct this from the farm gate prices they offer growers. Growers in the world's top cocoa producer complain that both the export tax and levies are set too high and that funds they raise are mismanaged. The World Bank hopes that by reducing levies, more cocoa cash will end up in the farmers' pockets. [PL 03/12/07]

Ivory Coast Cocoa Arrivals 413,289 T By Nov 25

Cocoa arrivals at Ivory Coast's ports reached 413,289 tonnes between Oct. 1 and Nov. 25, 2007. That compared with 287,571 tonnes delivered to the ports during the same period of the 2006/07 season, the data showed. The figures showed 60,626 tonnes arrived at Abidjan and San Pedro ports from November 19-25, down from 64,544 tonnes in the same period of the 2006/07 season. [Reuters 01/12/07]

ICCO Raises World Cocoa Deficit Estimate For '06/07

The International Cocoa Organization (ICCO) has increased its estimate for the global cocoa deficit in 2006/07 to 242,000 tonnes from a previous forecast of 156,000 tonnes. The ICCO estimated a global surplus of 167,000 tonnes in 2005/06.

Investment bank Fortis earlier this month forecast an even larger deficit in 2006/07 of 301,000 tonnes. The ICCO did not provide a projection for 2007/08 when Fortis expects cocoa to move back into surplus with a current projection of a 74,000 tonne excess.

World production in 2006/07 was expected to fall to 3.40 million tonnes, down from a previous forecast of 3.44 million and the prior year's 3.72 million, the ICCO said. Global grindings were seen rising to 3.61 million from 3.56 million previously and 3.52 million in 2005/06. [30/11/07]

COTTON & TEXTILES >>

Ivory Coast Eyes 2008/09 Cotton Output Of 400,000 T

Ivory Coast aims to return its cotton output to pre-war levels of around 400,000 tonnes next season after the EU and Islamic Development Bank provided funding to help revive the ailing sector. Seydou Soro, president of the Intercoton association of growers and processors in the West African country, said about 300,000 hectares would be sown in the 2008/2009 season, meaning production should more than double to 400,000 tonnes.

The cotton sector in Ivory Coast has been on the verge of collapse since a 2002/2003 civil war in which rebels seized the north of the former French colony, where the cotton is grown, cutting it off from southern ports. Ivory Coast has remained split in two since the war, but President Laurent Gbagbo and rebel leader Guillaume Soro, now prime minister, signed a peace deal in March. Both sides are due to start disarming this month.

Harvesting for the 2007/2008 season had just been completed, weighing in at 150,000 tonnes marginally up from the 145,400 tonnes recorded a year ago. Ivory Coast's cotton growers sow their plantations from May to July, before an October-to-December harvest. The cotton is ginned around March and April. Soro said he hoped government efforts, backed by foreign donors, to revive the sector would start to pay off next year.

Many of the country's 150,000 cotton growers used to sell their fibre to now-bankrupt exporter LCCI and say the company owes them millions of dollars. They also suffered from falling prices for their cotton, which fell to 145 CFA francs (\$0.32) per kg from 200 CFA (\$0.44) between 2003 and 2006. The government, with backing from donors including the European Union and Islamic Development Bank, has been trying to reimburse farmers the money they are owed and revive the sector. But so far, it has struggled to make much headway. A \$20 million EU grant and a 9 billion CFA loan from the Islamic Development bank to buy fertiliser last season were supposed to help lift output to 300,000 tonnes but late rains meant many cotton seeds failed to germinate in the dry soil. [Guardian 07/12/07]



Burkina's Cotton Production Down

Burkina Faso's cotton production this year has decreased due to inconsistent rains and high oil prices, frustrating executives and farmers. Its biggest cotton company, Sofitex, said in October seed cotton output could fall as low as 400,000 tonnes in 2007/2008 from 660,000 the previous year because of the late rains. Numbers from Fasocoton and Socoma, were not available.

The plummeting US dollar and subsidies to American cotton growers are also adding to the industry's woes. Burkina Faso produces just 6% of US output, and its producers say they lose out on profit margins because of American subsidies. On a recent visit to Burkina Faso, US Deputy Secretary of State John Negroponte said the US will reduce subsidies on its massive cotton industry, but only if the European Union starts doing the same.

