

ANALYSIS OF POTENTIAL EUROPEAN UNION TIMBER REGULATION PRODUCT SCOPE CHANGES

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EXECUTIVE SUMMARY

This report reviews the findings of a previous study by Newleaf for WWF-UK, 'In or Out? Can the European Union's Timber Regulation keep out illegal timber?'^{1,2} It examines every 'CN code' (Combined Nomenclature, used by the EU to categorise imports) to identify those that include products containing wood or likely to contain wood, which fall out-of-scope of the European Union Timber Regulation (EUTR). It updates the reference list of CN codes identified as out of scope, and any wood-containing products missed under the previous study. As before, this study highlights the number of product types which are out-of-scope, and their significance in terms of import value, quantity and importance.

Based on 2014 trade data, each of the out of scope codes is placed into one of four descriptive categories created by Newleaf for comparison purposes: Made of Wood, Contains Wood, May be Made of Wood, and May Contain Wood. This study also included a review of two documents: the first is an early-2015 analysis of the scope of the EUTR from the UK Government's Department of Environment, Food and Rural Affairs (Defra); and the second is a report identifying what share of wood-based products are included in the EUTR, by the Thünen Institute of International Forestry and Forest Economics³ (Thünen).

The report finds that 371 relevant CN codes (52%) are out of scope, and 326 in scope. The value of out-of-scope imports rose from €43.1 billion (2013) to over €46 billion (2014). The value of in-scope imports rose slightly from €21.7 billion to €23.1 billion. By value, just 33% of products that may contain wood were covered by the EUTR, while 67% were out of scope. By volume, 86% of wood-related products are covered by the regulation.

Of the out-of-scope codes, the largest of our categories is May Contain Wood (67% by 2014 value and 56% by quantity), followed by Made of Wood (15% value, 28% quantity), May be Made of Wood (13% value, 9% quantity) and Contains Wood (5% value, 7% quantity). This demonstrates that both the value and quantity of imports need to be considered. When raw materials are further processed, this typically adds value, which is reflected in the increased value of these imported products. Value can then outweigh quantity with regards to the code's significance for inclusion in an effective EUTR. Good examples of this are in Chapter 95 (toys and games) and Chapter 82 (tools), which have an import quantity of 684,000 and 272,000 tonnes respectively but import values of €5 billion and €1.37 billion.

This is significant when other risk factors are included, such as in Chapter 92 (musical instruments), where a wide range of valuable and threatened species are used. The import quantity is only 49,000 tonnes yet the value is €725 million. In short, there is far more value in processed products than in wood in its raw form (for which the EUTR has good coverage).

The review concluded that the value and wide range of out of scope product groups, combined with the previously identified codes, undermines the coverage and effectiveness of the existing EUTR and makes a strong case for widening its scope.

The report then identifies an 'enhanced list' of key products. The enhanced list represents €26.7 billion (58% by value) and 5.9 million tonnes (62% by quantity). It includes key CN codes identified from the four categories, products that use high-risk species, products covered by the use of annotations (where the use of wood can be specifically mentioned), and products recommended by other stakeholders. This list potentially represents

¹ www.wwf.org.uk/what_we_do/forests/forest_publications/?7434/In-or-Out-Can-the-European-Unions-Timber-Regulation-keep-out-illegal-timber 2014

² Based on 2013 trade data.

³ literatur.ti.bund.de/digbib_extern/dn055557.pdf

a convenient 'must have' extension to the scope of the EUTR and useful, risk-based guidance both for business and for the authorities responsible for implementing and enforcing the EUTR. However, this report further finds a strong case for going beyond this to an all-inclusive approach.

With regards to the two documents reviewed, Defra's analysis suggests the inclusion of many important product groups, but several are only recommended "for further consideration". This report argues that given the complexities, full product coverage is simpler. Defra can take a strong position where imports into the UK represent a substantial proportion of the EU total.

The Thünen report is limited by a narrow focus on the forest-based sector. It does not include many products that contain high value timber, such as musical instruments, nor does it cover a wide range of other wood-related products (e.g. fireworks or pencils). Although many of the products Thünen identifies as missing from the EUTR broadly align with those in Defra's analysis, there is a risk of ignoring more processed and finished products, especially if the timber for such products were to originate from vulnerable areas or endangered species.

Stakeholders have expressed concerns about the potential ambiguity of certain products, or CN codes, as to whether they contain wood. In the past this has been given as a reason for not including these products within the scope of the EUTR. In its analysis, Defra suggests that one solution is to make changes to the Combined Nomenclature itself in order to specifically identify wood-based items. However, in order to change the CN codes there would have to be a separate process, in addition to that of amending Annex 1 of the EUTR.

This study offers another solution, which is to prepare suitable annotations (explanatory notes) to minimise any ambiguity in the CN codes. The use of annotations in international law has legal precedent; for example, the Convention on International Trade in Endangered Species (CITES) uses annotations to help identify species included within its scope. CITES is one of just two mechanisms specifically referenced within the EUTR. The annotations identified as case studies in this report could bring clarity to codes representing a value of approximately €21.3 billion, highlighting the potential of extending this approach to other CN codes.

If more product groups are brought within scope of the EUTR, more industries will have to do due diligence on their supply chains. This includes the food and beverage sector, fashion, cosmetics, chemical producers, ship building, pyrotechnics and handicrafts. This report considers the implications of an expanded EUTR scope and concludes that many of these industries are dominated by large, well-resourced businesses, likely to be aware of the issues and capable of managing any new obligations. Many are already undertaking at least some form of risk assessment of their supply chains. Even where it might be surmised that extending the regulation to cover all handicrafts might impact rural economies in producer countries, we found that much of the handicrafts industry is far removed from rural craftsmanship and that negative consequences for genuine artisans could be minimised.

This report demonstrates why an all-inclusive scope is both possible and preferable and, through the use of annotations, how it might be achieved. Further work on annotations would facilitate progress towards an all-inclusive scope, eliminating loopholes, ambiguities and confusion as to whether products require due diligence. Simply put, to prevent illegal wood being traded on EU markets, The EUTR should cover all products where wood is present.

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1. AIMS AND OBJECTIVES

This study aims to update the reference list of relevant CN codes currently out of scope of the EUTR, and to further identify wood-containing products that may be represented by these codes. It builds on previous work conducted by Newleaf in January 2013 (unpublished data) and September 2014⁴ and reviews subsequent studies undertaken. This information highlights the number of out-of-scope product types and their significance in terms of import value, quantity and importance.

Specific objectives are as follows:

- 1.1 To review both Defra's analysis (see Appendix 2) and the Thünen Institute's recent report (Market Coverage of Wood Imports by the EU Timber Regulation, Thünen Working Paper 45, Holger Weimar, Niels Janzen and Matthias Dieter August 2015⁵), to confirm the value and volume of the product groups they each propose to be included into the EUTR, and to assess each list's scope.
- 1.2 To assess the potential impact a wider scope may have on a broader range of non-wood- and wood-based industries such as those using cellulose and/or its derivatives, and rural economies of producer countries with respect to handicrafts.
- 1.3 Identify case studies for ambiguous categories that could be clarified through the use of suitable 'annotations' should these codes be included in the EUTR.

⁴ www.wwf.org.uk/what_we_do/forests/forest_publications/?7434/In-or-Out-Can-the-European-Unions-Timber-Regulation-keep-out-illegal-timber

⁵ literatur.ti.bund.de/digbib_extern/dn055557.pdf

2. METHODOLOGY

This section explains the approach used to conduct the various reviews and the criteria used to assess products.

2.1 Timber and wood terminology

While the EU Timber Regulation (EUTR) specifically refers to ‘timber’ and ‘timber products’, related terms such as ‘wood’, ‘wood fibre’, ‘wood-based’, ‘wood-related’ and ‘wooden’ are also used throughout this report. These are intended to be synonymous with references to timber as used in the Regulation and apply to all types of solid, composite, mixed and processed timber and timber products.

2.2 Review of the Combined Nomenclature to identify wood-related products

The Combined Nomenclature (CN) is the EU’s eight-digit coding system that serves the EU’s common customs tariff and facilitates the administration of EU and member state trade statistics. Using CN codes all physically traded materials and products are categorised into related chapters, headings and sub-headings. For example, the code 44013100 represents the following:

Chapter 44 (Wood and Articles of Wood)

Heading 4401 (Fuel Wood)

Sub heading 44013100 (Fuel Wood from Non-Coniferous Species)

The Annex of the EUTR⁶ lists two full chapters and an assortment of headings and sub-headings that are already within the scope of the EUTR. These typically represent products that quite obviously contain wood. These in-scope codes were included within the review for comparison purposes, as were the 14 sub-headings that are specifically exempt from the EUTR.

The previous study by Newleaf for WWF-UK in September 2014⁷ examined every CN code and identified those that represent products likely to relate to wood in some form but which are not currently within the scope of the EUTR. This review took the previous study as the basis for a list of out-of-scope CN codes, but it also looks deeper into several specific chapters that were not fully investigated previously.

In addition to the 2014 study, this review also looked again at the CN codes to see if any relevant codes had been overlooked, particularly in consideration of the analyses by Defra⁸ and Thünen⁹. Where appropriate, we examined descriptions in order to include or exclude CN codes at the most specific level available, so as to be as accurate and relevant as possible.

We used Eurostat’s ‘RAMON – Reference and Management of Nomenclatures’ website for Combined Nomenclature 2015 metadata as the most up-to-date list of current CN codes.¹⁰

⁶ 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.

⁷ In or out? Can the European Union’s Timber Regulation keep out illegal timber?, WWF/Newleaf, 2014.

⁸ See Appendix 2.

⁹ Market coverage of wood imports by the EU Timber Regulation Thünen Working Paper 45. Holger Weimar, Niels Janzen and Matthias Dieter, Thünen Institute of International Forestry and Forest Economics, August 2015.

¹⁰ ec.europa.eu/eurostat/ramon/nomenclatures/index.cfm?TargetUrl=LST_NOM_DTL&StrNom=CN_2015&StrLanguageCode=EN&IntPckKey=&StrLayoutCode=&IntCurrentPage=1

2.3 Identifying CN codes as in or out of scope

Using the list of CN codes representative of wood-related products, the codes were then differentiated on the basis of being included or not included in Annex 1 of the EUTR.

There is often confusion between terms such as ‘excluded from scope’ and ‘exempt’, with some stakeholders believing that any product not included in Annex 1 is exempt. In fact, the only two sets of CN codes that truly are ‘exempt’ from the Regulation are recycled fibre and recovered paper and paperboard (CN 4606/7) and packaging (CN 4415/19).

Therefore, Newleaf tried to ensure that the terminology used for the identification of products was consistent and in line with that used within the regulation. For the purpose of this report all CN codes listed in Annex 1 are referred to as ‘in scope’ of the Regulation and all wood-related CN codes not included in Annex 1 are referred to as ‘out of scope’ of the Regulation.

2.4 Estimating the significance of wood-related products imported into the EU

To establish whether the wood-related CN codes not included within the scope of the EUTR were materially significant to the objective of the Regulation (i.e. prohibiting illegally harvested timber and timber-based products being placed on the EU market), the value and quantity of such imports into the EU was identified.

Official data on international trade, aligned to CN codes, is available via the European Commission’s ‘Eurostat’ online database.¹¹ Using the dataset ‘Adjusted EU-EXTRA Imports by tariff regime, by CN8 (DS-041691)’, a query was created to provide the following data¹²:

Non-EU imports into the 28 EU member states for the periods January – December 2013 and January – December 2014, in both value (€) and quantity (tonnes).

Non-EU imports into the UK for the periods January – December 2013 and January – December 2014, in both value (€) and quantity (tonnes).

It should be noted that the value and quantity given is of the whole product, not just wood-related components. When a product is still in its raw or semi-processed state (such as logs, rough sawn timber, processed solid wood, plywood or board materials), value and quantity data can be used quite accurately to demonstrate if a product is materially significant. Once a raw material has been converted and forms part of a finished product, however, both value and quantity data can only be used as a guide rather than to state any material significance. This is because of the increased presence of non-wood materials and value-adding processing and other commercial activities.

2.5 Categorising the list of out-of-scope products

Having established all the relevant CN codes and their material significance, we then developed a way of categorising codes depending on how prominent the presence of wood is likely to be. Each of the out-of-scope CN codes was placed into categories based on the methodology given on the following page.

To avoid double-counting, CN codes were only assigned to one category at the appropriate sub-heading level (see Recording of Data, 2.8). However, there are instances where different codes from the same chapter appear in different categories (for example, some seating codes are categorised as ‘contains wood’, while others are ‘may contain wood’).

¹¹ epp.eurostat.ec.europa.eu/newxtweb

¹² A caveat must accompany all analysis in this report that uses Eurostat information as its base: the analysis is only as good as the quality of information held within Eurostat.

Some degree of interpretation when categorising CN codes is inevitable and, with respect to the finer detail, there may be an argument for moving some codes to alternative categories. The focus of this review was to ensure that all key CN codes were identified and that they were sensibly grouped to help prioritise closing gaps in the current regulation.

2.5.1 Made of Wood

This category represents products that are wholly or predominantly made from, or derived from, wood. The word ‘wood’ may well appear in the title of the CN code. These products are often composite materials but may include solid wood items. All are finished/processed products rather than raw materials.

2.5.2 Contains Wood

This category represents products that, with a reasonably high level of certainty, contain a wooden component. These products are unlikely to have any indication of wood-based materials in the title of the CN code. We placed codes into this category using our product knowledge.

2.5.3 May be Made of Wood

This category represents products that are potentially wholly or predominantly made of wood but, equally, could be made of other materials depending on their design specification. No mention of wood appears in the CN code titles in this category.

2.5.4 May Contain Wood

This category represents products that could contain wood components depending on the design specification. No mention of wood appears in the CN code title.

2.6 Review of external documents

This study also includes a review of two documents: one is an early-2015 analysis of the scope of the EUTR by the UK Government’s Department of Environment, Food and Rural Affairs (Defra); and the second is a publicly-available report by the Thünen Institute of International Forestry and Forest Economics (Thünen).

2.6.1 Defra analysis: EUTR product coverage (CN code lists 1 & 2)

WWF presented Newleaf with Defra’s thoughts on increasing the scope of the EUTR, which included two lists of CN codes, identified here as ‘Defra code list 1’ and ‘Defra code list 2’. Both lists include potentially wood-related products, but in list 1 Defra are suggesting an immediate inclusion into the EUTR, whereas list 2 contains products worthy of further consideration.

Both lists were reviewed with regards to the data already held and in comparison with the views expressed by WWF and Thünen. Any additional CN codes proposed by Defra were added to this review’s table of results, and we determined whether to include them in the list of out-of-scope codes.

2.6.2 Thünen Working Paper 45: Market coverage of wood imports by the EU Timber Regulation

Thünen published a working paper with the objective of identifying what share of wood and wood-based products are included or excluded from the EUTR. Its Annex features ‘top 10’ lists (as proposed by Thünen) for wood, paper and wood-based products not covered by the scope of the Regulation.

Any additional CN codes proposed by Thünen (with the exception of recycled products, which are specifically exempt from the EUTR scope) were added to this review’s table of results. Taking into account the views of WWF, we decided whether to include them in the list of out-of-scope codes.

In addition, we considered Thünen’s statements regarding the current coverage of the EUTR.

2.7 Year-on-year comparison

Much of the work to identify wood-related CN codes was undertaken by Newleaf in 2013 and 2014, culminating in WWF-UK's 'In or Out?' report. It was originally intended that the 2013 value and quantity data used for that report would be used again as the basis of this review. However, we decided that it was necessary to obtain 'new' 2013 data (i.e. the Eurostat query was run again for 2013) in order to achieve a more reliable comparison with 2014 data. This was because:

- The data that was now available via Eurostat had been officially 'adjusted', meaning that it was likely to be different, though more reliable;
- The Eurostat website and query builder had been updated, with a more comprehensive selection of the source and scope of customs data available;
- Further refinement of the CN code list was possible, including or excluding some codes at a more specific sub-heading level;
- Official CN codes are updated annually so there was a possibility that some relevant codes may have changed;
- This review identified a further 53 CN codes to be added to the out-of-scope list, for which original 2013 data was not available; and
- Errors and omissions from the original 2013 data could now be corrected.
- The adjustments to the 2013 data have not had any significant effect on the key results and conclusions presented in the 'In or Out?' report. However, this does mean that the specific value and quantity figures in that report cannot be directly compared to either the adjusted 2013 data or the 2014 data used in this review. Any comparison between 2013 and 2014 should therefore rely on the data included in this report.

2.8 Recording of data

We created and populated an Excel spreadsheet with a list of all the wood-related CN codes identified. Rather than list every single eight-digit CN code, these were aggregated into similar headings or sub-headings where possible. However, there was also a need to distinguish between sub-headings that may or may not relate to wood, or may or may not be candidates for inclusion in the scope of the EUTR (as proposed by the various stakeholders). To denote when more than one sub-heading is included in a line, we replaced the variable elements of the CN code by 'X', as in the following examples:

- 3912XXXX means that there are multiple codes with the heading 3912 included in the data.
- 39207XXX is more specific; it does not represent all of heading 3920 but only sub-headings beginning 39207.
- 440710XX is more specific still; it only represents sub-headings beginning 440710.
- 36041000 means that there is only one single sub-heading included.

Therefore, the lower the number of Xs, the more refined the data is towards a specific group of CN codes. In most cases where there are multiple codes represented within a line of data, all of the related sub-headings are included. However, in a few instances only selected sub-headings within a related range are included (i.e. those sub-headings that are wood-related whereas adjacent ones are not). Columns in the spreadsheet record how many CN codes are represented within a line of data, whether all the related codes are included, or list the specific sub-headings selected. This approach allowed the data to be filtered and analysed in different ways while ensuring the data-gathering task was as efficient as possible and avoided the double-counting of codes.

Columns were also added to the spreadsheet to record the significance of the codes (whether in-scope, exempt or what category of out-of-scope, e.g. Made of Wood), the value and quantity data for both EU and UK imports for 2013 and 2014, whether the code was important to WWF, Defra or Thünen, and other relevant information.

This table of results informed much of the analysis and conclusions made in this report.

2.9 Case studies and proposed annotations

2.9.1 Identifying and Agreeing Appropriate Case Studies.

Following discussions with WWF, an independent legal advisor and a broad range of other stakeholders, a shortlist of products that seemed ambiguous as to the likelihood of them containing wood was agreed. This shortlist was to form the basis of a series of case studies, so that more detailed analysis of the reasons for ambiguity could take place.

The ambiguities ranged from instances where some raw materials were included within the EUTR yet products made from the raw materials were not, through to more complex product ranges which were likely to contain wood but where this could not be identified using CN codes alone. As some of the product groups could be amalgamated due to similarities, we agreed a final list of product groups that formed the nine case studies in this report.

Once complete, the case studies were presented for consideration by an independent legal advisor, in order to prepare suitable annotations (explanatory notes) that would help minimise any ambiguity should the product groups be included in the scope of the revised EUTR. Annotations have previously been used in, for example, the Convention in International Trade in Endangered Species (CITES), to define whether a species is to be included. CITES is specifically referred to within the EUTR (due diligence is not required on CITES-listed species as long as appropriate documentation is available), making the use of annotations appropriate and relevant.

2.9.2 Criteria used to create the case studies

We designed a structure for the case studies to assist the legal analysis of possible annotations. It comprises the following points:

- A. The CN code and where it sits in the CN structure
- B. Description of the code
- C. Where wood fibre exists in the product
- D. Why the CN code is not currently included within the scope of the EUTR
- E. The risk of illegal timber related to the CN code
- F. Species of timber affected
- G. Likely origins of imported products
- H. Likely origins of raw material
- I. The import value/quantity of the CN code into the EU and UK
- J. Importance of inclusion
- K. Whether it is included in Defra's lists
- L. The industries affected by its inclusion

2.10 Identification of industries affected by an increased scope, with particular focus on cellulose and the handicraft industry

Following on from WWF's 2013 'In or Out?' report, where cellulose and its derivatives (under CN code heading 3912 and sub-headings 39207100 to 39207990 and 39211400) were identified as a wood-based material, a more in-depth study was requested to identify the many CN codes that contain or make reference to cellulose or any of its chemical derivatives. This involved mapping out the full cellulose supply chain from the original raw materials through the various processing and conversion stages, to enable the identification of all the primary uses and forms of cellulose¹³.

