

OPEN STATEMENT

BRUSSELS, 12 March 2024 - The European Woodworking Industries express great concern about EUDR

The European Woodworking Industries are greatly concerned regarding information disclosed about the EU Deforestation-Free Products Regulation (EUDR)¹ in a recent article in the Financial Times (8th March 2024)². According to the article, the EU intends to delay the application of the much-needed risk-based approach – practically implemented via a risk benchmarking of producing countries (low, standard, and high risk) – which is essential for enabling compliance with the EUDR by market actors (operators, traders, importers, exporters, and their authorised representatives) and the competent authorities of the EU Member States (CAs), as well as for incentivising good practices in producing countries (EU Member States or third countries).

Instead, all countries will now apparently be designated as “standard risk” in order to “give them more time to adapt” to the new Regulation. It is crucial to understand that the benchmarking of countries is a central part of the EUDR and its implementation, and any delays related to this classification will only result in additional costs and administrative burden for market actors, without any real advantages either for the producing countries or for the CAs.

Indeed, per the EUDR, whether market actors source their commodities from standard risk countries or from high-risk countries, they are facing the same due diligence obligations. Simply put, the benefit implied by the seemingly planned delay of the country risk benchmarking does not exist because no simplified procedure for export or imports is actually foreseen for standard risk countries, compared to high risk countries.

The only difference between the two tiers of risk is the implication that it has on the control and verification obligations of CAs: CAs must control 9% of all the operators placing or making available on the market or exporting relevant commodities and products originating from high risk countries, compared to 3% in the case of relevant commodities and products originating from standard risks countries (as per Article 16, paragraphs 8 and 9 of the EUDR).

However, it is essential to identify low-risk countries as the implications are significant to all the actors: when sourcing from low-risk countries, market actors do actually benefit from the possibility of simplified due diligence, while CAs can reduce the number of controls to 1%, as foreseen by Article 16 paragraph 10.

The difficulties associated with the implementation of the EUDR are also reflected by the challenges faced by the EU when seeking to deliver on its own commitments under the

¹ Regulation (EU) 2023/1115 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115>

² https://www.ft.com/content/8dab4dc6-197b-4a2f-86f0-d5e83ce00b09?accessToken=zwAGE0p5FlfYkdONq03GGXtKL9OG8NXoPOALCQ.MEQCICIJwazpNonhT UzJWEQGFfowolsUv27TiHUoYJaDTIXAiAckaNxRapvAHx8GqrdGik0DLG_uz0aSiFmx5HqHmvQoQ&shareType=gift&token=5e38e6fc-53e7-4784-a1d9-b2d000994eff

Regulation. One such example is the task of benchmarking the risk level of countries, particularly the identification of the low risk-countries, which, to underline again, needs to take place urgently.

An aggravating factor is that the EU's Information System, intended to be the main tool supporting the EUDR implementation by all the actors, is still at an early stage of development and needs significant improvement, in particular when it comes to the automatic, reliable and safe collection, registration, and protection of commercially sensitive information. Moreover, in the case of timber, aspects related to the transition period from the currently applicable EU Timber Regulation (EUTR)³ to the EUDR still need to be clarified. The goal is to ensure that wood which has been legally sourced until 30 December 2024 in full compliance with the EUTR can be sold on the EU market. It is crucial that the EU Information System takes this into account and does not require retrospective submission of Annex 2 data of downstream producers when they place goods (e.g., sawn wood) on the markets which originates of raw material harvested before 30 December 2024.

Conclusion:

The European Woodworking Industries fully support the scope and the objectives of the EUDR and strongly oppose all forms of deforestation and forest degradation. At the same time, the European Woodworking Industries regret that the EUDR has become a huge administrative and regulatory monster.

In the light of all the above, the European Woodworking Industries urge the EU institutions to delay the entry into application of the EUDR for the operators and traders, to amend the EUDR in order to eliminate unnecessary bureaucratic hurdles and to provide actors with sufficient time to adapt for full and adequate compliance.

Moreover, it is imperative that the EU Commission swiftly proceed with the classification of the low risk countries, with this action being its main priority.

Signatories:

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EFIC: European Furniture Industries Confederation –

Transparency Register n° 95910795422-52

EOS - European Organisation of the Sawmill industry –

Transparency register n° 024776016336-52

EPF- European Panel Federation –

Transparency register n°: 572064811767-22

ETTF - European Timber Trade Federation –

Transparency register n° 151485550468-20

FEP- European Federation of the Parquet industry –

Transparency Register n° 294492727880-53

³ Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market Text with EEA relevance: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32010R0995>