Furthermore Burkinabe farmers are worried about their ability to pay back their lines of credit. Sofitex is currently negotiating with banks but it has led to some farmers ceasing production because of high operating costs. Oil prices went up an estimated 30%, while cotton prices offered to farmers went down, by at least 10%. The rapidly plunging US dollar is also adding to the problem. Cotton from companies like Sofitex is bought and sold on the world market in US dollars. Farmers are paid in CFA francs, the euro-pegged local currency of 14 western and central African countries. Compared with a year ago, the dollars their crops fetch in world markets buy about 9% fewer CFA.

Sofitex also wants laws authorizing planting of GM cotton, which would improve productivity, while decreasing some of their costs. Economists say it is highly likely Burkina Faso will become the second African country, after South Africa, to allow large-scale production of modified cotton, after several years of experimentation. Negotiations are still ongoing with the US-based Monsanto company, the world's leading producer of genetically engineered seed, to determine seed prices for Burkinabe farmers. [VOA 04/12/07]

FOODSTUFFS, NUTS, PULSES, PALM OIL, SPICES, FRUITS & VEG >>

Ghana: Japanese To Process Shea Nuts

The Japanese Government has granted an US\$85,833 facility to support the processing of shea nut in the Northern Region of Ghana. The support is under the Japanese Grant Assistance for Grass roots Human Security Projects Scheme. Shea nut butter is currently on high demand both in the country and on the international market.

Cameroon: Palm Oil Price Rises As Scarcity Escalates

The prices of essential commodities have been steadily rising with palm oil hitting the high mark of FCFA 900 a litre. The soaring prices are blamed on the falling production, even at the Cameroon Development Corporation, CDC, SOCAPALM and PAMOL because of a low production season and a prolonged rainy season. The shortage could linger on till February when production is expected to rise again. The Commerce Minister is expected to meet palm oil producers and other stakeholders to discuss the price hikes. [TP 20/12/07]

Gambia: Farmers Not Optimistic of Groundnut Buying Season

Farmers in the Gambia have expressed lack of confidence in the groundnut trade season even before it has started. They further stated that last year was a lesson for them, so this year they will not wait for any credit buying, they will simply go a head and sell their nuts to have some cash.

TIMBER >>

Report From Central/West Africa: Prospects Of Lower Prices Concern Producers

No further price changes have occurred for logs since the end of November. Some old stocks of okoume logs in Gabon are causing some concern to producers, in the event that these might undermine stable prices brought about by very steady demand from the Far East and some European buyers. This leaves producers rather more concerned than usual over the market prospects for the next quarter.

The usual slowdown attributed to the Christmas and New Year vacations in Europe will impact trading levels. Sawn timber will mainly be affected by this slowdown, although supply constraints are currently holding prices very firm. There are reports of producers moving up their asking prices for sapele and some other species on account of low supplies from Northern Congo Brazzaville and Central African Republic, which leave buyers competing for the small volumes available. Currently, there is no definite news of the extent to which producers have secured higher prices or how much business has been closed at higher levels. As noted in previous reports, prices in recent months have been unusually affected by sudden changes in demand and have tended to be more volatile and influenced by low supply for some major species. It is likely this trading pattern will continue through the first months of 2008. In addition, some constraints were reported on freight availability for Europe, causing some delays in shipments.

Heavy rains in some areas still continue to affect logging and transport operations in the region. After some years of unpredictable, less regular wet and dry seasons, producers now notice the weather conditions appear to have returned to the predictable, normal pattern. [ITTO 1-15/12/07]

Ghana Third Quarter Export Volume Jumps 21.5%

During January to September 2007, Ghana exported 399,361 m³ of timber and wood products, earning EUR138.5 million of revenue. This represents a 10.1% increase over the EUR125.8 million earned during the same period last year. Export volume also rose by 21.5% during January-September 2007. Table 1 below compares Ghana's timber exports from January to September during 2006 and 2007:

Product	Jan-Sept 2006		Jan-Sep 2007		<-----% Change----->	
	Vol(m3)	Val(Euro)	Vol(m3)	Val(Euro)		
Sawn Timber	('000)	(million)	('000)	(million)	Vol.(m3)	Value(Euro)
Lumber (AD)	73.31	23.86	62.44	19.25	13.6	-19.3
Lumber (KD)	83.46	32.78	87.58	34.36	4.9	4.8
Veneers:	-	-	-	-	-	-
Sliced Veneer ²	26.55	21.27	28.05	23.12	5.6	8.7
Rotary Veneer	28.24	6.53	23.17	5.42	-18.0	-17.0
Curls Veneer	0.16	1.51	0.17	1.67	6.3	10.6
Plywood ³	69.44	20.47	96.52	26.09	39.0	27.5
Furniture Parts	0.73	1.59	0.23	0.46	-68.5	-71.7
Mouldings	22.96	9.04	21.95	9.49	-4.4	5.0
Boules(AD+KD)	5.00	2.47	4.96	2.48	-0.8	0.4
Parquet/Flooring	3.19	2.99	1.92	1.84	-39.8	-38.5
Products	16.57	3.30	72.39	14.38	336.9	335.8
TOTAL	328.61	125.82	399.36	138.55	21.5	10.1

NB: 1 – Lumber(AD) includes lumber overland; 2 - Sliced Veneer includes Layons 3 – Plywood includes Overland

Exports to Europe amounted to EUR 58.75 million, representing 42.4% of the earnings. The EU markets, especially Italy, France, Germany and the UK were the key destinations for Ghana's wood products. Wood exports to India were 93,935 m³ worth EUR21.46 million, the single highest export destination in terms of volume and value. The products shipped to India included air and kiln dried lumber, sliced and rotary veneers, billets and teak poles. China was also emerging as an important East Asian market for Ghana's wood products.

At the regional level, Nigeria has also become a prominent wood products market in the ECOWAS sub-region. Nigeria's plywood imports from Ghana, during the period under review were about EUR17.33 million, the second biggest destination for Ghana's plywood exports. This is due in part to the robust and sustained market development and trade promotion programme, started by the Forestry Commission. Similarly, the Forestry Commission is collaborating with timber associations locally and overseas to enhance the performance of Ghana's timber trade and industry in terms of species, products and market developments.

Ten companies with integrated processing facilities and high installed capacity utilization and recovery out of 310 wood processing mills, which exported during the period under review, contributed about EUR83.26 million (or about 60.2%) to the total earning for the period. The ten included Msrs. John Bitar and Co., Ayum Forest Products, Samartex Timber and Plywood, Logs and Lumber Co. and Forune Timber (Gh), Ghana Primewood, Mondial Veneer (Gh), AG Timbers, Fabi Timbers and Naja David Veneers and Plywood, which earlier this month was granted the Exporter of the Year Award (for 2006) by the Ghana Export Promotion Council (GEPC). [ITTO 1-15/12/07]

Ghana's Export Permits Rise Marginally

Two thousand one hundred and two (2,102) export permits were vetted, processed, approved and issued to exporters during the third quarter of the year 2007 to cover shipment of various wood products through the ports of Takoradi and Tema, including overland exports to neighbouring countries. The corresponding total of export permits issued for the previous quarter was 2,107. This represented a marginal decrease of 0.24% of the number of permits issued for wood products exports during the third quarter. Lumber air and kiln dried continued to register the highest number of export permit applications (1,008). This was 47.95% of the total number of export permits issued during the period under consideration.

This shows a growing demand for kiln-dried and air-dried lumber exports, compared to tertiary wood products like furniture parts, mouldings, flooring, dowels, broomsticks and profile boards. Although there was a substantial decrease in the number of permits issued in the third quarter for the export of curl veneer, boules, flooring, moulding, furniture parts and plywood, a significant increase was recorded for the export of lumber, dowels, layons, gmelina billes/poles and teak billets/poles/logs. These could be attributed to the increase in demand for lumber in the European Union and expansion of demand for gmelina and teak billets/poles/logs in India.

During the period under review, 15 export permits were issued for the shipment of air-dried levied species (edinam and sapele), as stipulated under the Trees and Timber (Amendment) Act, 1994 (Act 493). The overall total volume was 923 m³, valued at EUR29,361. Twelve export permits, reaching a total cumulative volume of 18,469 m³ and EUR3.61 million in value were also issued to exporters for the shipment of teak billets, poles and logs to India. Two export permits were issued to Best Glow Wood Ltd. for the shipment of 371 m³ of rubberwood for EUR34,027. [ITTO 1-15/12/07]

Ghana: Country, Others Losing U.S.\$10 Billion Through Illegal Logging

Illegal logging has been identified as one area where the government and custodians of Ghana's traditional lands lose vital revenue, which otherwise could have been channelled to the socio-economic development of the people in the country. It has also been estimated to be responsible for a loss in excess of US\$10 billion.