This review also assessed where wood-related materials were being used in industries not traditionally associated with timber.

With support from the British Association of Fair Trade Shops and Suppliers (BAFTS), a review was conducted to identify, firstly, the main wooden handicraft products imported into the EU and, secondly, the most common CN codes under which these handicraft products are imported. Then an investigation of what or who is a genuine handicraft producer was undertaken, so that an assessment could be made of the impact an increased EUTR scope may have on genuine handicraft suppliers.

2.11 Creation of an 'enhanced list'

The 'In or Out?' report showed that the current scope of the EUTR is insufficient and it remains clear that there should be an all-inclusive scope, covering all products where wood is present. However, certain products present challenges and there may be resistance to their inclusion, particularly where the presence of wood is uncertain or trade is relatively minor. While these products should not be overlooked, including them may require further work, such as continued development of suitable annotations. Nevertheless, there are many CN codes that represent products for which there is a compelling argument for their immediate inclusion in the scope of the EUTR. These are presented in the 'enhanced list', which is intended as both an expansion of the current EUTR Annex 1 list of CN codes and a step towards an all-inclusive scope.

To create the enhanced list, we assessed the table of results to determine all the key CN codes across the four categories. These codes represent products that either have a high value; large quantity; or present a particular risk, such as those containing tropical timber or materials sourced from regions where corruption is prevalent. The list was also informed by the results of the annotation work discussed later on in this report, together with insights derived from the analyses made by Defra and Thünen.

¹³ See Appendix 3: Cellulose.

3. RESULTS

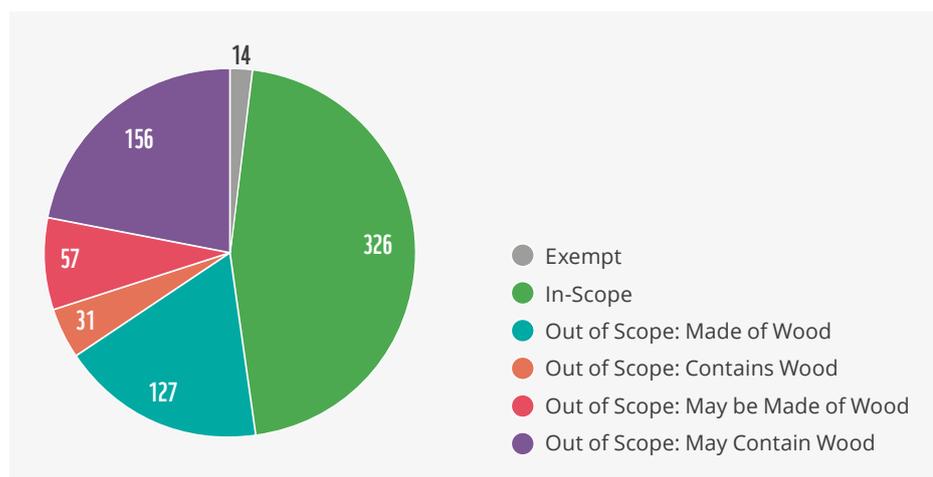
Following further investigation into the Combined Nomenclature (see Methodology) and increased knowledge of the presence of wood fibre in certain complex supply chains such as food and textiles, the list of CN codes previously identified for WWF's 'In or Out?' report has been revised and updated.

A summary of the Table of Results can be found in Annex 2. All subsequent graphs and tables used in this report are extracts from the Table of Results, unless otherwise stated. All value and quantity figures refer to 2014 data unless otherwise stated.

3.1 CN code review

This review identified 711 wood-related CN sub-heading codes. Of these, 326 (46%) are in scope of the EUTR, 14 (2%) are exempt, and 371 (52%) are currently out of scope. An additional 53 out-of-scope codes were identified compared to the previous study in 2014. Only two codes were removed from the previous list.

Figure 1: Number of CN codes in and out of scope (2014)



3.1.1 CN codes added

Table 1: CN codes added since previous review

CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
94037000	Plastic furniture	May Contain Wood	All	1	318,508,307	95,197
5516XXXX	Woven fabrics of artificial staple fibres	Made of Wood	All	21	198,3332,55	29,094
94038XXX	Furniture of other materials	May Contain Wood	All	2	189,321,215	89,459
5510XXXX	Yarn of artificial staple fibres	Made of Wood	All	5	149,981,782	54,387
551511XX	Fabric of polyester mixed with rayon	Made of Wood	All	3	129,693,416	25,812
550200XX	Artificial filament tow	Made of Wood	All	3	98,759,542	24,032
95089000	Swings, Roundabouts, Fairground equipment etc	May be Made of Wood	All	1	61,034,669	8,199
45XXXXXX	Cork and articles of cork	Made of Wood	All	12	56,283,660	22,420
5504XXXX	Artificial staple fibres, not processed for spinning	Made of Wood	All	2	50,911,789	32,594
55095100	Polyester yarn mixed with artificial staple fibres	Made of Wood	All	1	21,238,398	6,839
94060011	Mobile homes	May Contain Wood	All	1	9,798,611	5,336
55070000	Artificial staple fibres, processed for spinning	Made of Wood	All	1	1,227,402	325

Table 1 shows 12 different product groups added, representing 53 out-of-scope codes. Two of these groups (plastic furniture and furniture of other materials) were prompted by Defra's analysis; three (swings, roundabouts, fairground equipment etc., cork and articles of cork, and mobile homes) were introduced by Newleaf; and the rest, all related to artificial fibres, were proposed by Thünen.

The total value of 2014 imports into the EU of these additional codes is nearly €1.3 billion. The total quantity is 393,693 tonnes.

3.1.2 CN codes omitted

The two codes removed since the previous study in 2014 are both of heading 3924 (tableware, kitchenware, other household articles, and hygienic or toilet articles, of plastics). The value of EU imports in 2013 for these codes was nearly €1.4 billion; the quantity was 3.5 million tonnes. The codes were removed because there was considered to be a small likelihood of them being wood-related, which did not justify the inclusion of such significantly large import figures.

Defra also proposed 13 additional codes, represented here by six product groups, as shown in Table 2.

Table 2: CN codes proposed by Defra, not included in review

CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
9102XXXX	Watches, not of precious metal	?	All	7	4,081,702,746	15,613
95030041	Stuffed Toys	?	All	1	707,192,415	59,015
96032100	Toothbrushes	?	All	1	220,526,076	18,758
94012000	Motor vehicle seats	?	All	1	117,806,521	19,560
94011000	Aircraft seats	?	All	1	95,784,544	1,342
94015XXX	Seats of cane, bamboo etc	?	All	2	45,984,687	12,016

These were not included in this review, in most cases because it was considered that there is a negligible likelihood of them being wood-related. Seats of cane, bamboo etc. was not included because it was considered that these materials are not actually 'wood' as intended by the Regulation. However, this is open to interpretation.

3.2 Value and quantity

Using the revised list of CN codes, we determined the value and quantity of imports into the EU and the UK for both 2013 and 2014.

Table 3: Wood-related imports into the EU by value and quantity

EU Imports	Value (€)	Quantity (t)
2013	65,187,280,143	59,648,551
2014	70,065,204,903	68,751,848

The value of all wood-related imports (i.e. in-scope of EUTR, out of scope and exempt) rose from €65 billion in 2013 to €70 billion in 2014. The quantity rose in the same period from over 59 million tonnes to nearly 69 million tonnes.

Between 2013 and 2014, UK imports (directly from non-EU countries) rose from €12.6 billion to €14.2 billion, and from nearly 8 million tonnes to just over 9 million tonnes. The UK therefore accounts for roughly 20% of the value and 13% of the quantity of all wood-related imports into the EU.

Table 4: 2013 in-scope and out-of-scope imports into the EU

EU Imports	Value (€) EU	%	Quantity (t)	%
2013: In-Scope	21,745,730,139	34	49,599,907	85
2013: Out of Scope	43,094,967,534	66	8,479,442	15
TOTAL (exc exempt)	64,840,697,673	100	58,079,348	100

Table 5: 2014 in-scope and out-of-scope imports into the EU

EU Imports	Value (€) EU	%	Quantity (t)	%
2014: In-Scope	23,086,509,871	33	57,651,280	86
2014: Out of Scope	46,645,233,349	67	9,601,117	14
TOTAL (exc exempt)	69,731,743,220	100	67,252,397	100

The results in tables 4 and 5 show that for imports into the EU from 2013 to 2014, the value of in-scope codes rose from €21.7 billion to €23.1 billion. Over the same period, the out-of-scope value increased from €43.1 billion to €46.6 billion. This shows that by value the EUTR covers 33% of wood-related imports, whereas out-of-scope codes account for 67%.

The quantity of in-scope imports rose from 49.6 million tonnes to almost 57.6 million tonnes (an 8 million-tonne increase) whereas the out-of-scope quantity increased from 8.5 million tonnes to 9.6 million tonnes (a 1 million-tonne increase). By quantity, the EUTR covers 86% of wood-related imports, whereas out-of-scope codes account for 14%.

Therefore, the EUTR currently covers a significant majority of wood-related imports by quantity, but only one-third of imports in terms of value. This suggests that products not currently included in the scope of the EUTR typically have a high value, perhaps because they are more highly processed. We must note here the limitations of import data for finished products identified in the Methodology (see Methodology, 2.4). The overall value of wood-related imports increased by 8%, while the overall quantity increased by 16%. Value increased by 6% for in-scope imports and 8% for out-of-scope codes. Quantity increased by 16% for in-scope codes and 13% for out-of-scope codes. Based on this, there appears to be no substantial difference in trends between in-scope and out-of-scope codes; both are subject to market forces and so may fluctuate year on year.

3.2.1 In-scope quantity increase

The in-scope quantity rose significantly from 49.6 million tonnes in 2013 to 57.6 million tonnes in 2014, an increase of 8 million tonnes. This is shown in table 6 on the following page.

This increase comes mostly from four product groups: ‘sawn wood’ up 2.6 million tonnes, ‘wood in the rough’ up 1.6 million tonnes, fuelwood up 900,000 tonnes and plywood up 870,000 tonnes. It is interesting to note that import volumes of in-scope products have increased since the EUTR came into force.

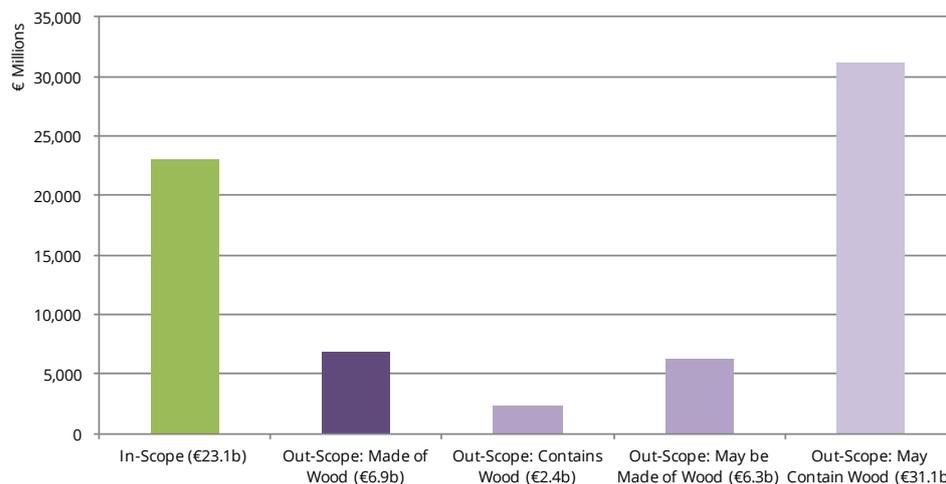
Table 6: In-scope CN codes showing >10,000t increase in import quantity 2013-2014

CN Code Chapter	CN Code Sub-heading	Description summary	2013 Quantity (t) EU	2014 Quantity (t) EU	Increase (t)	Increase %
44	440710XX	Sawn wood >6mm thick, Coniferous	2,770,973	5,456,145	2,685,173	97%
44	4403XXXX	Wood in the Rough	12,014,798	13,613,932	1,599,135	13%
44	4401XXXX	Fuelwood	12,895,547	13,799,170	903,623	7%
44	44079XXX	Sawn wood >6mm thick, other	1111904	1,563,156	451,252	41%
44	4410XXXX	Particle board, OSB etc	326,713	668,064	341,351	104%
47	4703XXXX	Chemical wood pulp, sulphate	7,405,001	7,612,175	207,175	3%
48	48059XXX	Other uncoated paper and board	161,608	310,349	148,741	92%
44	4415XXXX	Packing cases, cradles and pallets etc	294,856	412,449	117,593	40%
48	48010000	Newsprint	1,100,466	1,211,507	111,041	10%
44	4408XXXX	Sheets for veneering etc	263,079	367,987	104,908	40%
94	940360XX	Other wooden furniture	882,023	986,438	104,414	12%
44	4411XXXX	Fibreboard	328,024	386,207	58,183	18%
48	48102200	Mechanical light weight coated paper	126,123	182,968	56,845	45%
47	47020000	Chemical wood pulp, dissolving	299,959	351,090	51,131	17%
48	48051XXX	Fluting paper	216,310	265,814	49,504	23%
44	4418XXXX	Chuilders' joinery and carpentry	479,990	524,522	44,531	9%
48	48043XXX	Other kraft paper and board 150gsm or less	115,456	152,371	36,915	32%
48	48101900	Coated woodfree paper and board, other	99,023	131,212	32,189	33%
48	4819XXXX	Cartons, boxes, cases etc	441,867	472,667	30,800	7%
44	44130000	Densified wood	23,519	53,684	30,165	128%
94	94035000	Wooden bedroom furniture	309,747	338,316	28,568	9%
44	44072XXX	Sawn wood >6mm thick, Tropical	729,689	755,236	25,546	4%
44	4409XXXX	Continuously shaped wood	322,456	343,740	21,284	7%
48	4818XXXX	Toilet and facial tissue etc	140,996	158,979	17,983	13%
48	4820XXXX	Notebooks, pads and diaries	156,814	174,088	17,274	11%
48	4803XXXX	Toilet and facial tissue stock etc	214,302	230,093	15,791	7%
48	48109XXX	Other coated paper and board	348,383	363,821	15,438	4%
44	44160000	Casks, barrels, vats etc	74,930	90,226	15,296	20%
48	4811XXXX	Self-adhesive papers, impregnated papers etc	287,391	301,779	14,388	5%
48	482369XX	Paper plates, bowls, cups etc	56,517	69,343	12,826	23%
48	482390XX	Other paper, board, cellulose articles etc	56,301	66,375	10,074	18%

3.3 Out-of-scope CN codes by category

The out-of-scope CN codes were placed into one of four categories: Made of Wood, Contains Wood, May be Made of Wood, or May Contain Wood.

Figure 2: 2014 Value (€) of CN codes by category



There is very little difference between this review and the ‘In or Out?’ report with respect to the values of products within each out-of-scope category. Figure 2 shows that the Made of Wood category remains significant, with an import value of €6.9 billion.

Of the out-of-scope codes, the largest group is May Contain Wood (67% by value and 56% by quantity), followed by Made of Wood (15% value, 28% quantity), May be Made of Wood (13% value, 9% quantity) and Contains Wood (5% value, 7% quantity). The following sections provide a more detailed analysis of each of the four categories. They include reviews of the value and quantity per category as seen in Table 7, and an overview of the key CN codes that are currently omitted from the EUTR.

Table 7: 2014 Value and quantity of CN codes by category

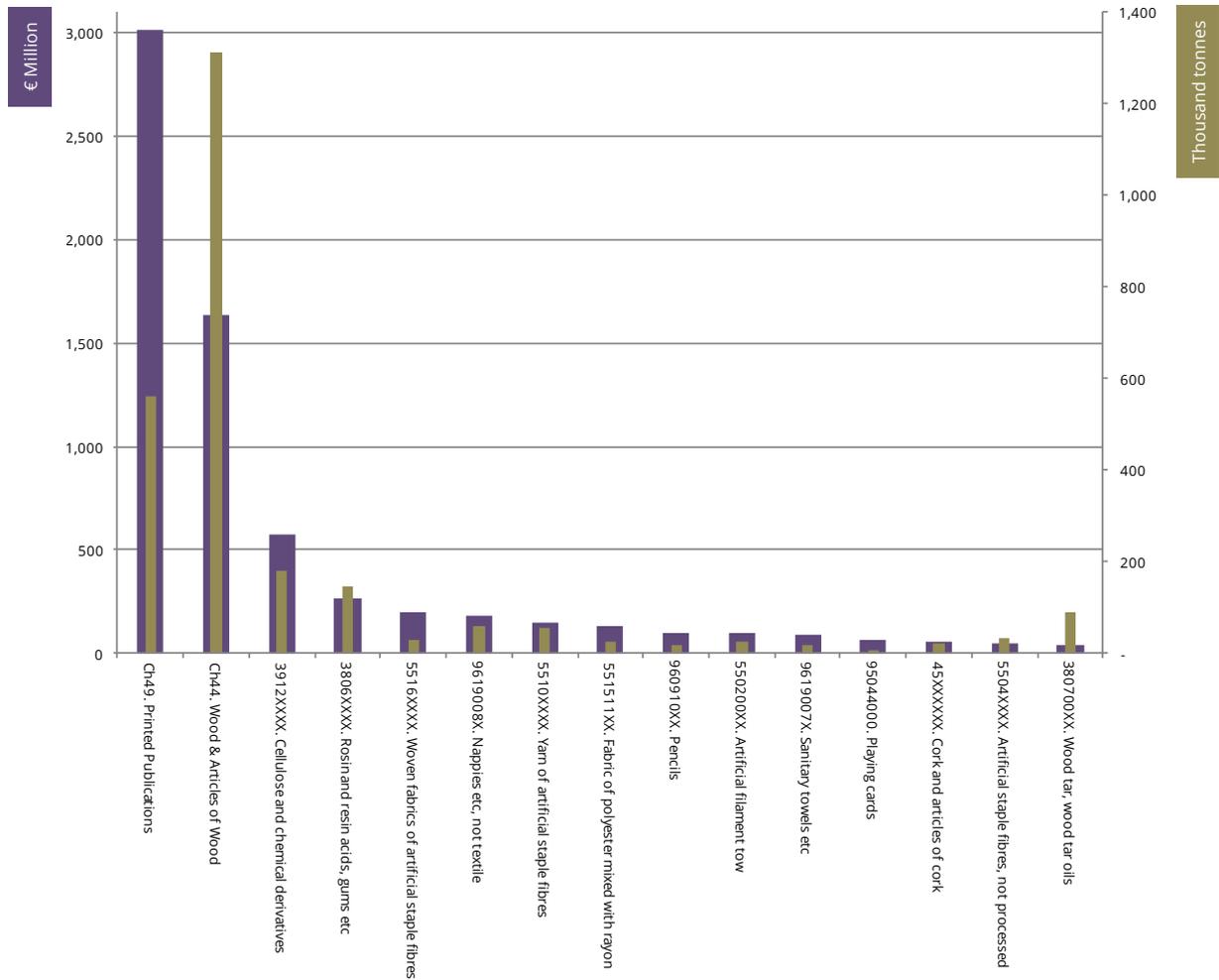
Category	Number of sub-codes selected	Sum of 2014 Value (€) EU	%	Sum of 2014 Quantity (t) EU	%
Made of wood	127	6,866,607,976	15	2,655,586	28
Contains wood	31	2,369,479,158	5	654,819	7
May be made of wood	57	6,268,618,711	13	866,666	9
May contain wood	156	31,140,527,504	67	5,424,046	56
Total	371	46,645,233,349	100	9,601,117	100

3.3.1 Made of Wood

This category contains the most obvious products that are made of wood but which are not currently included within the EUTR. It consists of 127 CN sub-headings with a value of €6.9 billion (15% of the out-of-scope total) and a quantity of 2.7 million tonnes (28% of the out-of-scope total).