The Deputy Minister for Lands and Forestry, Mr. A. Adjei-Yeboah, who disclosed this while addressing the National House of Chiefs in Kumasi on the proposed Voluntary Partnership Agreement (VPA) with the European Union (EU) and timber-producing countries in Africa, which is aimed at rectifying the rules and regulations regarding the exportation of the products, noted that in view of the problems caused by the phenomenon of illegal logging, particularly in developed countries, regional declarations and initiatives were being made to tackle the issue globally.

He explained that the Voluntary Partnership Agreement, which forms part of the EU's Forest Law Enforcement, Governance and Trade Initiative (FLEGT), was meant to define a mutually-agreed standard against which legal compliance would be measured, as well as a system through which the origin of the product will be ascertained.

In the proposed pact, products from partner countries, that are unable to meet the standards defined under the agreement, will be denied access to the EU market.

The government of Ghana has decided to embark on a nationwide consultation to engage various stakeholders in order to reach a consensus on the negotiation elements so that an agreement could be reached with the developing partners including:

- the definition of legal timber
- system of verification of legality including licensing of timber
- a chain of custody system
- independent monitoring of the entire legality system
- the mitigation of possible impacts of the VPA on the domestic market

[GC 12/12/07]

Ghana: VPA Process On Track

The World Conservation Union (IUCN), an international environmental NGO, has been formally tasked by the Ghana VPA Steering Committee to facilitate the consultative process involving all stakeholders in reaching an agreeable negotiation position in the VPA between Ghana and the EU. Several stakeholder consultative meetings and various outreach workshops at forest communities level have been held.

One objective is to have clear statements from the sector on their concerns and commitment to the VPA process, as well as ensure that they are bought into the object and purpose of the VPA program. To this end, a meeting was held in Takoradi including members of the Timber Industry Association and groups on the VPA. They exchanged ideas on the objectives, process and the expected outcomes of the VPA processes. They were also updated on the various national and international initiatives to combat illegal logging and associated trade in wood products under the EU- Forest Law Enforcement, Governance and Trade-FLEGT initiative and associated processes. FLEGT is an EU initiative that seeks to combat the global problem of illegal logging and trade in associated timber products which is responsible for vast environmental damage in developing countries

The process to sign an agreement on legal timber trade with the EU started late last year when the government indicated its interest to follow the VPA process with the EU. Since then, the VPA Steering Committee has initiated some measures to ensure the success of the process. This include the production of necessary documents that will provide an informed negotiation position on the VPA process such as the "Definition of Legal timber in Ghana," the "Wood Tracking System" and the "Legality System in Ghana" and a report on the possible impact of the VPA in the forest sector of country. [PA 10/07/12]

Buying Patterns In Europe Drive Prices Higher

In the second half of November, prices rose for some species, particularly due to changing buying patterns in Europe. These are very much demand-led and respond to resumed interest and selective buying from Europe. Afrosia, azobe, douka and sapele showed notable gains and increased demand for belli by buyers from India pushed prices for the species higher. Sipo prices for LM and B grades continued stable at the recent higher levels while the BC/C grade moved higher with increased demand from both Europe and the Far East. Europe's renewed interest in iroko moved prices up and the species now competes at the same price as that for Far East destinations.

Demand for moabi slowed and prices moved downward in spite of fair demand from French buyers. Okan prices for European buyers also moved lower, although prices for Chinese buyers were unchanged even though demand was low. Heavy rains in some areas were also continuing to affect logging and transport operations.

For sawnwood, recently higher log prices and reduced supply from Northern Congo and Central African Republic may cause sapele lumber prices to rise. Outside of sapele, there were no other anticipated reports of large fluctuations in sawnwood prices. [ITTO 15-30th November 2007]

Ghana's Timber And Forest Resources Hold Future Promise For Economy

Recent developments in Ghana's timber and forest sector were announced during the 2008 Budget Statement. It was noted that timber exports had remained flat and were expected to reach approximately GH¢241 million by the end of the year. With regard to the Voluntary Partnership Agreement (VPA) with the EU, negotiations are expected to conclude by mid-2008. Other activities to be pursued with the EU include the integration of a log-tracking system into the Validation of Legal Timber Programme (VLTP) and the commencement of the Natural Resource and Environmental Governance (NREG) Programme. As a result of these activities, Ghana is expected to be in a better position to enforce forest laws, which will contribute to securing forest revenue for the country.