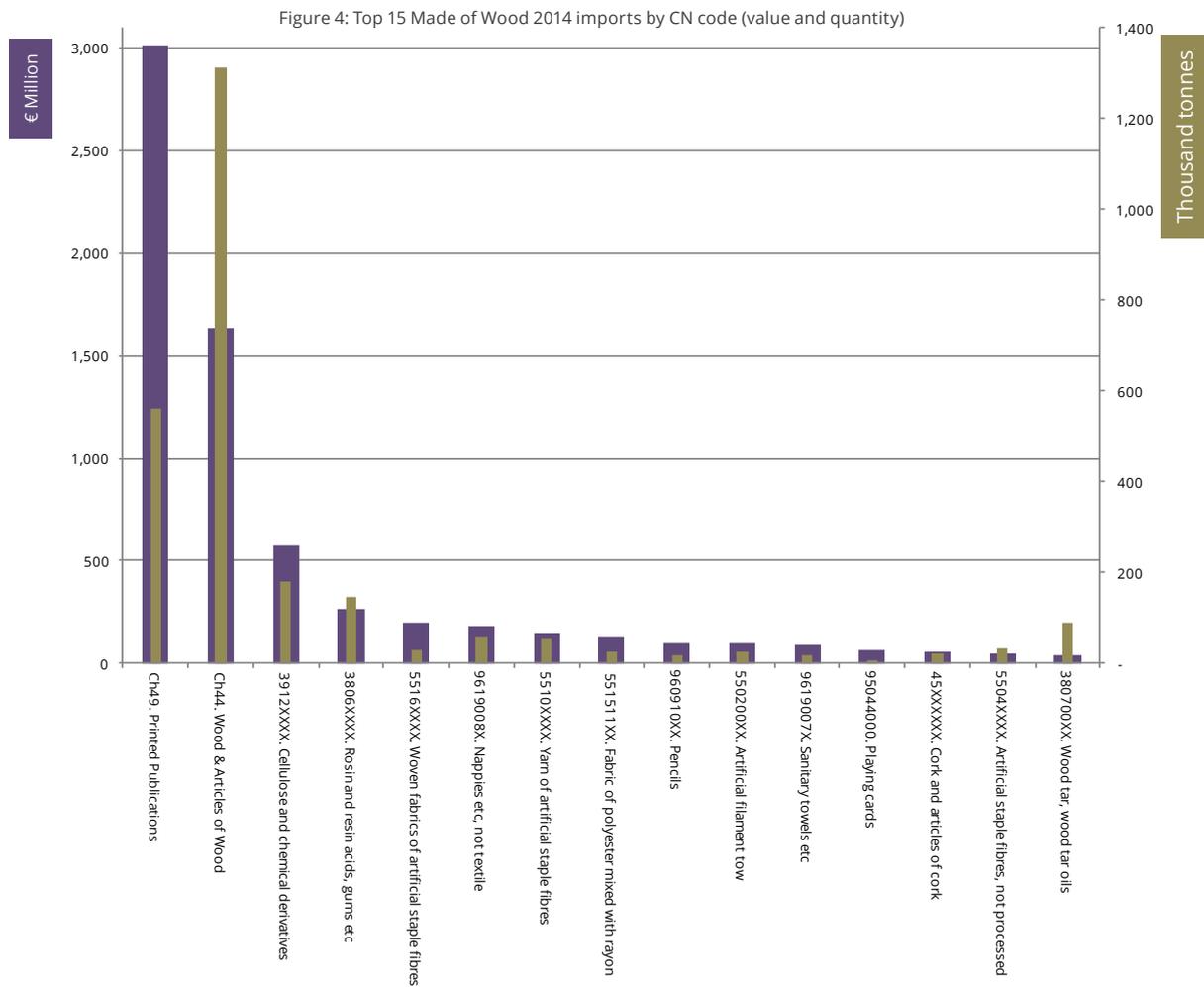
A further analysis was undertaken to identify the most significant CN codes within the Made of Wood category. Figure 3 shows that six chapters are particularly significant with respect to value and quantity: printed publications, wood and articles of wood, artificial staple fibres, cellulose, miscellaneous manufactured articles and miscellaneous chemical products.

Figure 3: Made of Wood 2014 imports by chapter (value and quantity)



With respect to Chapter 44 (wood and articles of wood), while it only has half the value of Chapter 49 (printed publications), it has over double the quantity. This example demonstrates the importance of considering the relationship between value and quantity when deciding whether a CN code is materially significant.

When drilling down further to identify the top 15 CN codes, we decided to amalgamate those codes belonging to Chapters 44 and 49 and to represent them in Figure 4 as if they were just two CN sub-headings. This allows the relevance of other Made of Wood sub-headings to be more fully considered.



Based on these top 15 results (and also including with them related codes from the same heading that are less significant by themselves), six key product groups were identified:

- Printed publications (all of Chapter 49)
- Wood and articles of wood (all of Chapter 44)
- Cellulose (16 sub-headings within Chapter 39)
- Rosin and resin acids (11 sub-headings within Chapter 38)
- Artificial yarns (all of Chapter 55)
- Miscellaneous articles, including feminine hygiene products (9 sub-headings within Chapter 96)

These three chapters and 36 other sub-headings are clearly wood-based and represent materially significant quantities and/or value. Therefore, serious consideration should be given to including them in the EUTR.

3.3.2 Contains Wood

This category represents products that, with a reasonably high level of certainty, contain wooden components (see Figure 5). It consists of 31 CN sub-headings with a total EU import value of €2.4 billion (5% of the out-of-scope total) and 655,000 tonnes (7% of the out-of-scope total).

Figure 5: Contains Wood 2014 imports by chapter (value and quantity)

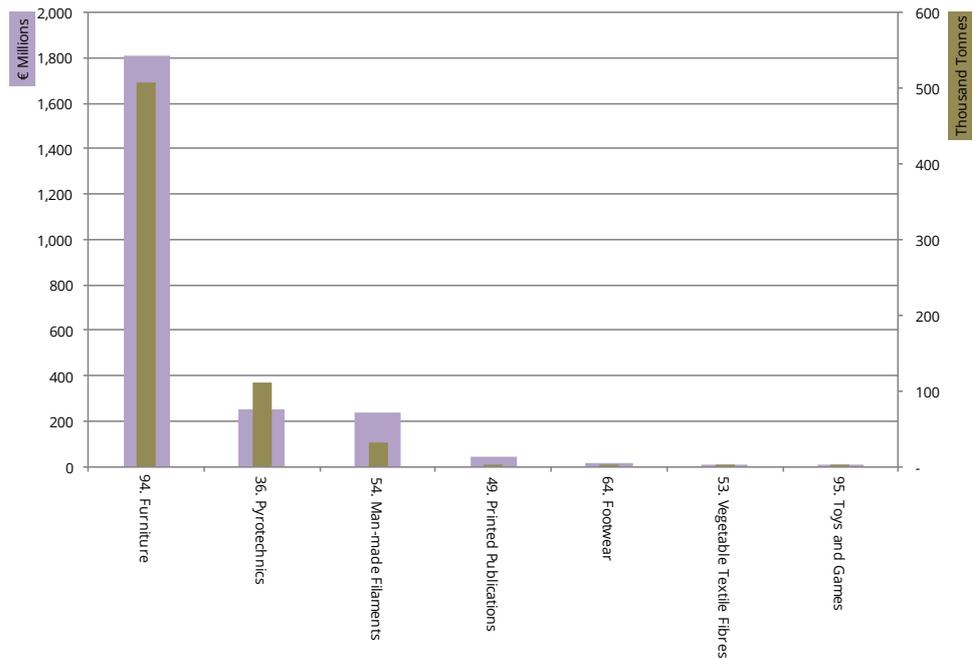
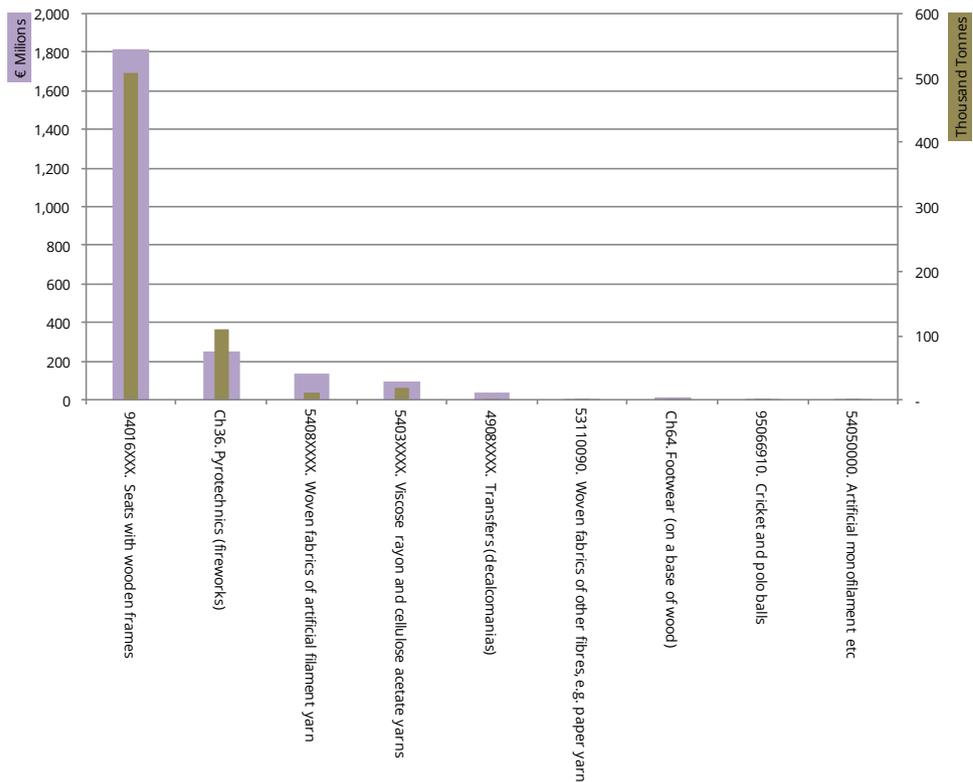


Figure 6: Contains Wood 2014 imports by CN code (value and quantity)



Three of the product groups shown in Figure 6 are materially significant, due to their value and quantity dominating the category, and are recommended for inclusion into the EUTR:

- Seats with wooden frames (2 sub-headings within Chapter 94)
- Fireworks and signal flares (2 sub-headings within Chapter 36)
- Artificial yarns (19 sub-headings within Chapter 54)

Transfers (decalcomanias), represented by two codes under heading 4908, also appear in this category because, while the backing is likely to be wood-based, the transfer itself could be made from a range of materials. However, we recommend including these along with the rest of Chapter 49 because their characteristics are essentially the same as other products that are already in scope (e.g. labels, which could have either a paper or a plastic face material).

3.3.3 May be Made of Wood

This category contains codes that could be wholly or predominantly made of wood, or of other materials depending on their design specification. Figure 7 consists of 57 sub-headings with a value of €6.3 billion (13% of the out-of-scope total) and a quantity of 867,000 tonnes (9% of the out-of-scope total).

Figure 7: May be Made of Wood 2014 imports by chapter (value and quantity)

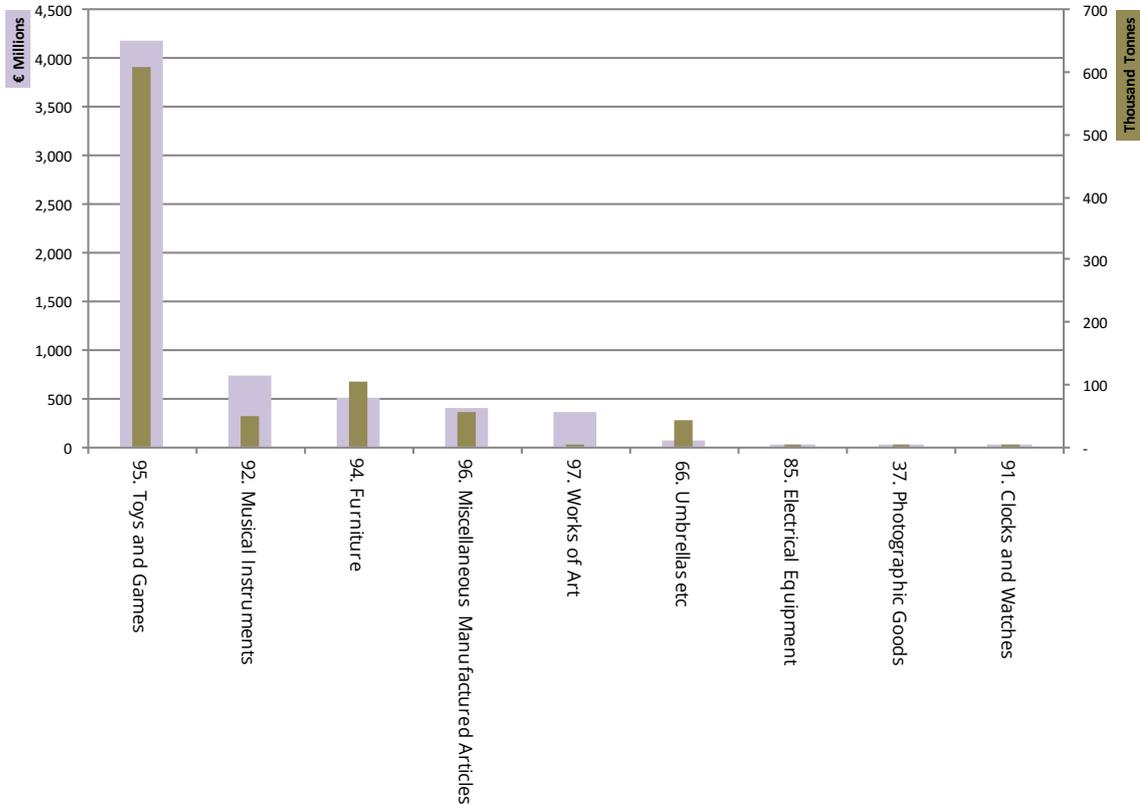
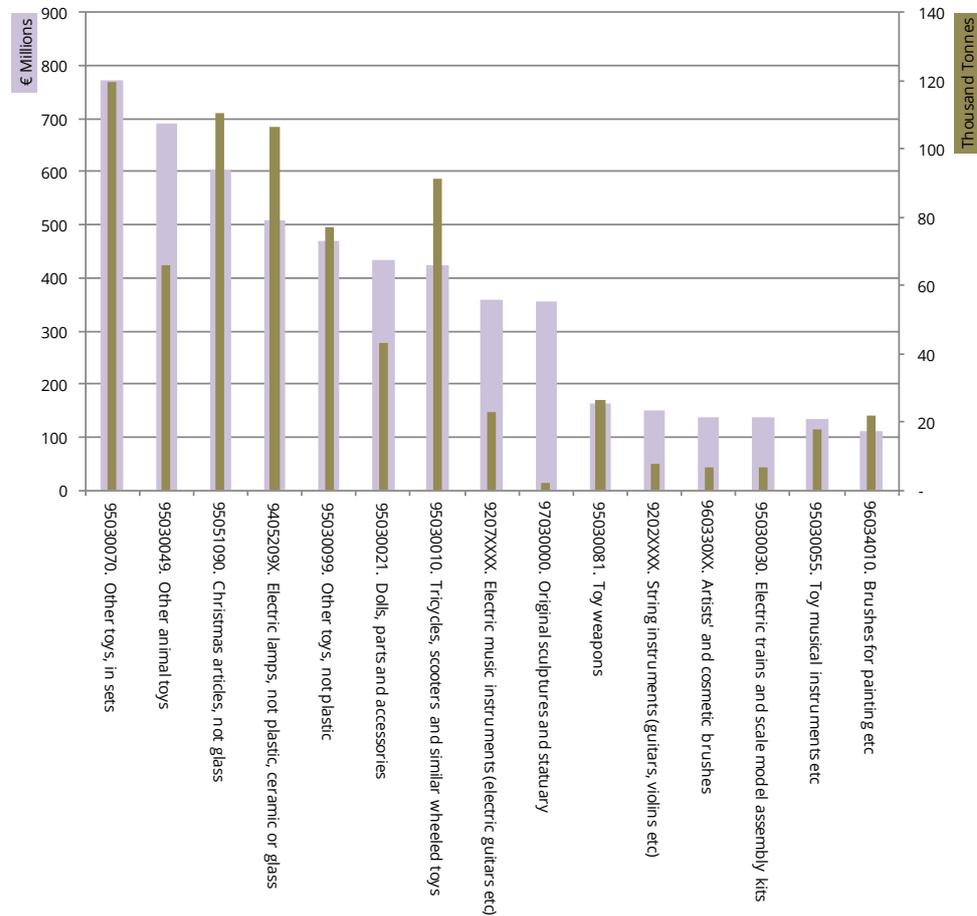


Figure 8: Top 15 May be Made of Wood 2014 imports by CN code (value and quantity)



As shown in Figure 8, toys and games and, to a lesser extent, musical instruments, furniture and other miscellaneous manufactured articles are important codes by value and quantity. Of particular note are musical instruments, as even though the value and volume are not as high as toys and games, other risks such as the use of high value and threatened species warrant their inclusion.

Within this category, the use of non-wood-based materials such as metal, plastics and fabrics becomes more of a consideration. Products such as brooms and brushes, toys and puzzles were once typically made of wood but now plastics dominate the choice of material, with wood and card being used as secondary materials. Nonetheless, all these products may still be made of wood even if there is a greatly reduced certainty that a particular item will be wood-based. This is where the use of annotations can help in making reference to the wood content within these wider product groups.

3.3.4 May Contain Wood

This category represents products that could contain wood but equally could be made entirely of other materials. Figure 9 consists of 156 sub-headings with a total import value of €31.1 billion (67% of the out-of-scope total) and quantity of 5.4 million tonnes (56% of the out-of-scope total). It is the largest out-of-scope category but the most difficult to identify clear trends within.

Figure 9: May Contain Wood 2014 imports by chapter (value and quantity)

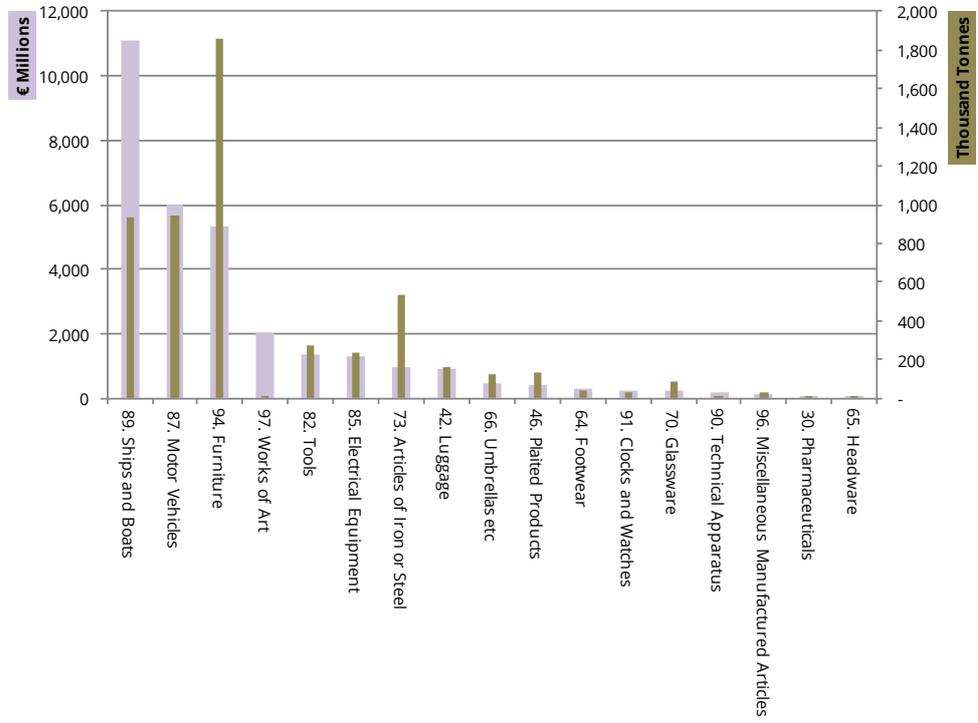
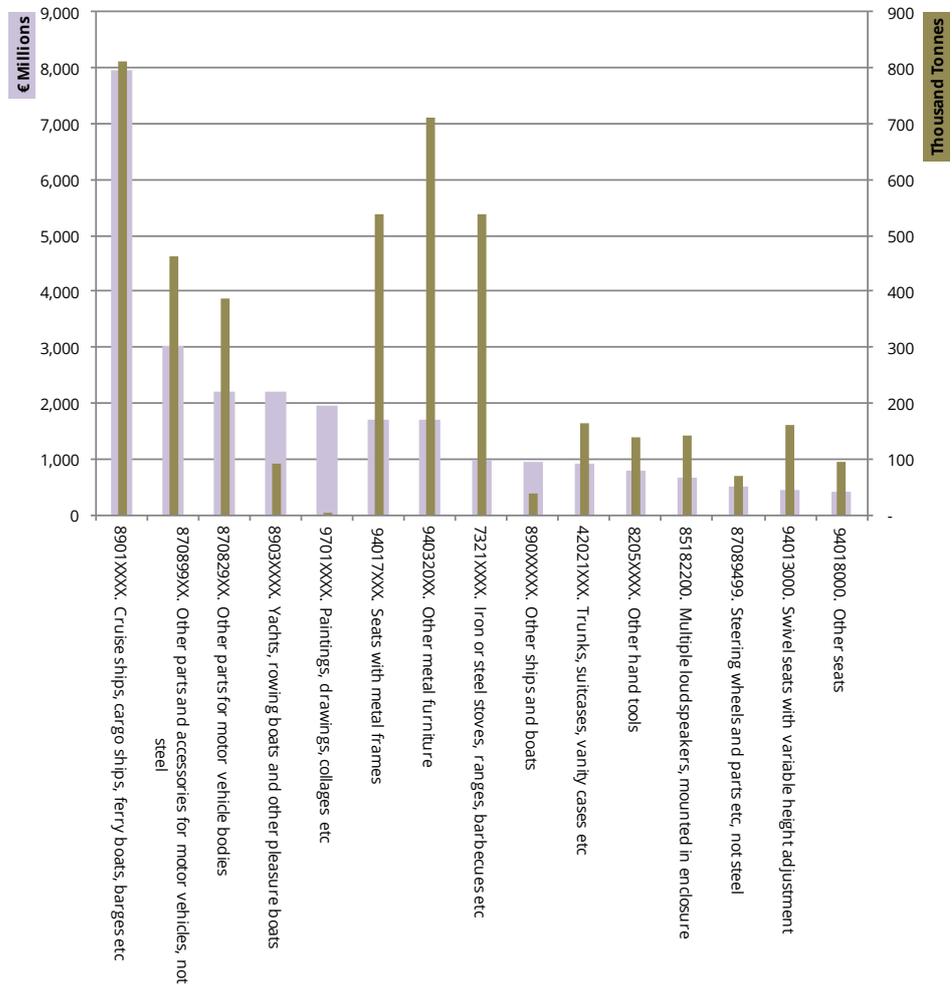


Figure 10: Top 15 May Contain Wood 2014 imports by CN code (value and quantity)



From Figure 10, one set of codes particularly stands out – ships, boats and barges (eight sub-headings within 8901). These codes have a relatively high probability of containing wood-based material, which may range from being used in the base structure through to material used for decorative purposes. For this reason, three sub-heading codes within Chapter 89 are recommended for inclusion. Again, this is where the use of annotations can help in making reference to the wood content within these broader product groups. This is also the case with respect to tools in Chapter 82, umbrellas in Chapter 66 and furniture in Chapter 94.

3.4 Defra analysis

The UK Government’s Department of Environment, Food and Rural Affairs (Defra) had shared with stakeholders two lists of CN codes for potential inclusion in the EUTR. Defra describes its Code List 1 as follows: “We propose the immediate inclusion of those codes which we believe cover products that are either made of wood or definitely contain wood”. Therefore, both Defra and WWF fully agree that these codes should be included in the EUTR.

Of its Code List 2, Defra says: “We recommend the following code chapters, headings and sub-headings are given further consideration for potential inclusion (taking into account those codes proposed for inclusion above). These codes do not specifically mention wood or timber in their titles, but may cover products containing wood”. Defra clearly sees potential for these codes to be included but has concerns about potential ambiguity regarding wood content. This may potentially be addressed through the use of annotations.

3.4.1 Defra Code List 1: inclusions

Code List 1 contains 67 out of the 371 out-of-scope sub-headings. Defra suggests including all of the Chapter 44 (wood and articles of wood) codes not already within the current scope and all but one sub-heading from Chapter 49 (printed publications). Other proposed products include matches (heading 3605), footwear from heading 6403, the bulk of musical instruments from Chapter 92, some seats from Chapter 94, wooden puzzles from heading 9503 and roughly shaped wood for smoking pipes from heading 9614.

As shown in Table 8, Code List 1 represents approximately €7.3 billion (16%) of the €46 billion imports identified as out of scope. By quantity it covers 2.5 million tonnes (26% of the total).

Table 8: Defra Code List 1, 2014 EU imports compared to total in and out of scope

	INSCOPE	OUT OF SCOPE	
	EUTR	OUT OF SCOPE	DEFRA List 1
2014 Value (€) EU	23,086,509,871	46,069,742,365	7,289,588,632
2014 Quantity (t) EU	57,651,280	9,456,567	2,460,341

Code List 1 has a limited scope that aligns broadly with the Made of Wood category used in this report. However it does also go further by including products such as musical instruments, footwear with a platform or base made of wood, and roughly shaped blocks of wood or root for the manufacture of pipes.

3.4.2 Defra Code List 1: omissions

Code List 1 omits 304 (82%) of the 371 out-of-scope codes. More importantly, it misses 103 codes that feature in this report's Made of Wood and Contains Wood categories. Table 9 shows these omissions, which amount to €2.62 billion or 876,000 tonnes of imports.

Table 9: Made of Wood/Contains Wood omissions from Defra Code List 1

Chapter	Number of sub-codes	2014 Value (€) EU	2014 Quantity (t) EU
Ch.36 Products (Fireworks)	2	254,951,267	110,605
Ch.38 Products (Rosin, wood oils)	11	331,876,495	258,335
Ch.39 Products (Cellulose)	20	607,160,672	186,721
Ch.49 Products (Transfers)	2	42,581,451	2,180
Ch.53 Products (Paper yarn)	2	6,493,824	2,670
Ch.53 Products (Viscose)	19	236,582,679	32,246
Ch.55 Woven fabrics of viscose	36	650,145,584	173,084
Ch.95 Products (Toys & games)	2	69,187,027	8,879
Ch.96 Products (Misc' materials)	8	389,516,789	101,498
Ch.97 Products (Stamps)	1	30,839,742	157
TOTAL	103	2,619,335,530	876,373

When compared to key products from the May be Made of Wood and May Contain Wood categories (see Table 10), there are a further 83 sub-headings within seven chapters that represent products with potentially large volumes of wood-based components within them; the main ones being seats, boats and hand tools. Again, these are products where there is ambiguity as to the presence of wood and so the use of annotations can facilitate their inclusion in the EUTR.

Table 10: Key May be Made of Wood/May Contain Wood omissions from Defra Code List 1.

Chapter	Number of sub-codes	2014 Value (€) EU	2014 Quantity (t) EU
Ch.46 Products-Basketwork	12	328,046,373	89,651
Ch.66 Products-parasols, sticks	8	557,043,615	171,088
Ch.70 Products-mirrors. Frames	1	217,606,606	83,421
Ch.82 Products-Tools	22	1,370,429,398	272,317
Ch.89 Products-vessels	34	11,120,069,430	939,121
Ch.94 Products-seats	5	2,659,074,699	842,518
Ch.94 Products-seats	1	602,639,777	110,570
TOTAL	83	16,854,909,898	2,508,686

3.4.3 Defra Code List 2: inclusions

The Defra Code List 2 differs from List 1 in that it includes many more product groups that are not obviously made of wood or strictly associated with wood-based components. These include fireworks, umbrellas, tools, motor vehicles, ships, furniture, toys, brooms and brushes, sanitary towels and works of art. These CN codes have a value of €40.3 billion and a quantity of 6 million tonnes.

Table 11: Defra Code List 2, 2014 EU imports compared to total in and out of scope

	INSCOPE	OUT OF SCOPE		
	EUTR	OUT OF SCOPE	DEFRA List 1	DEFRA List 2
2014 Value (€) EU	23,086,509,871	46,069,742,365	7,289,588,632	40,283,605,879
2014 Quantity (t) EU	57,651,280	9,456,567	2,460,341	6,058,142

In order for these codes to be more easily included within the scope of the EUTR, Defra is suggesting changes to the Combined Nomenclature itself: “We have noticed that in some chapters containing composite products the timber (wood) and non-timber products are separated. Further ‘separations’ of this nature (e.g. under chapter 95: Toys, games and sports requisites) could help bring the right products in scope of the EUTR and make implementation easier for operators and enforcement agencies”. Of course, even if the CN codes were amended in this way, the scope of the EUTR (Annex 1) would still need to be updated to recognise these additions. Therefore, annotations may be a better solution as they only require amendments to the Annex, rather than a revision of the Combined Nomenclature as well.

When both Defra Code List 1 and List 2 are combined the total amount is over €47.5 billion, which is greater than the total value of out-of-scope codes featured in this report. The difference comes from a set of products that Defra have proposed which we do not consider to be wood-related for the purpose of this report, such as plastic furniture, watches, stuffed toys and toothbrushes. Defra also included aircraft and motor vehicle seats (amongst all the codes within heading 9401), but again these were considered unlikely to contain wood. These codes have been retained in the Table of Results but are denoted by a question mark (?) in the significance column and do not contribute to the out-of-scope totals.

3.4.4 Defra Code List 2: omissions

When Code List 2 is compared against all out-of-scope codes (excluding codes already identified as missing from Code List 1), only a relatively small basket of products are missing, notably mounted loudspeakers from heading 8518 (these have a value of €999 million and a quantity of 203,108 tonnes). In total these Code List 2 omissions have an import value of €1.7 billion (4% of the €46 billion identified as out-of-scope) and a quantity of 342,000 tonnes (also 4% of the total 9.5 million tonnes). This shows that the Defra Code List 2 covers almost all out-of-scope codes identified in this report.

3.5 The Thünen report

We conducted a review of the publicly available Thünen Institute report, Market Coverage of Wood Imports by the EU Timber Regulation, to determine how its findings compare to both the results of this study and Defra’s analysis, and to establish whether the claims made by Thünen are accurate.

3.5.4 Thünen’s key findings

Thünen’s analysis takes the ‘forest-based sector’ as its scope (defined as the wood working, wood processing, construction, pulp and paper, and printing and publishing industries). Therefore, their claim that the EUTR covers ‘90% of the imported quantities’ and ‘three-quarters of the imported values’ is based only on this narrower scope, which largely ignores more processed or finished wood-related articles. Within this limited scope, Thünen’s claims about EUTR coverage are accurate. However, Thünen go on to highlight various products that are not included in the EUTR, through ‘top 10’ lists for wood products, paper products and other wood-based

products. As shown in Table 12, these equate to €8 billion by value (which is a 35% increase in the existing value covered by the EUTR) and 4.2 million tonnes by quantity (a 7.5% increase). Based on Thünen’s own increased range of products (in-scope and top 10 lists), the EUTR only covers 74% of the total value. This drops to 33% when considering all out-of-scope codes as identified in this review.

Table 12: Thünen findings, 2014 EU imports compared to total in and out of scope

	INSCOPE		OUT OF SCOPE		Thünen
	EUTR	OUT OF SCOPE	DEFRA List 1	DEFRA List 2	
2014 Value (€) EU	23,086,509,871	46,069,742,365	7,289,588,632	40,283,605,879	8,028,011,682
2014 Quantity (t) EU	57,651,280	9,456,567	2,460,341	6,058,142	4,209,137

Thünen take an interesting approach to determining the quantity of imports. They use conversion factors to approximate the equivalent amount of wood (as both roundwood and fibre) contained in products. This has merit in that it is likely to be more realistic (by excluding non-wood components and additives), and so is potentially a better measure of actual wood flows. However, the availability of reliable conversion factors is limited, which may have been a contributing factor towards Thünen’s choice of a narrow scope of product types.

We believe Thünen’s assertion that “typically raw materials have a higher coverage ratio and finished products have a lower coverage ratio” in the EUTR is justified. We also agree with their findings that wood charcoal, articles of wood not elsewhere specified, printed books and brochures, and seats with wooden frames are important product groups currently missing from the EUTR’s scope. However, Thünen’s claim that these gaps are “highly concentrated on few commodities” is only justified in relation to their limited focus on the forest-based sector.

Thünen also include recovered paper as a product group not covered by the EUTR, even though it is specifically exempt from the scope of the Regulation. It is not clear whether they advocate the removal of this exemption, which would seem highly problematic in practice, or are simply unaware of it.

3.5.5 Thünen’s omissions

Because of Thünen’s narrow focus, there are many potential codes that are omitted from their list of out-of-scope products. This includes product groups such as musical instruments, matches, fireworks, rosin and wood tar, other forms of cellulose derivatives, wood wool, tools, yarns, viscose and rayon, parasols, sticks, ships and boats, other forms of seating, nappies, sanitary towels, pencils, drawing charcoal and wooden puzzles. The scale of omissions is further confirmed by table 23 of the Thünen report’s annex, where headings within only six CN chapters (Chapters 39, 44, 49, 54, 55 and 94) are identified as out of scope. In comparison, this review’s out-of-scope list contains headings from 29 CN chapters.

It should also be noted that Thünen’s report does not feature any risk-based analysis, meaning it does not look at the likely whereabouts of illegal timber in supply chains, in order to highlight product groups that are at risk of being contaminated by such material. A good example of this is musical instruments, where there are well known risks related to high value timbers¹⁴.

¹⁴ www.wri.org/blog/2012/08/gibson-guitar-logging-bust-demonstrates-lacey-act%E2%80%99s-effectiveness

3.5.6 Thünen compared to Defra Code List 1

The Thünen ‘top 10’ codes are mostly in line with those Defra are advocating; amounting to an €8 billion inclusion compared to Defra’s Code List 1 of €7.3 billion (see table 12 above). There are however codes from heading 3912 (cellulose and derivatives), heading 4908 (transfers) and Chapter 55 (man-made staple fibres) that Thünen have included and Defra have not.

3.6 Case studies and proposed annotations

Following discussion with WWF and Kate Cook from Matrix Chambers, the list of case studies presented for the development of suitable annotations is as follows:

1. Cellulose and its derivatives
2. Ships, boats and floating structures
3. Seats
4. Absorbent products
5. Remainder of Chapter 44
6. Parasols and umbrellas
7. Pencils
8. Musical instruments
9. Tools

Full case studies can be found in Appendix 5.

The case studies were developed to describe the ambiguities that arise concerning the wood content of each product group. This enabled expert legal consideration of potential explanatory notes that could be presented to the EU for review.

Taking the first case study – cellulose and its derivatives – as an example, once wood is chemically processed into pulp and then further processed (often by a completely different industry) into a cellulose derivative that looks more like a plastic than a wood product, there are very few of the original features left that would suggest its forest origins. In other product groups the use of wood may not be visible or may only be one of a number of alternative materials that could be used depending on the design specification. Therefore, one of the challenges with including such difficult product groups into the revised scope is in managing these ambiguities. For this reason we propose the use of annotations (explanatory notes); a succinct form of words that could help interested parties decide whether or not the EUTR applies to a product.

The use of annotations has precedents in international law. For example, in CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) annotations are used to help identify specimens of species included within its scope. This example is particularly relevant, as CITES is one of just two alternative mechanisms specifically referred to within the EUTR as a means of ensuring legality (due diligence is not required on CITES-listed species as long as appropriate documentation is available).

The work on annotations is extremely important, as the value of the codes potentially affected is approximately €21.3 billion. Even though this figure relates to the total product value (i.e. including non-wood materials as well as wooden components), what is clear is that adopting the use of annotations would greatly extend the EUTR’s coverage and so improve its effectiveness at prohibiting illegal timber from entering the EU market.

The annotations developed so far serve to demonstrate the potential of the approach, which can easily be applied to a more extensive range of product groups. Proposed annotations to date (denoted by *italics*) are as follows:

- Chapter 38 (cellulose and its derivatives): *To the extent that such cellulose is derived from dissolving pulp.*
- Codes of heading 5403 (viscose rayon and cellulose acetate yarns), 5405 (artificial monofilament) and 5408 (woven fabrics of artificial filament yarn): *To the extent that such yarn is derived from dissolving pulp.*
- Codes of heading 6601 (umbrellas), 6602 (walking sticks etc.) and 6603 (parts for umbrellas, walking sticks etc.): *Where these are made from or contain wood.*
- Codes of heading 8201 (tools), 8205 (hand tools), 8206 (sets of hand tools) and 8214 (other articles of cutlery): *Where these are made from or contain wood.*
- Chapter 89 (ships, boats and floating vessels): *With the exception of vessels or structures which are not made from and/or contain wood.*
- Chapter 92 (musical instruments): *Where these are made from or contain wood.*
- Codes of heading 9401 (seats): *Seats made from or containing wood.*
- Codes of heading 9609 (pencils): *Where these contain wood casings, or contain wood, or are derived from wood.*
- Codes of heading 9619 (nappies, sanitary towels etc.): *To the extent that the product includes [or is derived from] wood or dissolving pulp.*

In addition, as we propose that all of Chapter 44 (articles of wood) should be included, annotations for these codes are not required.

3.7 Impacts on industries not currently affected by the EUTR

If the findings of this review are adopted, and the scope of the EUTR widened, a number of industries not specifically linked to the forest products sector would have to comply with the regulation. The following sections focus on the key industries that would be affected by an increased scope.

Industries potentially affected by an increased EUTR scope are:

- Food and beverage, through the use of cellulose as bulking agents, stabilisers and additives.
- Apparel, through the use of cellulose-based artificial fibres and fabrics in garments.
- Cosmetics, and to a lesser extent pharmaceuticals, through the use of cellulose and its chemical derivatives.
- Chemical companies involved in the conversion of cellulose into its derivatives for further processing.
- Manufacturing using cellulose and its derivatives.
- Ship and boat building, through the use of wood for structural and decorative uses.
- Pyrotechnic producers, through the manufacture of fireworks.
- Handicrafts, through the manufacture of artisan products containing or made from wood.

3.7.1 Cellulose

Cellulose is used by many different industries and typically involves complex supply chains where the traceability and visibility of wood fibre is challenging. This is especially the case when the raw material has been heavily (chemically) processed to an extent that the end product bears no resemblance to the original wood fibre. Following the supply chain from the manufacture of dissolving pulp (which is already included in the EUTR), cellulose derivatives can be further processed into many different forms such as artificial fibres, thermoplastics and additives. These materials and the end products they go into are typically not within the current scope of the EUTR, but non-EU production (and so imports) are set to increase¹⁵.

More information on the cellulose supply chain can be found in Appendix 3.

3.7.1.1 Fibre and fabrics

The additions to the out-of-scope product list during this review included the artificial filaments and fabrics made of viscose arising from Chapter 53 and Chapter 55 (also identified by Thünen). Within this chapter there is a recognised difference between man-made synthetic fibres such as nylon and polyester that originate from petrochemicals, and man-made artificial staple fibres such as viscose that originate from cellulose. This distinction allowed us to identify 36 sub-headings, as shown in Table 13. However, once the artificial fibres and fabrics of Chapter 55 are converted into garments, the CN codes in their present format do not distinguish them from other man-made fabrics.

Table 13: Chapter 55 codes originating from dissolving pulp

CN Code Headings	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of Sub-codes selected
5502	550200XX	Artificial filament tow	Made of wood	All	3
5504	550400XX	Artificial staple fibres, not processed for spinning	Made of wood	All	2
5507	55070000	Artificial staple fibres, processed for spinning	Made of wood	All	1
5509	55095100	Polyester yarn mixed with artificial staple fibres	Made of wood	All	1
5510	5510XXXX	Yarn of artificial staple fibres	Made of wood	All	5
5515	551511XX	Fabric of polyester mixed with rayon	Made of wood	All	3
5516	5516XXXX	Woven fabrics of artificial staple fibres	Made of wood	All	21

According to Canopy founder and Executive Director Nicole Rycroft, around 30% of the rayon and viscose going into clothing comes from dissolvable pulp sourced from endangered and ancient forests¹⁶. This further demonstrates a need to ensure these raw materials are covered within the scope of the EUTR.

¹⁵ See Table 16 in Appendix 3.

¹⁶ www.theguardian.com/sustainable-business/zara-h-m-fashion-sustainable-forests-logging-fabric

Figure 11: The apparel industry has been the target of NGO campaigns related to its forest impacts.¹⁷



Having been the subject of forest-related NGO campaigns by Rainforest Action Network, Greenpeace and Canopy Fashion, such as that illustrated by Figure 11, it is likely the apparel industry will be anticipating further demands for due diligence on raw materials. All the NGO-led campaigns boast the involvement of top fashion houses and high street brands, so a high level of awareness of the issues can be expected.