Additionally, the National Disaster Management Organization (NADMO) is expected to train and equip Disaster Volunteer Groups (DVGs) in forest protection management and plant five million seedlings of various species to ensure the restoration of degraded natural forests. [ITTO 15-30th November 2007]

RMB 02/01/08

Abbreviations

AA AllAfrica.com
AAGM All Africa Global Media
AEN African Eye News Service
AF Africa Focus
ACIS African Church Information Service
AD Africa Daily
AI Amnesty International
AFP Agence France-Presse
AG AngloGold
AIM Agencia de Informacao de Mocambique [Maputo]
AIS Asia Information Services [London]
AM Accra Mail [Ghana]
AN The Analyst
ANS African News Services
AO Africa Online
AP Associated Press
APA Angola Press Agency
APM Angola Peace Monitor
ASP Asia Pulse
AT Arusha Times Tribune
AW Africa Women
BC Business Champion Nigeria
BD Business Day
BDMN Bernama Daily Malaysian News
BG The Botswana Gazette
BL Beeld
BLB Bloomberg
BN Bua News [Botswana]
BT Business Times [Dar es Salaam]
CA Cape Argus
CI Conservation International [Washington]
CNN Central News Network
CNIS Commonwealth News and Information Service
CP City Press
CT Cameroon Tribune
DC Daily Champion
DG Daily Graphic
DJ Dow Jones
DJ Dow Jones International News
DN Daily News
DNS The Daily News
DO Dispatch Online
DT Daily Trust
DM The Daily Monitor
EA The East African
EAD East African Daily
EAS East African Standard
ECN Eastern Cape News
Eco The Economist
EIUV EIU Viewswire
FR Friends of the Earth International [Brussels]
FG Financial Gazette [Zimbabwe]
FM Financial Mail
FN Financial News
FT Financial Times
FW Finance Week
GDN Gambia Daily News
GC Ghanaian Chronicle
GCN Graphic Corporation News
HAN Highway Africa News Agency
HRW Human Rights Watch
IFS Independent Foreign Service
IFE International Freedom of Expression [Toronto]
IPS Inter Press Service
IRIN Integrated Regional Information Network
ICG International Crisis Group
ITW ITWeb [Johannesburg]
IWP Institute for War & Peace Reporting
JDW Jane's Defence Weekly
LO Liberian Observer
LL Lloyds List Newspaper
MB Moneyweb
M&G Mail & Guardian
MS Malawi Standard
MISA Media Institute of Southern Africa
MCC Millennium Challenge Corporation
MO The Monitor
MS Malawi Standard [Blantyre]
MW Minority Rights Group International
NB The Namibian
N24 News24
NF Nigeria First
NE Namibia Economist
NN New Era
NP National Post
NV New Vision
PANA Pan-Africa News Agency
PA Public Agenda
PL Public Ledger
PRN PR Newswire
PZ The Post [Cameroon]
RT Reuters
SAPA South African Press Association
SBR Star Business Report
SD SciDev.net [London]
SI Sunday Independent
SN SABC News
SNK Sunday National [Kenya]
SS Saturday Star
SSC South Scan
ST Sunday Times
STAR The Star
SU The Sun [Nigeria]
SWN Sowetan
TCN The Chronicle Newspaper [Lilonywe]
TD This Day [Lagos]
TDO The Daily Observer [Banjul]
TGLN The Guardian Limited Newspaper
TH The Herald
TI The Independent
TKH The Korea Herald
TOD The Oil Daily
TR The Reporter
TS The Star
TT The Times
TZ Times of Zambia
USDS United States Department of State
UN United Nations [New York]
UNDP United Nations Development Programme
UNRIN UN Integrated Regional Information Networks
VAN Vanguard Daily [Lagos]
WA News watch
WFP World Food Programme [Geneva]
WMR World Market Report
WT The Weekly Trust