3.7.1.2 Food

Forest-related campaigns, mainly in the US, have affected global businesses such as Kraft, Kellogg's, Unilever, Burger King and McDonalds. Concerns about cellulose have revolved around the presence of wood pulp in the food, rather than where the wood pulp came from. However, the industry has also been targeted for many years about the forest impacts and traceability of other ingredients (soy, beef and palm oil). As with the fashion industry, campaigns have targeted the leading brands and retailers, so it is likely that the food and beverage industry would be highly experienced in managing new regulations if they were implemented.

3.7.1.3 Cosmetics

The cosmetics industry has been regularly targeted by campaigners opposed to animal testing. But more recently, deforestation has been on the agenda of leading brands such as L'Oreal, Unilever and Avon, who are either working with NGOs or have signed up to anti-deforestation commitments. Palm oil has been the primary issue, but as the industry is a major user of cellulose derivatives in products such as soaps, gels, shampoos and lipsticks, it is highly likely that the wood content of products is also on their agenda.

3.7.2 Pyrotechnics

Fireworks are commonly made using card tubes, containers, caps, wrappings and packaging, which all consist of wood fibre. Technical experts from leading firework manufacturers told us that, for a typical display firework weighing in at 9kg, the actual explosive elements are just 1kg and the wood fibre materials are close to 8kg. They confirmed that for each firework produced, approximately 85% was made up of wood fibre and that this figure would be representative of the whole industry, including for fireworks typically sold to the retail market.

¹⁷ www.ran.org/big_fashion_is_grinding_up_forests_to_make_clothes_demand_change

3.7.3 Handicrafts

There are concerns that rural handicraft businesses, especially in emerging economies that have the greatest need of support, could be adversely impacted by any increase in scope of the EUTR. This review looked at the common products the handicraft industry make, the likely origins of such products, and the value of the imported handicrafts into the EU (see Appendix 4: Handicrafts for more information).

Table 14 outlines the main wooden handicraft products imported into the EU, the respective CN codes they fall under, and whether they are already in scope or are being proposed for inclusion.

Table 14: Handicraft products, their CN codes and proposed inclusion in the EUTR

Product Group	Products	Likely CN code	In scope	Defra 1	Defra 1	Thunen
Furniture	Cupboards/cabinets	9403	YES	In-scope	In-scope	In-scope
	tables	9403	YES	In-scope	In-scope	In-scope
	trunks, chests	4202	NO	NO	YES	NO
	panels and screens	9403	YES	In-scope	In-scope	In-scope
	storage (CD racks)	9403	YES	In-scope	In-scope	In-scope
Chairs	chairs	9401	NO	YES	NO	YES
	stools	9401	NO	YES	NO	YES
Carvings	statuary	4420	NO	YES	NO	YES
	carvings/masks	4420	NO	YES	NO	YES
	figurines/animals	4420	NO	YES	NO	YES
	weavings/basket work	4602	NO	NO	NO	NO
Toys	toys	9503	NO	NO	YES	NO
	board games	9503	NO	NO	YES	NO
	games	9503	NO	NO	YES	NO
Kitchenware	bowls	4419	NO	YES	NO	YES
	vases	4419	NO	YES	NO	YES
	pots	4419	NO	YES	NO	YES
	wooden serving spoons	4419	NO	YES	NO	YES
	coasters/mats	4419	NO	YES	NO	YES
	trolleys	4421	NO	YES	NO	YES
Office	pen holders	4421	NO	YES	NO	YES
	wooden desk tidy items	4421	NO	YES	NO	YES
	pencils	9609	NO	NO	YES	NO
Homeware	key rings	4421	NO	YES	NO	YES
	clocks	9105	NO	NO	YES	NO
	mirrors	7009	NO	NO	NO	NO
	picture frames	4414	YES	In-scope	In-scope	In-scope
	lamp stands	8539-90-10	NO	NO	NO	NO
	boxes, cases, toleware	4421	NO	YES	NO	YES
Musical items	musical items	9206	NO	YES	NO	NO

Out of the 14 headings only two (furniture of 9403 and picture frames of 4414) are currently included within the EUTR. All of the remaining 12 out-of-scope headings appear in either the Defra lists or the Thünen report. Three codes widely recommended for inclusion by these stakeholders were also highlighted as those imported by many members of BAFTS (British Association of Fair Trade Shops and Suppliers): 4419 (kitchenware), 4420 (carvings) and 4421 (other articles of wood).

3.8 Creation of an ‘Enhanced list’

To help identify a list of codes that should be included as a minimum extension of the EUTR scope, we added an additional column to the Table of Results, titled ‘Enhanced’. This list includes all the key codes identified across all four categories. It also takes into account other risks, such as tropical timber being included in the product (even if the value or quantity imported into the EU is low), as well as where research indicated a high wood content, for example with fireworks.

The list includes the bulk of CN codes categorised as ‘Made of Wood’ and also many from the other three categories, especially where the value or quantity is high.

Table 15: Handicraft products, their CN codes and proposed inclusion in the EUTR.

	INSCOPE	OUT OF SCOPE				
	EUTR	OUT OF SCOPE	DEFRA List 1	DEFRA List 2	Thünen	Enhanced
2014 Value (€) EU	23,086,509,871	46,069,742,365	7,289,588,632	40,283,605,879	8,028,011,682	26,742,993,666
2014 Quantity (t) EU	57,651,280	9,456,567	2,460,341	6,058,142	4,209,137	5,852,466

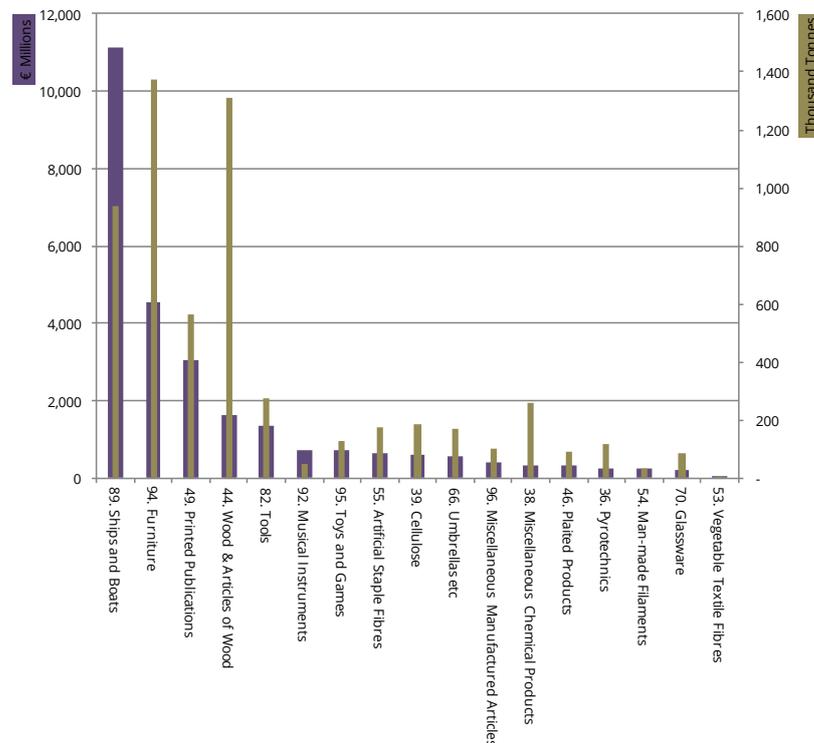
Table 15 shows that of the €46 billion and 57.6 million tonnes of out-of-scope products identified in this review; the Enhanced list represents €26.7 billion (58% by value) and 5.9 million tonnes (62% by quantity).

In summary, the Enhanced list includes:

- Key CN codes identified from the four categories (value and quantity indicators);
- Products within CN codes that use high risk species (species indicators);
- Products covered by the use of currently proposed annotations, where the use of wood can be specifically mentioned (use of wood content indicators); and
- Products recommended by other stakeholders’ lists (stakeholder indicators).

The Enhanced list covers 233 CN sub-headings codes but when these are aggregated under their various CN Chapters, as in Figure 12, a clear picture of the key product groups identified can be seen. The full list is included in Appendix 7.

Figure 12: Enhanced list, main chapters by value and quantity



4. CONCLUSIONS

4.1 Widening the scope of the EUTR is increasingly important

Between 2013 and 2014 the value of out-of-scope wood-related imports increased from €43.1 billion to €46.6 billion. The quantity increased from 8.5 million tonnes to 9.6 million tonnes over the same period. This means that by value, the EUTR covers 33% of wood-related imports, whereas out-of-scope codes account for 67% (though the out-of-scope codes account for 14% by quantity). However, it should be noted that value and quantity data can only be used as a guide, particularly with regards to finished products, because of the presence of non-wood materials and value-adding processing and other commercial activities.

A wide range of product groups remain important, including printed publications, wood and articles of wood (not already covered), cellulose, rosin and resin acids, miscellaneous articles including feminine hygiene products, seats with wooden frames, fireworks, artificial yarns, toys and games, musical instruments, furniture, ships and boats, tools and umbrellas.

This review found additional out-of-scope product groups that, combined with the previously identified codes, further undermine the coverage and effectiveness of the existing EUTR. The total value of 2014 EU imports of these additional codes is nearly €1.3 billion. The total quantity is 393,693 tonnes.

As an example, 36 codes from Chapter 55 (artificial staple fibres) have been added. Growth in non-EU production of artificial staple fibres will require a substantial amount of timber, from potentially endangered or ancient forests. This further demonstrates the need to ensure such material is covered within the scope of the EUTR.

Dissolving pulp is already in-scope (code 47020000), so there is good cause for products made from it to also be included. If this principle was accepted, the EUTR could potentially cover another 78 CN codes with an import value of up to €1.76 billion and a quantity of 474,000 tonnes. This does not include garments made from cellulose-derived materials, because the Combined Nomenclature does not allow these to be distinguished from the current code descriptions.

4.2 Both the value and quantity of imports need to be considered

Once all the predominantly wood-based codes have been included (such as this report's Made of Wood category) quantity becomes a less significant factor when determining the importance of codes. When raw materials are further processed, this typically adds value, which is reflected in the increased value of the imported products. Value can then outweigh the quantity with regards to the code's significance for inclusion in an effective EUTR. Good examples of this are in Chapter 95 (toys and games) and Chapter 82 (tools), which have an import quantity of 684,000 and 272,000 tonnes respectively but import values of €5 billion and €1.37 billion.

This becomes even more important when other risk factors are included, such as in Chapter 92 (musical instruments), where a wide range of valuable and threatened species are used. The import quantity is only 49,000 tonnes yet the value is €725 million. In short, there is far more value in processed products than there is wood in its raw form (for which the EUTR has good coverage).

4.3 Defra Code List 1 omits some key product groups

Defra defines its Code List 1 as products that are either made of wood or definitely contain wood. Including these codes in the scope of the EUTR will increase the value of imports covered by approximately 32% and increase the quantity by around 4.3% (this differs slightly from Defra's own calculations, as more was imported in 2014 than in 2013, when Defra produced its figures).

However, List 1 does not include all the products that could meet Defra's definition. If Defra were to include all the Made of Wood and Contains Wood codes identified in this review instead, the increase to the EUTR's scope would be 40% by value and 5.7% by quantity.

Key product groups missing from Defra's Code List 1 are fireworks, rosin and wood oils, cellulose, transfers, paper yarn, artificial fibre and fabrics, toys and games, miscellaneous materials, seats, ships and boats and hand tools.

Code List 1 includes all remaining codes within Chapter 49 (printed publications) except for transfers. However, even though the transfer itself may be plastic, ink or film based, the release material is highly likely to be paper-based, so we would recommend inclusion of these codes (of heading 4909) also. This would simplify the inclusion of the whole of Chapter 49, in much the same way that Chapters 47 (pulp) and 48 (paper) are already included in their entirety.

4.4 Defra Code List 2 is more inclusive but also omits some key product groups

Defra's Code List 2 does cover a wider range of products, including those that may contain wood or may be made of wood. When Code List 1 and List 2 are combined, most of the out-of-scope codes are covered, except for some of the omissions already identified from List 1 (e.g. cellulose, rosin and wood oils, artificial fibres, transfers and paper yarn) and mounted loudspeakers.

4.5 Defra's analysis doesn't go far enough

While Defra does include many important product groups in their Code List 2, these are only suggested for further consideration. More weight should be given to the omissions from List 1 identified in this report.

Defra can also take a particularly strong position where imports into the UK represent a substantial proportion of the EU total. This is the case with product groups including printed publications, toys and games, footwear, tools, ships and boats, brooms and brushes and furniture.

4.6 The Thünen report is limited by a narrow focus on the forest-based sector

Although the products Thünen identifies as missing from the EUTR are broadly aligned with those in Defra's Code List 1 (which also focuses on products with a clear wood-based origin), there is a risk in their approach of ignoring more processed and finished products, especially if the timber were to originate from vulnerable areas or endangered species.

As a result, the Thünen report does not include many products that contain high-value timber, such as musical instruments, nor does it cover a wide range of other wood-related products including matches, fireworks, tools, ships and boats, pencils, nappies and some cellulose derivatives (though they do identify artificial staple fibres). Thünen do note the difficulties in addressing further-processed products, and those with mixed or variable materials (this report's May Contain and May be Made of Wood categories), which adds weight to the proposal within this report on the use of annotations as a potential way of facilitating the inclusion of these 'difficult' products.

4.7 Most new industries affected by an increased scope should be in a position to manage their obligations

Naturally, as more product groups come within the scope of the EUTR, there are more industries that are likely to be affected. For example, including CN codes representing products containing mixed materials or wood in a highly processed form (such as cellulose and its derivatives) would bring the Regulation to industries not traditionally associated

with forest products. This includes the food and beverage sector, fashion, cosmetics, chemical producers, general manufacturing, ship building, pyrotechnics and handicrafts. However, many of these sectors are comprised of large, well-resourced businesses, likely to be aware of the issues and fully capable of managing any new obligations.

Out of the 14 most common codes representing handicraft products, two are currently in-scope and the remaining 12 can potentially be included. The majority of handicraft products fall under CN headings 4419 (tableware and kitchenware), 4420 (wood marquetry, ornaments etc.) and 4421 (other articles of wood), which most stakeholders agree are three headings highly likely to be recommended for inclusion in the EUTR. There is a risk that the obligations imposed on importers may have consequences for rural economies in developing countries; however, much of the handicrafts industry is far removed from rural craftsmanship and there are mechanisms whereby genuine artisanal producers and their products could be identified if necessary.

4.8 The use of annotations would facilitate the inclusion of ambiguous codes into the EUTR

CITES is an example of the successful use of annotations in international law. Annotations help organisations decide whether legal requirements are applicable. Therefore, the proposed use of annotations in Annex 1 of the EUTR follows an existing and related precedent. The annotations would provide clear guidance to an operator assessing whether their product or material falls within the scope of an amended EUTR.

It is clear that adopting the use of annotations would greatly extend the EUTR's coverage and so improve its effectiveness at prohibiting illegal timber from entering the EU market. Based on the nine case studies developed so far, suitable annotations could give clarity to approximately €21 billion of imports that are currently out of scope. Should this approach be adopted by the EU, it would contribute considerably to the €26.7 billion of imports represented within the Enhanced list. The annotations developed so far serve to demonstrate the potential of the approach, which can easily be applied to a more extensive range of product groups.

In addition, simply including all of the remaining out-of-scope codes from Chapters 44 (wood and articles of wood) and 49 (printed publications) would reduce the complexity in deciding what is in or out of scope within these large wood-based chapters.

4.9 There is a strong case for all wood-related products to be brought in-scope of the EUTR

It seems inarguable to not expand the scope of the EUTR. The question is: by how much?

This report identifies 233 CN codes representing products which should be immediately included in the scope of the EUTR. This 'enhanced' scope would result in an increase of €26.7 billion and 5.9 million tonnes on what is currently included within the EUTR and represents a minimum bar. Yet the enhanced scope still only represents 58% by value and 62% by quantity of all the wood-related out-of-scope codes that could be included.

WWF continues to argue that we should aim for 100%: that the EUTR should have an all-inclusive scope. Simply put, to prevent illegal wood trading on our markets, the regulation should cover all products where wood is present. This report has considered arguments against an all-inclusive scope and has found there are practical ways to redress them. In fact, the case is made that an all-inclusive approach would be the simplest to implement. It would make due diligence processes more consistent, fairer and more efficient.

APPENDIX 1: EXTRACTS FROM TABLE OF RESULTS

Table 16: Out of scope – Made of Wood codes

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
3605	36050000	Matches	Made of Wood	All	1	11,933,358	5,879
3805	3805XXXX	Wood turpentines	Made of Wood	All	5	30,752,611	23,053
3806	3806XXXX	Rosin and resin acids, gums etc	Made of Wood	All	4	264,534,249	144,997
3807	380700XX	Wood tar, wood tar oils	Made of Wood	All	2	36,589,635	90,285
3920	39207XXX	Cellulose sheets, films, plates etc	Made of Wood	All	5	18,062,744	2,448
3921	39211400	Cellulose sheets etc, unworked	Made of Wood	All	1	10,696,148	3,518
4402	4402XXXX	Wood Charcoal	Made of Wood	All	2	202,123,441	560,477
4404	4404XXXX	Hoopwood, pickets, stakes etc	Made of Wood	All	2	16,688,927	52,426
4405	44050000	Wood wool and wood flour	Made of Wood	All	1	1,482,890	3,564
4417	44170000	Tools, tool bodies, tool handles etc	Made of Wood	All	1	33,440,377	22,600
4419	4419XXXX	Tableware and kitchenware	Made of Wood	All	2	203,350,474	62,676
4420	4420XXXX	Wood marquetry, ornaments etc	Made of Wood	All	5	344863788	97,367
4421	4421XXXX	Other articles of wood	Made of Wood	All	4	833,332,731	513,153
4901	4901XXXX	Printed books, brochures, leaflets etc.	Made of Wood	All	2	1,629,822,958	294746
4902	4902XXXX	Newspapers, journals and periodicals	Made of Wood	All	2	178,334,371	25,940
4903	49030000	Children's picture, drawing or colouring books	Made of Wood	All	1	129,204,975	41514.4
4904	49040000	Music, printed or in manuscript	Made of Wood	All	1	10,093,432	747
4905	4905XXXX	Maps etc	Made of Wood	All	3	14,543,791	1236
4906	49060000	Plans and technical drawings	Made of Wood	All	1	4,584,971	107
4907	4907XXXX	Unused postage, banknotes etc	Made of Wood	All	3	40,471,983	882
4909	49090000	Printed postcards, greetings cards etc	Made of Wood	All	1	255,639,232	51535
4910	49100000	Calendars	Made of Wood	All	1	51,235,889	16480.2
4911	4911XXXX	Other printed matter	Made of Wood	All	4	697,551,161	128147
5308	53089050	Paper yarn	Made of Wood	All	1	661,477	104.6
5502	550200XX	Artificial filament tow	Made of Wood	All	3	98,759,542	24,032
5504	5504XXXX	Artificial staple fibres, not processed for spinning	Made of Wood	All	2	50,911,789	32,594
5507	55070000	Artificial staple fibres, processed for spinning	Made of Wood	All	1	12,27,402	325
5509	55095100	Polyester yarn mixed with artificial staple fibres	Made of Wood	All	1	21,238,398	6,839
5510	5510XXXX	Yarn of artificial staple fibres	Made of Wood	All	5	149,981,782	54387
5515	551511XX	Fabric of polyester mixed with rayon	Made of Wood	All	3	129,693,416	25,812
5516	5516XXXX	Woven fabrics of artificial staple fibres	Made of Wood	All	21	198,333,255	29,094
8529	85299041	Audiovisual cabinets and cases made of wood	Made of Wood	All	1	5,899,696	2,692
9401	94019030	Parts of seats, of wood	Made of Wood	All	1	33,467,155	13,782
9503	95030061	Wooden puzzles	Made of Wood	All	1	35,716,121	8,603
9504	95044000	Playing cards	Made of Wood	All	1	65,762,200	8,603
9609	960910XX	Pencils	Made of Wood	All	2	99,812,863	19,064
9609	96099010	Drawing charcoals etc	Made of Wood	All	1	12,630,954	3,146
9614	96140010	Roughly shaped wood, for smoking pipes	Made of Wood	All	1	579,636	112
9619	9619008X	Nappies etc, not textile	Made of Wood	All	2	184,310,467	59,242
9619	9619007X	Sanitary towels, tampons, feminine hygiene, not textile	Made of Wood	All	3	92,762,505	20,047
9704	97040000	Postage stamps etc, other than heading 4907	Made of Wood	All	1	30,839,742	157
45XX	45XXXXXX	Cork and articles of cork	Made of Wood	All	12	56,283,660	22,420

Table 17: Out of scope – Contains Wood codes

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
3604	36041000	Fireworks	Contains Wood	All	1	2,44,059,091	109,709
3604	36049000	Signalling Flares etc	Contains Wood	All	1	10,892,176	896
4908	4908XXXX	Transfers (decalcomanias)	Contains Wood	All	2	42,581,451	21,890
5311	53110090	Woven fabrics of other fibres, e.g. paper yarn	Contains Wood	All	1	5,832,347	2,565
5403	5403XXXX	Viscose rayon and cellulose acetate yarns	Contains Wood	All	8	97,260,274	20,149
5405	54050000	Artificial monofilament etc	Contains Wood	All	1	1,242,218	287
5408	5408XXXX	Woven fabrics of artificial filament yarn	Contains Wood	All	10	138,080,187	11,810
6403	64035105	Leather footwear, covering the ankle, on a base of wood	Contains Wood	All	1	2,319,370	233
6403	64035905	Leather footwear, on a base of wood	Contains Wood	All	1	3,315,646	53
6403	64039105	Other footwear, covering the ankle, on a base of wood	Contains Wood	All	1	35,22,142	152
6403	64039905	Other footwear, on a base of wood	Contains Wood	All	1	5,370,369	275
9401	94016XXX	Seats with wooden frames	Contains Wood	All	2	1,811,579,060	506,235
9506	95066910	Cricket and polo balls	Contains Wood	All	1	3,424,827	275

Table 18: Out of scope – May be Made of Wood codes

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
3703	3703XXXX	Photographic Paper etc, unexposed	May be Made of Wood	All	3	2,891,266	292
3704	37040090	Photographic Paper etc, exposed	May be Made of Wood	All	1	330,177	35
9508	95089000	Swings, Roundabouts, Fairground equipment etc	May be Made of Wood	All	1	61,034,669	8,198
9503	95030069	Other puzzles	May be Made of Wood	All	1	51,773,823	11,906
6602	66020000	Walking sticks etc	May be Made of Wood	All	1	34,049,650	3,458
6603	6603XXXX	Parts for umbrellas, walking sticks etc	May be Made of Wood	All	3	42,600,735	40,860
9112	91129000	Parts for clock cases	May be Made of Wood	All	1	1,136,151	10
9201	9201XXXX	Pianos etc	May be Made of Wood	92011010 92012000 92019000	3	74,153,196	6,663
9202	9202XXXX	String instruments (guitars, violins etc)	May be Made of Wood	All	4	149,319,742	7,544
9205	920590XX	Wind musical instruments, not brass	May be Made of Wood	All	4	58,598,948	1,370
9206	92060000	Percussion instruments (drums, castanets, maracas etc)	May be Made of Wood	All	1	69,755,272	7,840
9207	9207XXXX	Electric music instruments (electric guitars, organs etc)	May be Made of Wood	All	6	358,970,485	22,913
9208	9208XXXX	Other musical instruments, music boxes, organs etc	May be Made of Wood	All	2	18,323,045	2,400
9405	9405209X	Electric lamps, not plastic, ceramic or glass	May be Made of Wood	All	2	507,249,189	106,249
8539	85399010	Lamp bases	May be Made of Wood	All	1	9,312,074	1,118
9503	95030070	Other toys, in sets	May be Made of Wood	All	1	773,673,505	119,480
9503	95030049	Other animal toys	May be Made of Wood	All	1	690,480,745	65,931
9503	95030099	Other toys, not plastic	May be Made of Wood	All	1	470,858,100	76,875
9503	95030021	Dolls, parts and accessories	May be Made of Wood	All	1	434,725,412	43,304
9503	95030010	Tricycles, scooters and similar wheeled toys	May be Made of Wood	All	1	425,617,163	91,158
9503	95030081	Toy weapons	May be Made of Wood	All	1	162,885,105	26,509
9503	95030030	Electric trains and scale model assembly kits	May be Made of Wood	All	1	137,392,113	6,688

Table 18: Out of scope – May be Made of Wood codes (cont)

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
9503	95030055	Toy musical instruments etc	May be Made of Wood	All	1	135,622,404	18,059
9503	95030079	Toys and models with a motor, not plastic	May be Made of Wood	All	1	96,961,676	5,570
9503	95030039	Construction sets and toys, not plastic	May be Made of Wood	All	1	77,418,100	9,324
9504	95042000	Articles and accessories for billiards	May be Made of Wood	All	1	22,892,375	8,056
9505	95051090	Christmas articles, not glass	May be Made of Wood	All	1	602,639,777	110,570
9506	95064000	Table tennis equipment	May be Made of Wood	All	1	28,050,465	5,223
9506	95069910	Cricket and polo equipment, not balls (e.g. bats)	May be Made of Wood	All	1	9,306,611	1,240
9112	91122000	Clock cases	May be Made of Wood	All	1	1,729,673	66
9603	960330XX	Artists' and cosmetic brushes	May be Made of Wood	All	2	138,166,919	6,971
9603	96034010	Brushes for painting and varnishing etc	May be Made of Wood	All	1	110,938,283	21,967
9603	96032930	Hairbrushes	May be Made of Wood	All	1	74,163,640	9,542
9603	96032980	Other personal brushes	May be Made of Wood	All	1	43,219,225	5,334
9603	96031000	Brooms and brushes of vegetable materials	May be Made of Wood	All	1	18,431,724	11,026
9606	96062900	Other buttons, not plastic or base metal	May be Made of Wood	All	1	19,189,083	665
9703	97030000	Original sculptures and statuary	May be Made of Wood	All	1	354,758,191	2,254

Table 19: Out of scope – May Contain Wood codes

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
3006	30065000	First aid boxes and kits	May Contain Wood	All	1	58,555,777	9,407
4202	42021XXX	Trunks, suitcases, vanity cases etc	May Contain Wood	42021110 42021190 42021219 42021291 42021299 42021990	6	907,665,094	162,716
4601	4601XXXX	Plaits and products of plaiting materials	May Contain Wood	All	18	62,100,735	43,363
4602	4602XXXX	Basketwork, wickerwork etc	May Contain Wood	All	5	328,046,373	89,651
6403	64039950	Other slippers and other indoor footwear	May Contain Wood	All	1	41,493,646	3,717
6404	64041910	Rubber-soled slippers and other indoor footwear	May Contain Wood	All	1	198,356,369	34,641
6405	64059090	Other footwear with soles of other materials	May Contain Wood	All	1	29,101,232	2,743
6504	65040000	Plaited hats etc	May Contain Wood	All	1	43,473,743	4,123
6601	66019XXX	Other umbrellas	May Contain Wood	All	2	264,560,192	58,500
6601	66011000	Garden or similar umbrellas	May Contain Wood	All	1	215,833,038	68,271
7009	70099200	Framed glass mirrors	May Contain Wood	All	1	217,606,606	83,421
7321	7321XXXX	Iron or steel stoves, ranges, barbecues etc	May Contain Wood	All	8	990,960,568	538,317
8201	8201XXXX	Hand tools (spades, picks, axes, shears etc)	May Contain Wood	All	6	205,017,613	62,054
8205	8205XXXX	Other hand tools	May Contain Wood	82051000 82054000- 82059090	9	800,519,386	137,981
8205	82052000	Hammers	May Contain Wood	All	1	45,889,119	17,219
8205	82053000	Chisels etc	May Contain Wood	All	1	20,102,505	3,526
8206	82060000	Sets of hand tools	May Contain Wood	All	1	173,717,670	38,436

Table 19: Out of scope – May Contain Wood codes (cont)

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
8214	8214XXXX	Other articles of cutlery (cleavers, letter openers, nail files etc)	May Contain Wood	All	3	125,183,105	13,102
8518	85182200	Multiple loudspeakers, mounted in enclosure	May Contain Wood	All	1	683,350,705	143,181
8518	85182100	Single loudspeakers, mounted in enclosure	May Contain Wood	All	1	316,128,647	59,926
8527	852791XX	Other radios	May Contain Wood	All	5	330,464,770	31,000
8707	8707XXXX	Bodies for motor vehicles	May Contain Wood	All	4	289,919,010	21,416
8708	870899XX	Other parts and accessories for motor vehicles, not steel	May Contain Wood	87089910 87089997	2	3,012,636,296	463,926
8708	870829XX	Other parts for motor vehicle bodies	May Contain Wood	All	2	2,215,113,568	386,900
8708	87089499	Steering wheels and parts etc, not steel	May Contain Wood	All	1	511,432,016	70,809
8901	8901XXXX	Cruise ships, cargo ships, ferry boats, barges etc	May Contain Wood	All	8	7,961,345,555	809,995
8903	8903XXXX	Yachts, rowing boats and other pleasure boats	May Contain Wood	All	10	2,195,127,526	90,833
9017	901710XX	Drafting tables and machines	May Contain Wood	All	2	4,569,496	566
9023	902300XX	Demonstrational models etc	May Contain Wood	All	4	200,336,368	5,338
9103	9103XXXX	Clocks with watch movements	May Contain Wood	All	2	12,510,135	1,282
9105	9105XXXX	Other clocks	May Contain Wood	All	6	216,571,369	33,900
9401	94017XXX	Seats with metal frames	May Contain Wood	All	2	1,698,312,239	538,410
9401	94013000	Swivel seats with variable height adjustment	May Contain Wood	All	1	449,087,650	162,492
9401	94018000	Other seats	May Contain Wood	All	1	401,886,012	95,110
9401	94014000	Seats convertible into beds (not garden or camping seats)	May Contain Wood	All	1	109,788,798	46,506
9402	9402XXXX	Medical, dental, veterinary furniture	May Contain Wood	All	2	266,351,909	38,337
9403	940320XX	Other metal furniture	May Contain Wood	All	2	1,695,131,225	712,130
9403	94037000	Plastic furniture	May Contain Wood	All	1	318,508,307	95,197
9403	940310XX	Metal office furniture	May Contain Wood	All	5	191,897,621	77,320
9403	94038XXX	Furniture of other materials	May Contain Wood	All	2	189,321,215	89,459
9406	94060011	Mobile homes	May Contain Wood	All	1	9,798,611	5,336
9605	96050000	Travel sets for toilet, shoe cleaning etc	May Contain Wood	All	1	32,258,523	4,503
9608	96083000	Fountain pens	May Contain Wood	All	1	17,660,841	824
9610	96100000	Slates and boards with drawing surfaces	May Contain Wood	All	1	66,699,487	24,915
9701	9701XXXX	Paintings, drawings, collages etc	May Contain Wood	All	2	1,955,199,756	4,728
9702	97020000	Original engravings, prints and lithographs	May Contain Wood	All	1	97,340,729	232
890X	890XXXXX	Other ships and boats	May Contain Wood	89020010-90 89040010-99 89051010-90 89052000 89059010-90 89061000 89069010-99 89071000 89079000 89080000	17	963,596,349	38,292

APPENDIX 2: DEFRA CN CODE LIST 1 & 2

EUTR product coverage

- We recommend increasing the scope of the EUTR by amending the Annex, as laid out in Article 14 of Regulation (EU) No 995/2010.
- We propose the immediate inclusion of those codes which we believe cover products that are either made of wood or definitely contain wood.
- In addition, we propose that a range of other code chapters, headings and sub-headings which do not specifically mention wood or timber in their titles, but may cover products containing wood, are given further consideration for potential inclusion in the EUTR.
- One approach for this second set of codes may be to make changes to the Combined Nomenclature (CN) itself. We have noticed that in some chapters containing composite products the timber (wood) and non-timber products are separated. Further 'separations' of this nature (e.g. under chapter 95: Toys, games and sports requisites) could help bring the right products in scope of the EUTR and make implementation easier for operators and enforcement agencies.
- Our detailed proposals for increasing the scope of the EUTR are listed in the Annex. Where possible, our proposals try to use codes with the fewest digits possible for clarity. However, occasionally longer codes are required to separate wood and non-wood products in mixed chapters and headings.
- Wherever we have made proposals these should not contradict the existing exemptions for products such as those made of bamboo or cork, which should be kept.

Annex – Detailed proposals for increasing the scope of the EUTR

[Defra Code List 1] We recommend the immediate inclusion of the following code chapters, headings and sub-headings which we believe cover products that are either made of wood or definitely contain wood:

Chapter 44 – Wood and articles of wood; wood charcoal

- All products not currently in scope

Chapter 49 – Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans

- All codes except non-paper products in code 4908 – transfers

Chapter 92 – Musical instruments; parts and accessories of such articles

- All timber-containing products including, but not limited to, those under the following codes: 9201; 9202; 9205 90; 9206 00 00; 9207; 9208

Chapter 94 – Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings

- 9401 61 00 – Upholstered seats, with wooden frames (excl. convertible into beds)
- 9401 69 00 – Seats, with wooden frames (excl. upholstered)
- 9401 90 30 – Parts of seats, of wood, N.E.S.

Chapter 36 – Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations

- 3605 00 00 – Matches

Chapter 64 – Footwear, gaiters and the like; parts of such articles

- 6403 51 05; 59 05 – Footwear with outer soles and uppers of leather, made on a base or platform of wood
- 6403 91 05; 99 05 – Footwear with outer soles of rubber, made on a base or platform of wood

Chapter 85 – Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles

- 8529 90 41 – Cabinets and cases of wood for transmission and reception apparatus

Chapter 95 – Toys, games and sports requisites; parts and accessories thereof

- 9503 00 61 – Wooden puzzles

Chapter 96 – Miscellaneous manufactured articles

- 9614 00 10 – Roughly shaped blocks of wood or root, for the manufacture of pipes

Figures (based on 2013 EU28 import data from Eurostat)

- By value the codes in the previous two categories represent an additional €6.9 billion, which represents a 31% increase in value of the current scope of the EUTR.
- By volume these codes represent 2,268,280 tonnes, which represents a 5% increase in value of the current scope of the EUTR.

[Defra Code List 2] We recommend the following code chapters, headings and sub-headings are given further consideration for potential inclusion (taking into account those codes proposed for inclusion above). These codes do not specifically mention wood or timber in their titles, but may cover products containing wood:

Chapter 36 – Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations

- 3604 – Fireworks

Chapter 37 – Photographic or cinematographic goods

- 3703 – Photographic paper, paperboard and textiles, sensitised, unexposed
- 3704 00 – Photographic plates, film, paper, paperboard and textiles, exposed but not developed

Chapter 42 – Articles of leather; saddlery and harness; travel goods, handbags and similar containers etc.

- 4202 11; 12; 19; 92 15

Chapter 64 – Footwear, gaiters and the like; parts of such articles

- 6403; 6404; 6405

All of Chapter 66 – Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof

Chapter 73 – Articles of iron or steel

- 7321 – Stoves, ranges, grates, cookers, barbecues, braziers, gas-rings, plate warmers and similar non-electric domestic appliances, and parts thereof, of iron or steel.

Chapter 82 – Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal

- 8201 10 00; 30 00; 40 00; 50 00; 60 00; 90 00
- 8205 10 00; 20 00; 30 00; 40 00; 51 00; 59 10; 59 80; 60 00; 70 00; 80 00; 90 00; 90 10; 90 90
- 8214 10 00; 20 00; 90 00

Chapter 87 – Vehicles other than railway or tramway rolling stock, and parts and accessories thereof

- 8707 – Bodies (including cabs), for the motor vehicles of headings 8701 to 8705
- 8708 29; 94; 99 – Parts and accessories of the motor vehicles of headings 8701 to 8705

All of Chapter 89 – Ships, boats and floating structures

Chapter 90 – Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof

- 9017 – Drawing, marking-out or mathematical calculating instruments, not specified or included elsewhere in the chapter
- 9023 – Instruments, apparatus and models, designed for demonstrational purposes (for example, in education or exhibitions), unsuitable for other uses

Chapter 91 – Clocks and watches and parts thereof

- 9102 – Wristwatches, pocket-watches and other watches, including stopwatches, other than those of heading 9101
- 9103 – Clocks with watch movements, excluding clocks of heading 9104
- 9105 – Other clocks
- 9112 90 00 – Parts of clock cases and cases of a similar type for other goods of this chapter

Chapter 94 – Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated nameplates and the like; prefabricated buildings

- 9401 – Seats (other than those of heading 9402) whether or not convertible into beds, and parts thereof

This should except any piece of furniture or part wholly not made of wood

- 9402 – Medical, surgical, dental or veterinary furniture; barbers' chairs and similar chairs, having rotating as well as both reclining and elevating movements; parts of the foregoing articles
- 9403 – Other furniture and parts thereof – all remaining codes outside scope of EUTR (codes currently covered are 9403 30; 40; 50 00; 60; and 90 30)
- Excluding 9403 90 10 – parts of metal – and 9403 90 90 – parts of other materials
- 9405 20 91 and 99 – Electric table, desk, bedside or floor-standing lamps

Chapter 95 – Toys, games and sports requisites; parts and accessories thereof

- 9503 00 10; 21; 29; 30; 39; 41; 49; 55; 70; 79; 81; 99
- 9504 20 00; 90
- 9504 40 00
- 9505 10 90
- 9506 40 00
- 9506 99 10

Chapter 96 – Miscellaneous manufactured articles

- 9603 10 00; 21 00; 2930; 29 80; 30 10; 30 90; 40 10; 40 90 – Brooms, brushes etc.
- 9605 00 00 – Travel sets for personal toilet, sewing or shoe or clothes cleaning
- 9606 29 00 – Buttons made of other material
- 9609 10 10; 10 90; 90 10; 90 90 – Pencils etc.
- 9610 00 00 – Slates and boards, with writing or drawing surfaces, whether or not framed
- 9619 00 11; 13; 19; 21; 29 – Sanitary towels etc.

Chapter 97 – Works of art, collectors' pieces and antiques

- 9701 10 00; 90 00 – Paintings, collages, decorative plaques etc.
- 9702 00 00 – Original engravings, prints and lithographs
- 9703 00 00 – Original sculptures and statuary, in any material

APPENDIX 3: CELLULOSE

What is cellulose? Cellulose is the most abundant organic polymer on Earth and is an important structural component of the primary cell wall of green plants and many forms of algae. With regards to the commercial extraction of cellulose from green plants, the richest content of cellulose is found in cotton fibre at 90%, wood at 40–50% and in dried hemp at approximately 45%.

How is cellulose made? Raw wood material is chipped and chemically processed to make dissolving pulp, a highly purified form of cellulose (DWP).

Cellulose-based products formed from DWP include viscose staple fibre, cellophane, sponge and ether. In some circumstances, these products are further processed before they actually end up as retail products. Viscose staple fibre, for example, will be processed via weaving into textiles which are then processed further into garments for the apparel industry.

The growth in cellulose production and why it needs to be included within the EUTR

The latest data from Pulp & Paper International (PPI), the leading magazine for pulp, paper and paperboard manufacturers, indicate that global apparent consumption of viscose staple fibre grew 9% in 2013, reaching 5.8 million tonnes. The vast majority of this increase was in viscose pulp which continued to benefit from market share gains against cotton and synthetics in the overall textile fibre market. China accounted for

three-quarters of the growth in world dissolving pulp usage, and is expected to lead the majority of the expansion in upcoming years. Their forecast shows world dissolving pulp demand to remain on a 9% annual growth pace over the next two years, reaching 6.9 million tonnes in 2014. Viscose pulp is expected to represent nearly 90% of the gain in total dissolving pulp consumption, up from its current 70% share.

Can cellulose-derived products be identified using the existing CN code structure?

Yes and no. Yes, in that many of the main cellulose-derived forms are clearly listed within Chapter 39, and materials made from these derived forms in Chapters 53, 54 and 55; but no, as when the fabrics of Chapters 53, 54 and 55 are then made into garments for retail sale, the CN codes separate out such garments into types of garments rather than the raw material used to make them, and transparency of the material type is lost. This is also true with respect to the addition of cellulose derivatives from Chapter 39 when included in processed foods that are then imported into the EU.

Industries using cellulose-based materials

Besides the textile and apparel industry mentioned above, there are numerous other major industries that use cellulose-based materials such as the food and beverage industry, cosmetics, detergent, stationery, pharmaceutical, oil and gas, general industrial and packaging industries.

How cellulose is used in food

Thickening/emulsifying – The gelling action of cellulose when combined with water provides both thickening and stabilising qualities in the food to which it is added. Cellulose gel acts similarly to an emulsion, suspending ingredients within a solution and preventing water from separating out. Cellulose is often added to sauces for both its thickening and its emulsifying action.

Calorie reducer – Cellulose provides a lot of volume or bulk in food, but because it is indigestible to humans it has no caloric value. For this reason, cellulose has become a popular bulking agent in diet foods. Consumers who eat foods with high cellulose content feel full physically and psychologically without having consumed many calories.

Fibre supplement – With rising awareness of the importance of fibre intake, cellulose has become one of the most popular food additives. Adding cellulose to food allows an increase in bulk and fibre content without a major impact on flavour. Because cellulose binds and mixes easily with water, it is often added to increase the fibre content of drinks and other liquid items when the gritty texture of regular fibre supplements would be undesirable.

The form cellulose takes when added to food

Powdered cellulose is the kind most widely used in food products, and is the form of choice for anti-caking applications. Cellulose gum or cellulose gels, which are hydrated forms of cellulose, are often used in sauces or other wet items like ice cream and frozen yoghurt. Cellulose may also be found on ingredient lists under the names carboxymethyl cellulose, microcrystalline cellulose, or MCC. Table 20 on the following page identifies the main cellulose-derived materials, their applications, and – when used in food – their respective E numbers.

The use of E numbers (see Table 20) is particularly interesting as this indicates that food products imported into the EU containing these E numbers can be traced back to their cellulose derivative, including when the E number raw ingredient is imported in its own right.

Table 20: The use of cellulose in food and other products

Cellulose ethers derived materials	Example	Application	CN Code	E number
	Glycerol esters of wood rosin	Emulsifier	3806-30	E445
Alkyl	Cellulose (i) Microcrystalline cellulose (ii) Powdered cellulose	Used as a texturizer, an anti-caking agent, a fat substitute, an emulsifier, an extender, and a bulking agent in food production	3912-39	E460
Alkyl	Methylcellulose	Used as a thickener and emulsifier in various food and cosmetic products, and also as a treatment of constipation	3912-39	E461
Alkyl	Ethylcellulose	A commercial thermoplastic used in coatings, inks, binders, and controlled-release drug tablets	3912-39	E462
Alkyl	Ethyl methyl cellulose	a thickener, vegetable gum, and emulsifier, used in cosmetics and personal care products including bath products, hair products, eye and facial makeup, skin care products and shaving products	3912-39	E465
Hydroxyalkyl	Hydroxypropyl cellulose (HPC)	HPC is used as a lubricant for artificial eyes, as a food additive, a thickener, a low level binder and as an emulsion stabiliser with E number E463. In pharmaceuticals it is used as a disintegrant and a binder in tablets.	3912-39	E463
Hydroxyalkyl	Hydroxypropyl methyl cellulose (HPMC)	Production of cellulose films, Viscosity modifier, gelling, foaming and binding agent	3912-39	E464
Hydroxyalkyl	Ethyl hydroxyethyl cellulose	Gelling and thickening agent, used in cosmetics, cleaning solutions, and other household products including main ingredient in KY Jelly	3912-39	E467
Carboxyalkyl	Carboxymethyl cellulose(CMC)	Often used as its sodium salt, sodium carboxymethyl cellulose (NaCMC) or calcium as an emulsion stabiliser in cosmetics, used in personal care products including bath products, hair products, eye and facial makeup, skin care products and shaving products	3912-31	E466
Carboxyalkyl	Crosslinked sodium carboxy methyl cellulose	Provides superior drug dissolution, dietary supplements	3912-31	E468
Carboxyalkyl	Enzymatically hydrolysed carboxy methyl cellulose		3912-31	E469
Cellulose ester derived materials				
Organic esters	Cellulose acetate	Used as a film base in photography, as a component in some coatings, and as a frame material for eyeglasses; used as a synthetic fiber in the manufacture of cigarette filters and playing cards.	3912-11	
Organic esters	Cellulose tri-acetate	Used for the creation of fibres and film base	3912-11	
Organic esters	Cellulose di-acetate	Was used to make fabrics, membranes, and filaments	3912-11	
Organic esters	Cellulose propionate (CP)	Thermoplastic	3912-11	
Organic esters	Cellulose acetate propionate (CAP)	Used in printing inks and clear overprint varnishes, resin for nail lacquer topcoats.	3912-11	
Organic esters	Cellulose acetate butyrate (CAB)	Used for general coatings, coatings for automotive industry, coatings for plastic, Lacquers, Nail care, Printing Inks	3912-11	
Inorganic esters	Nitrocellulose (cellulose nitrate)	Used as a propellant or low-order explosive	3912-20-00	
Inorganic esters	Cellulose sulphate	Anti-bacterial	3912-20-00	
Others	Cellulosic ethanol	Biofuel	3912-??	

APPENDIX 4: HANDICRAFTS

Identifying handicraft businesses

There is no clear agreement as to what a handicraft actually is, so we reviewed some representative definitions.

According to Wikipedia¹⁸, “A handicraft, sometimes more precisely expressed as artisanal handicraft or handmade, is any of a wide variety of types of work where useful and decorative objects are made completely by hand or by using only simple tools. It is a traditional main sector of craft, and applies to a wide range of creative and design activities that are related to making things with one’s hands and skill, including work with textiles, moldable and rigid materials, paper, plant fibres, etc. Usually the term is applied to traditional techniques of creating items (whether for personal use or as products) that are both practical and aesthetic”.

The following definition, adopted in 1997 by the United Nations Educational, Scientific and Cultural Organisation/Information Technology Community (UNESCO/ITC) Symposium on Crafts and the International Market, defines the handicraft sector as follows:

“Artisanal products or handicrafts are those produced by artisans, completely by hand or with the help of hand-tools and even mechanical means, as long as the direct manual contribution of the artisan remains the most substantial component of the finished product. Their special nature derives from their distinctive features, which can be utilitarian, aesthetic, artistic, creative, culturally attached, decorative, functional, traditional, and religiously and socially symbolic and significant. They are made of sustainably produced raw materials and there is no particular restriction in terms of production quantity. Even when artisans make quantities of the same design, no two pieces are ever exactly alike”.

In a 2006 USAID report, handicrafts are “products significant to the country where they are made, due to skill, tradition, culture, and local materials used.” Therefore, buyers questioned in the report argued that most of the products made in China (and in countries seeking to emulate China’s production capabilities) are not handicrafts, even though many are partially or fully handmade. “China will produce anything that you will ask, better than anyone else, and at a better price, but these are not unique handicrafts like those being produced in other countries.”

Wooden handicraft products and their CN codes

The handicrafts sector has an extremely broad product range: if a product can be made out of wood, the handicraft industry is making it. Feedback from British Association of Fair Trade Shops and Suppliers (BAFTS) members indicated that wooden imported handicrafts could be roughly grouped under 14 CN code headings (see Table 14).

Determining the value of handicraft imports into the EU

Handicraft products are not identified by specific CN codes and therefore reliable international trade data currently does not exist. Thus, most artisanal products are effectively invisible in international trade flows. According to USAID,¹⁹ “the difficulty has been to define artisanal products for the purposes of the HS [product classification system similar to CN codes] and to identify criteria that can be applied uniformly to distinguish such goods from their machine-made counterparts. Handicrafts trade data sometimes exist for individual countries if governments make an effort to track them.” Based on an overview by India Brand Equity Foundation (IBEF)²⁰ the value in 2014-5 of the Indian handicraft industry stood at €4.1 billion (US\$4.5 billion), with the bulk of exports split 26% to the USA and 24% to the EU.

¹⁸ en.wikipedia.org/wiki/Handicraft

¹⁹ Global Market Assessment for Handicrafts, United States Agency for International Development (USAID), July 2006.

²⁰ www.ibef.org/exports/handicrafts-industry-india.aspx

A 2009 report on China's handicraft market²¹ judged the value of Chinese handicraft exports to be €21 billion (US\$22 billion), with approximately 30% going to the USA, and China having a global market share of 30%.

According to a report by Traffic India for WWF India²² (no date), wood-based handicrafts represented approximately 40% of all handicraft exports. This is broadly supported by claims that globally, "woodware handicrafts accounted for 34% of the market share during 2014".²³

A very rough estimate of the value of the global handicraft industry can be calculated at €70 billion (based on China's 30% share at €21 billion); and, if Europe has a 25% share (based on its share of Indian exports), this equates to approximately €17.5 billion of handicraft imports into the EU each year. Taking Traffic India's figure of 40% of handicrafts being wood-based, this generates a figure of €7 billion of wood-based handicrafts entering the EU (€6 billion if the global figure of 34% is used). Wood-based handicraft imports from China can be estimated at around €2 billion, and those from India at about €400 million. However, there is a large margin for error in these estimates, especially as CN codes provide no distinction, and so further work is needed to identify a more reliable import value for handicrafts into the EU.

Structure of the handicrafts industry

According to the previously cited USAID report, the main producing countries for handicrafts are China, India and Vietnam. The rest of the market is segmented into three regions; the Far East (Indonesia, Thailand, Cambodia and the Philippines), Africa (Ghana, South Africa, Mozambique, Malawi, Kenya and Tanzania), and finally Latin American countries.

Typical descriptions of handicrafts refer to products being predominantly handmade (see Appendix 4). While this may suggest traditional, small-scale craftsmanship, it can be extremely difficult to differentiate true artisanal products from mass-produced (but still handmade) items from China and other more developed export-oriented economies. It is therefore equally difficult to separate out those 'genuine' handicraft businesses (and the value of their imports) from their bigger factory-produced handicraft counterparts. Little information is available to determine the extent of mass-produced handicrafts or their origins, but China appears to lead the way. In the case of genuine handicrafts, it is unlikely the artisan will be directly impacted by the EUTR, as the bulk of their products are either sold via exporters or supplied directly to EU-based wholesalers and retailers. However, they will be indirectly impacted as the request for information, and the burden of proving the legality of the raw material, will most likely be passed on to them.

Identifying artisanal handicrafts

There are some indicators that can help distinguish the true artisanal producer, such as membership of the World Fair Trade Organisation (WFTO), a global network of organisations representing the Fair Trade supply chain. Initial research indicates that the mass-producing businesses are unlikely to become members of such organisations and therefore it is a potential point of differentiation.

There is also an EU mechanism called the Economic Partnership Agreements (EPAs)²⁴, which are trade and development arrangements involving the EU and 76 African, Caribbean and Pacific (ACP) countries. Within this mechanism, there are specific rules for handicrafts, such as requiring proof of the country of origin in order to claim the tariff

²¹ Research Report on China's Handicraft Market, Beijing Zeefer Consulting Ltd, February 2009.

²² [awsassets.www.findia.org/downloads/report_on_survey_of_woodbased_handicraft_industry_jodhpur____rajasthan_.pdf](https://www.findia.org/downloads/report_on_survey_of_woodbased_handicraft_industry_jodhpur____rajasthan_.pdf)

²³ Global Handicrafts Market 2015-2019, TechNavio, November 2015.

²⁴ trade.ec.europa.eu/doclib/docs/2013/may/tradoc_151186.pdf

preference. This would need documents to be submitted and invoice declarations where the consignment is valued at €6,000 or less. Where exporters are involved, these must be approved. There is precedent for the use of government-to-government processes with the EUTR (CITES and FLEGT), and so EPAs are worthy of further investigation.

APPENDIX 5: CASE STUDIES

Case study 1 – CELLULOSE AND ITS DERIVATIVES

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 39, PLASTICS AND ARTICLES THEREOF and Chapter 54, MAN-MADE FILAMENTS; STRIP AND THE LIKE OF MAN-MADE TEXTILE MATERIALS.

Specifically heading 3912, Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms: – Cellulose acetates: 3912-11-00 through to 3912-90-90

Specifically sub-heading 3920-71, – Of cellulose or its chemical derivatives: 3912-71-00 to 3912-79-90

Specifically sub-heading 3921-14-00, – – Of regenerated cellulose

Specifically sub-heading 5403, artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex: 5403-10-00 through to 5403-49-00

B. Description of the code

Cellulose fibres are one of the world's most abundant natural materials. They are the main component of cell walls in most plants; they give wood its strength and resilience. Cellulose pulp is mainly used to produce paperboard and paper but dissolving pulp is converted into a wide variety of derivative products such as cellophane and rayon. It's these products that find their way into everyday consumer products.

Cellulose derivatives have multiple purposes including films, wrappings such as cellophane, adhesive tapes, coatings, linings in suits and coats, home furnishings, table cloths and drapes, filters and filter papers for cigarettes, and playing cards. They appear in the food industry as gelling and thickening agents for salad dressings, ice creams, yoghurts, soups and bread. They act as lubricants and form the major ingredient in K-Y Jelly and also as bulking thickeners for liquid soaps, shampoos and toothpastes. Cellulose derivatives also make sausage casings, drug capsules, inks, flash powders...the list goes on and on! In the textile industry regenerated cellulose is used as fibres such as rayon (including modal, and the more recently developed Lyocell).

C. Where wood fibre exists in the product

Cellulose for industrial use is mainly obtained from wood pulp and cotton. The raw material is made into a specific kraft pulp (dissolving pulp) for the cellulose derivative industry for further processing. Due to the current crash in the cotton industry, wood pulp is now the primary raw material used in dissolving pulp.

D. Why is it not included within the scope of the EUTR?

Cellulose and its derivatives are heavily chemically processed so no longer look and feel like wood-based products. They are produced in chemical plants that do not have direct

links with the timber and forest industry, and the derived chemicals are sold on to other disparate industries that have no knowledge of the origins of the original raw material. The end results are often mixed with other ingredients, again not linked to the timber/forest industry, and added in low volumes so heavily diluted that any initial traceability has been completely lost. Original origins are often not disclosed to the buyer.

E. The risk of illegal timber in the CN code

The top five net exporters of dissolving pulp are South Africa (705,929 tonnes in 2012), Canada (678,861 tonnes), the USA (405,363 tons), Brazil (390,600 tonnes), and Sweden (375,987 tonnes). Although it is a net importer due to its domestic textile industry, Indonesia's dissolving pulp production is on the rise as well. One of the only mills capable of producing dissolving pulp in Indonesia is owned by Toba Pulp Lestari, which has been singled out by activists at the Rainforest Action Network as "one of the worst actors in pulp and paper".

One of the main drivers of growth in the industry is cotton prices, which dramatically increased in 2010 and 2011 due to widespread cotton crop failures. Since dissolving pulp from wood is a good substitute for cotton, this led to increased demand and higher prices. In addition, with paper being a mature market, companies were already looking to diversify.

But arguably the biggest factor driving growth in the dissolving pulp sector is Chinese companies.

Demand for dissolving pulp is driven by demand for viscose fibre, and from 2004 to 2012 global production of viscose fibre grew by 84%. Meanwhile, China's share of global production increased from 38% to 61%. In 2012, China imported nearly 1.7 million tonnes of dissolving pulp, primarily to make viscose fibre for use in the country's massive textile manufacturing industry.

F. Species of timber affected

Predominantly Birch from Northern Europe, as it produces more cellulose than softwoods. Eucalyptus and Acacia are predominant hardwoods from tropical countries but other mixed tropical hardwoods (MTH) can be used if equipment exists at the mill. For the USA and Canada, Pacific Northwest softwoods and boreal softwoods respectively are predominantly used.

G. Likely origins of imported product

China, Indonesia, North America

H. Likely origins of raw material

North America, Canada, Brazil, South Africa, Sweden, Indonesia

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €704,420,946, volume = 206,870 tonnes; of which €100,424,103 and 41,164 tonnes was imported directly into the UK.

J. Importance of inclusion

As the world becomes more digital and less pulp is used for printing, the dissolving pulp market is set to rise to meet the world's demands for cellulose and its derivatives.

These figures also only focus on cellulose and its derivatives in their pre-woven/woven form and do not include articles offered up for retail sale. Textiles (under chapters 61-63) made using these materials cannot be traced using the CN codes alone as the CN codes only group products under generic headings such as “of synthetic fibres”, “of man-made fibres” etc.

K. Is it in Defra’s inclusion list?

No, nor is it listed in the Thünen Institute’s report

L. What industry would be affected by its inclusion?

Primarily the integrated pulp or chemical industries that process dissolving pulp into cellulose and its derivatives. Food manufacturers will be affected if they purchase cellulose derivatives (e.g. the additive E460) directly from suppliers outside the EU.

CASE STUDY 2 – SHIPS, BOATS AND FLOATING STRUCTURES

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 89, SHIPS, BOATS AND FLOATING STRUCTURES

Specifically – All codes within Chapter 89

B. Description of the code

Focus is on 8903 Yachts and other vessels for pleasure or sports; rowing boats and canoes, but any ship, boat and floating structure made or containing wood.

C. Where wood fibre exists in the product

Within Chapter 89, many ships and boats will be made predominantly of wood such as traditional yachts, fishing vessels, rowing boats, gigs, punts and sailing boats. Many vessels such as barges will have or contain a wooden hull, but many will not contain any wood used for the structural part of the vessel – instead they will contain more decorative elements such as panelling (either as solid wood or as composites such as plywood and engineered board) or decking through to handrails, oars and tillers that contain wood.

D. Why is it not included within the scope of the EUTR?

Within Chapter 89, there are no specific headings or sub-headings that refer to ships, boats and floating structures made of wood or any other material but instead they are grouped together based on type and purpose. There are many sub-headings that may contain wooden elements but the value of these sub-components would be minimal compared to the value of the vessel (e.g. 8901-20 tankers). Even in 8903, however, which is most likely to contain vessels made of wood, there is no reference to their construction method in the code’s breakdown.

E. The risk of illegal timber in the CN code

In general terms, any boat made of or containing wood will be exposed to challenging conditions, due to which only a handful of species can be used. Even then, they will need to be coated or heavily preserved. Although some softwoods can manage these conditions, dense close-grained hardwoods, especially tropical hardwoods, dominate the market.

F. Species of timber affected

Traditionally, hardwoods such as Teak, Mahogany, Jarrah, Greenheart, Apitong, Iroko, Sapele and Okoume have been used. Temperate hardwoods primarily include Oak and Ash for smaller items such as oars, tillers and internal woodwork. Softwoods are generally limited to Western red cedar and Douglas fir, but other softwoods are restricted to internal woodwork.

G. Likely origins of imported product

It's extremely difficult to directly identify the origins of the imported products as according to 2013 Eurostat data, the main exporting countries seemed to be those where the vessels are registered such as the Cayman islands, Panama and the British Virgin Islands.

H. Likely origins of raw material

Tropical hardwoods are found in Central Africa, Central America, South America including Brazil, the tropical Far East including Myanmar and Indonesia, through to the Pacific North West and eastern USA.

I. The import value/volume of the CN code into the UK and EU

Total 2014 value into the EU = €11,120,069,430 and quantity = 939,121 tonnes; of which €944,303,701 and 4,749 tonnes was into the UK.

J. Importance of inclusion

It's the use of high value tropical and temperate hardwoods that mean this chapter and sub-headings should be included. The challenge is in identifying a vessel's wood content.

K. Is it in Defra's inclusion list?

No, but Defra has mentioned it in its second list where a review of the CN codes' headings might make it easier to identify boats made of or containing structural elements made of wood or containing tropical timber.

L. What industry would be affected by its inclusion?

Shipbuilding, the marine industry, sailing industry

CASE STUDY 3 - SEATS

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 94 FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAMEPLATES AND THE LIKE; PREFABRICATED BUILDINGS

Specifically ALL of Heading 9401, Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof: 9401-10-00 through to 9401-90-80

B. Description of the code

Chapter 9401 is a broad mix of codes that cover aircraft, motor industry seats as well as those used in the home and office. Seats also include those convertible into beds such as fold-outs and futons.

C. Where wood fibre exists in the product

Three main types of chair contain wood:

Those that are primarily made of wood such as wooden garden chairs, kitchen, dining chairs, stools, rocking chairs etc that have a solid wood frame;

Upholstered chairs, sofas, recliners etc that have multiple wooden internal components such as an internal frame, back boards, bases, legs etc; and

Upholstered chairs that rely upon an internal or external seat pad or back rest.

D. Why is it not included within the scope of the EUTR?

Only three sub-headings within Chapter 94 make mention of containing wood: these are also the same three as selected by Defra in their list of possible inclusions. This will potentially allow importers to select sub-headings that do not mention wood, and therefore allow the products to be imported without the need to comply with the EUTR. Based on earlier findings that approximately 70% of all seats imported into the UK contain some element of wood, it is key that this CN heading is fully represented in any future revision. It will need an annotation to allow clearly non-wood-based/-containing products to be excluded.

E. The risk of illegal timber in the CN code

Much of the plywood and veneers sold to China are imported as tropical light hardwoods (TLH) or mixed tropical hardwoods (MTH) so the species are often not identified at the time of importing. A significant proportion of the plywood imported into China is from Indonesia, and much of what is still being exported from Indonesia is untraceable, meaning even if it is legally felled it will lack full supply chain transparency. Therefore, the risk of plywood used in seating originating from illegal sources is significant.

F. Species of timber affected

Temperate hardwoods such as Ash, Oak and Maple from USA, Nyatoh, Meranti, Merbau, and other mixed light hardwoods from Indonesia and Malaysia.

G. Likely origins of imported product

China, Turkey and Bosnia & Herzegovina dominated the supply of chapter 9401 products, according to 2013 Eurostat data.

H. Likely origins of raw material

Plywood and high value veneers for further processing into furniture come predominantly from Indonesia, Papua New Guinea, Myanmar and other Far East countries. Temperate hardwoods such as Ash, Oak and Maple come from the USA. China uses plantation species including Poplar for internal plywood parts.

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €4,763,696,666, volume = 1,395,453 tonnes; of which €982,651,228 and 261,045 tonnes was imported directly into the UK.

J. Importance of inclusion

It is really important that even though a CN sub-heading within 9401 does not mention wood, all sub-headings are included within any review of the regulation as all the sub-headings are likely to include wood. Examples included swivel chairs that contain a plywood base and possible back rest; while seats that can be converted into beds often contain wooden slats, internal wooden frames, and side draws/panels. Even seats made of other natural materials such as rattan etc. often contain internal frames and seat bases

K. Is it in Defra's inclusion list?

Partly: Defra has only mentioned three sub-headings that are being recommended for inclusion – 9401-61-00 upholstered seats, with wooden frames, 9401-69-00 other seats, with wooden frames and 9401-90-30, other parts of wood – as all three have a specific mention of wood. Defra have however included the other sub-headings into their second list which proposes a review of the CN codes.

L. What industry would be affected by its inclusion?

The furniture industry

CASE STUDY 4 – ABSORBENT PRODUCTS

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 96 MISCELLANEOUS MANUFACTURED ARTICLES

Specifically 9619, Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar articles, of any material: 9619-00-00 through to 9619-00-89

B. Description of the code

These products are used for rapid fluid acquisition and distribution, and have superior absorbency and wicking properties compared with normal tissue and cloth. They often use super-absorbent polymers interwoven within the product and come in the form of nonwovens, fluff pulp, airlaid cores, super-absorbents and hygiene films.

C. Where wood fibre exists in the product

Wood pulp in the form of fluff or speciality absorbent pulp is used to contain and hold any fluid. Wood pulp in one form or another forms the bulk of the product.

D. Why is it not included within the scope of the EUTR?

It's a highly specialised material that is hidden within a non-wood-based chapter, and seems to have been overlooked. Most tampons that are sold in the stores are chlorine-bleached and made from 100% rayon or a mixture of conventionally-grown cotton and rayon. Rayon is a synthetic fibre derived from wood pulp that is commonly chlorine-bleached to make it fully absorbent. The challenge is that the amount of wood fibre in any item is never disclosed, if it is used at all.

E. The risk of illegal timber in the CN code

As the product contains a highly specialised material, this restricts the materials likely to be used. Softwoods predominantly are more absorbent and form the bulk of pulps,

but as demand increases supply from emerging markets is starting to play its part.

F. Species of timber affected

Further investigations required

G. Likely origins of imported product

The USA and Canada, China and Taiwan all featured as key export countries to the EU in 2013.

H. Likely origins of raw material

North America dominates the bulk of speciality pulp/fluff pulp but more and more is being produced in Indonesia, Japan, South Africa and Russia.

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €277,072,972, volume = 79,289 tonnes; of which €35,886,389 and 9,239 tonnes was imported directly into the UK.

J. Importance of inclusion

It forms part of the top 10 CN codes currently not included within the scope of the EUTR

K. Is it in Defra's inclusion list?

No, but it is included in the second list of CN codes Defra recommends for further consideration for potential inclusion.

L. What industry would be affected by its inclusion?

The personal care and healthcare industries.

CASE STUDY 5 - REMAINDER OF CHAPTER 44

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 44, WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL

Specifically 4402, Wood charcoal (including shell or nut charcoal), whether or not agglomerated: 4402-10-00 through to 4402-90-00

Specifically 4404, Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles or the like; chipwood and the like: 4404-10-00 through to 4404-90-10

Specifically 4405-00-00, Wood wool; wood flour

Specifically 4419-00-00, Tableware and kitchenware, of wood

Specifically 4420, Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94: 4420-10-00 through to 4420-90-99.

Specifically 4421, Other articles of wood: 4421-10-00 through to 4421-90-97

B. Description of the code

The products highlighted above that were not included within the original scope of the EUTR differ to the products within Chapter 44 codes that were included within scope by being more processed and relating more to finished products (articles) rather than raw wood products. Most of the codes currently included in C44 relate to materials used within the construction and building industry, whereas the remainder of the codes within C44 relate to more retail-based products such as tableware, charcoal, caskets, jewellery boxes and statues.

C. Where wood fibre exists in the product

Wood exists throughout all C44 codes

D. Why is it not included within the scope of the EUTR?

The original omission cannot be directly explained except that the products omitted relate more to finished articles than raw or semi-processed wood-based materials. There may well be many non-wood-based materials used within the finished articles that might mask the fact that wood exists within the relevant code. Another challenge is that one of the codes is or can be used as a “dumping code” for a range of products that do not directly sit within other codes. The use of the term “Other articles of wood” in code 4421 is also used for a wide range of products including beehives, animal housing, hen coops, kennels, bird houses, feeders, roller blinds, fencing panels and trellis, ladders, wooden handles for cutlery, wooden stirrers, kebab sticks, cocktail sticks, BBQ skewers, tie racks, book ends, clothes dryers and hooks. This is further demonstrated by the import value of wood-based codes within 4421 (see point I).

E. The risk of illegal timber in the CN code

Further work is required to investigate the origins in more detail, but based on the countries of manufacture the level of risk of illegal timber contaminating these products is extremely high.

F. Species of timber affected

Acacia and Cottonwood are the most likely species for wood charcoal; temperate hardwoods for pickets and poles such as Ash, Nut and Willow; Rubberwood for many articles of wood from China and the Far East.

G. Likely origins of imported product

Based on 2013 Eurostat data, wood charcoal is mainly from China and South Africa; hoopwood poles from China and Russia/Belarus; wood flour from the USA; tool handles from China, Brazil and Ukraine; and tableware, wood marquetry and other articles of wood from China, Indonesia, Thailand, India and Vietnam.

H. Likely origins of raw material

Charcoal from South Africa and China, softwood from Russia and the Far East, hardwoods from Ukraine, plantation wood from Thailand, Indonesia and Vietnam

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014= €1,635,839,653, volume = 1,312,297 tonnes; of which €300,013,298 and 139,895 tonnes was imported directly into the UK.

CN Code Heading	Description Summary	2014 value (euro) EU	2014 volume (t) EU	2014 value (£) UK	2014 volume (t) UK
4402	Wood charcoal	202,123,441	560,477	28,920,361	58,004
4404	Hoopwood, pickets, stakes etc	16,688,927	52,426	758,409	985
4405	Wood wool and wood flour	1,482,890	3,564	31,020	19
4417	Tools, tool bodies, tool handles etc	33,440,337	22,600	4,830,988	2,886
4419	Tableware and kitchenware	203,350,474	62,676	44,761,180	12,989
4420	Wooden marquetry, ornaments etc	344,863,788	97,367	62,692,501	14,057
4421	Other articles of wood	833,889,756	513,187	158,018,839	50,955

J. Importance of inclusion

By sheer value

K. Is it in Defra's inclusion list?

Yes, these codes all feature in Defra's list of products to be included in the proposed revised scope

L. What industry would be affected by its inclusion?

General manufacturing

CASE STUDY 6 - PARASOLS AND UMBRELLAS

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 66 UMBRELLAS, SUN UMBRELLAS, WALKING STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF:

Specifically Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas): 6601-00-00 through to 6601-99-09

Specifically Walking sticks, seat-sticks, whips, riding-crops and the like: 6602-00-00

Specifically Parts, trimmings and accessories of articles of heading 6601 or 6602: 6603 through to 6603-90-90

B. Description of the code

This is a small group of products covering all types of umbrellas (for protection from rain), parasols (for protection from sun) and walking sticks.

C. Where wood fibre exists in the product

Although many items may contain no wood at all, such as hand-held metal umbrellas, it's the use of wood as handles, knobs, sticks and also as the poles and struts (frames) to many parasols that is cause for concern.

D. Why is it not included within the scope of the EUTR?

This chapter is typically associated with metal or plastic items where the wood does not form a visible part of the main product. As garden furniture is captured under other CN codes, the wooden parasols normally sold with these items are not included within the garden furniture codes, so this causes an anomaly where some products within a product range are in scope yet others are out of scope.

E. The risk of illegal timber in the CN code

High

F. Species of timber affected

For garden furniture, the wood used often needs to match the furniture set so this will be a wide range of tropical timbers such as Teak, Mixed Tropical Hardwood (MTH), Meranti and Merbau; and temperate hardwoods including Ash, Maple and Eucalyptus. When it comes to walking sticks, the main cane is made from Chestnut, Hazel and Ash but the range of species for the handles and knobs widens to include more decorative Elm, Sycamore, Cherry, Walnut, Beech, Alder, Ash, Oak and precious species including Rosewood, Ebony and Mahogany.

G. Likely origins of imported product

China, Malaysia, Vietnam and Thailand

H. Likely origins of raw material

Indonesia, Africa, Central America, Far East

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €557,043,615, volume = 171,088 tonnes; of which €71,303,538 and 16,085 tonnes was imported directly into the UK.

J. Importance of inclusion

There are three main reasons why these products need to be included; one is the anomaly that many of the wood-based parasol products are sold in conjunction with products that are already included within the scope of the EUTR (tables); the second is the use of hardwoods (and more ornate precious woods) for walking sticks, canes and poles; and lastly, the largest supplier of these items is China where there is a likelihood that the raw material used for these items has been contaminated with illegal timber.

K. Is it in Defra's inclusion list?

No, but it is mentioned on Defra's second list for potential inclusion.

L. What industry would be affected by its inclusion?

General manufacturing, the furniture industry.

CASE STUDY 7 - PENCILS

A. The CN code, where it sits in the CN structure

The highlighted products below sit within Chapter 96 MISCELLANEOUS MANUFACTURED ARTICLES

Specifically Pencils (other than pencils of heading 9608), crayons, pencil leads, pastels, drawing charcoals, writing or drawing chalks and tailors' chalks: 9609 through to 9609-90-90

B. Description of the code

The above codes include traditional pencils made with a wood casing, drawing charcoals, either vine, compressed or charcoal pencils

C. Where wood fibre exists in the product

Wood either exists in the casing of the pencil or in the manufacture of the charcoal by burning wood, usually willow or linden.

D. Why is it not included within the scope of the EUTR?

This set of codes is hidden within a chapter covering miscellaneous articles where there are no sub-headings that cover pencils and writing charcoals made specifically of wood nor is there any mention of 'Pencils with wood casings' as this term would clearly distinguish pencils not made from wood. Today, other materials are often used instead of the traditional wood casing, such as composite materials and recycled plastics, making it harder to link to a specific code or set of codes.

E. The risk of illegal timber in the CN code

Traditionally, much of the world's wooden pencil casing came from the USA, either from the South East or from California, where the levels of illegal logging are extremely low. However, with the rise of general manufacturing in the Far East, the bulk of production now centres around China, Indonesia and Thailand. In the Far East hardwoods are predominantly used, and tropical hardwoods are used in Indonesia. Most of these supply chains suffer from contamination by illegal logging.

F. Species of timber affected

Traditional species include Californian Incense cedar or Eastern Red cedar from the USA through to Basswood and Poplar in China, Pine from South America and Jelutong from Indonesia

G. Likely origins of imported product

China, Indonesia, Thailand, USA

H. Likely origins of raw material

China, South America, Indonesia, Malaysia, USA

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €99,812,803, volume = 19,064 tonnes; of which €22,759,495 and 5,474 tonnes was imported directly into the UK.

J. Importance of inclusion

High, due to the use of hardwoods/tropical hardwoods in imports from the Far East.
Low risk from the USA.

K. Is it in Defra's inclusion list?

No, but it is on Defra's second list for possible inclusion.

L. What industry would be affected by its inclusion?

General merchandise/manufacturers, exporters

CASE STUDY 8 - MUSICAL INSTRUMENTS

A. The CN code, where it sits in the CN structure

Any wood based products sitting within Chapter 92, MUSICAL INSTRUMENTS;
PARTS AND ACCESSORIES OF SUCH ARTICLES

B. Description of the code

This is a broad code covering all musical instruments

C. Where wood fibre exists in the product

Wood is used as the sound board, casing and body of many stringed instruments such as guitars, violins, violas etc; as the main body for pianos as well as fine inlay/veneer work for the exterior look and feel of many musical instruments.

D. Why is it not included within the scope of the EUTR?

The CN codes do not distinguish musical instruments by the materials used in their construction but by their type so the codes do not provide any reference to the product's content. The musical industry is not traditionally aligned with the timber and forestry industry, so the use of (often very precious) woods and the way they are sourced has not generally been closely scrutinised.

E. The risk of illegal timber in the CN code

Extremely high. Although many lower-end musical instruments are made using softwood veneers, most mid- to top-end musical instruments are sold on their looks as well as their musical quality. The look of the instrument comes at a cost, as rare and high-value tropical timbers are sought after for their colours and grain. Many of the precious hardwoods used are also listed in the Convention on International Trade of Endangered Species (CITES) Appendices I, II and III.

F. Species of timber affected

A wide range of tropical timbers including but not limited to Madagasy Rosewood (*Diospyros* spp), Ebony, Cocobolo, Bubinga (*Guiboutia demeusei*), *Crassiflora celebica*, Indian Rosewood (*Dalbergia sissoo/latifolia*), African Blackwood (*Dalbergia melanoxylon*), Honduras Rosewood (*Dalbergia stevensonii*), Brazil wood, Pernambuco (*Caesalpinia echinata*). temperate hardwoods including Walnut, Maple, Cherry, Lime; and softwoods including Pine, Spruce, Cedar, Redwood and Yew.

G. Likely origins of imported product

Predominantly China, the USA and Indonesia

H. Likely origins of raw material

Madagascar, Central and South America, West and Central Africa, India

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014 = €729,120,688, volume = 48,729 tonnes; of which €111,266,774 and 75,558 tonnes was imported directly into the UK.

J. Importance of inclusion

Due to this use of precious hardwoods, any musical instrument imported into the EU is likely to come from supply chains contaminated by illegal timber. Musical instrument manufacturing has recently been the focus of international news and NGO campaigns, when the American guitar manufacturer Gibson entered into a criminal enforcement agreement with the US Department of Justice. The company allegedly violated the Lacey Act by illegally purchasing and importing ebony wood from Madagascar and rosewood and ebony from India. In this instance, the company imported the wood in its raw form for manufacturing in the USA, but finished products made using the same species still get imported into the EU without any controls in place.

K. Is it in Defra's inclusion list?

Yes

L. What industry would be affected by its inclusion?

Musical instrument manufacturing, the music industry

CASE STUDY 9 - TOOLS

A. The CN code, where it sits in the CN structure

Any wood-based products sitting within Chapter 82, TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL

Specifically Hand tools, the following: spades, shovels, mattocks, picks, hoes, forks and rakes; axes, billhooks and similar hewing tools; secateurs and pruners of any kind; scythes, sickles, hay knives, hedge shears, timber wedges and other tools of a kind used in agriculture, horticulture or forestry: 8201-10-00 through to 8201-90-00

Specifically Hand tools (including glaziers' diamonds), not elsewhere specified or included; blowlamps; vices, clamps and the like, other than accessories for and parts of machine tools: 8205-10-00 through to 8205-59-80

B. Description of the code

Hand tools for a wide range of activities including agriculture, forestry and horticulture, woodworking, joinery/carpentry and gardening

C. Where wood fibre exists in the product

Wood exists mainly in the handle of the tool

D. Why is it not included within the scope of the EUTR?

The CN codes classify hand tools by use, and primarily focus on the metallic element of the tool's head (which distinguishes its type) rather than the tool's handle. As such

wooden tool handles go unnoticed within these CN code headings. Many tools are also made entirely of metal or have metal or fibreglass handles, so there is no standard way to identify hand tools with wooden handles.

E. The risk of illegal timber in the CN code

It is unusual to see tropical timber used in hand tools, but temperate hardwoods are traditionally the material of choice for hand tools due to their natural shock-absorbing properties. Much of China's hand tool industry is based in the north of the country close to the porous Chinese/Russian border, which is a primary point of contamination of illegal Russian timber into a generally legal internal Chinese forestry sector.

F. Species of timber affected

Hickory (Carya spp), Beech (Fagus spp), Birch (Betula spp), Ash (Fraxinus spp), Poplar (Populus spp), Eucalyptus, Rubberwood (Hevea braziliensis) and Babool (Acacia)

G. Likely origins of imported product

USA, China, India, Taiwan

H. Likely origins of raw material

The USA, China, Russia, the Far East, India, Europe

I. The import value/volume of the CN code into the UK and EU

Value imported into the EU during 2014= €1,241,252,856, volume = 72,909,390 tonnes; of which €225,876,115 and 24,347,570 tonnes was imported directly into the UK

J. Importance of inclusion

This group of products forms an anomaly with respect to Defra's main list of products being put forward to the EU for inclusion in the forthcoming review of the EUTR. They have recommended tool handles in 4417 be included, yet miss out the inclusion of the same item of wood when its attached to a metal tool head!

K. Is it in Defra's inclusion list?

No

L. What industry would be affected by its inclusion?

General manufacturing

APPENDIX 6: ANNOTATIONS –KATE COOK, MATRIX CHAMBERS

Proposed revision of the EUTR Annex 2015

Explanatory note: In order to adhere to the positive framing of Article 2(a) of the Regulation, the proposed annotations qualify the relevant CN categories so as to bring within the scope of the EUTR only those products which contain wood. The aim is to make the annotations as clear as possible so that operators and competent authorities will not be in doubt as to which products fall within the scope of the EUTR.

ANNEX

Timber and timber products as classified in the Combined Nomenclature set out in Annex I to Council Regulation (EEC) No 2658/87 (1), to which this Regulation applies

3912, Cellulose and its chemical derivatives, not elsewhere specified or included, in primary forms: – Cellulose acetates: 3912-11-00 through to 3912-90-90

3920-71, – Of cellulose or its chemical derivatives: 3912-71-00 to 3912-79-90

3921-14-00, – – Of regenerated cellulose

Proposed annotation: ‘Including products containing cellulose acetate’

- 4401 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms
- 4403 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared
- 4406 Railway or tramway sleepers (cross-ties) of wood
- 4407 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6mm
- 4408 Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6mm
- 4409 Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed
- 4410 Particle board, oriented strand board (OSB) and similar board (for example, waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances
- 4411 Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances
- 4412 Plywood, veneered panels and similar laminated wood
- 4413 00 00 Densified wood, in blocks, plates, strips or profile shapes
- 4414 00 Wooden frames for paintings, photographs, mirrors or similar objects
- 4415 Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums

of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood
(Not packing material used exclusively as packing material to support, protect or carry another product placed on the market.)

– 4416 00 00 Casks, barrels, vats, tubs and other cooperers' products and parts thereof, of wood, including staves

– 4418 Builders' joinery and carpentry of wood, including cellular wood panels, assembled flooring panels, shingles and shakes

Additional products from Chapter 44, WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL

- 4402, Wood charcoal (including shell or nut charcoal), whether or not agglomerated: 4402-10-00 through to 4402-90-00

4404, Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking sticks, umbrellas, tool handles or the like; chipwood and the like: 4404-10-00 through to 4404-90-10

4405-00-00, Wood wool; wood flour

4419-00-00, Tableware and kitchenware, of wood:

4420, Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94: 4420-10-00 through to 4420-90-99.9

4421, Other articles of wood: 4421-10-00 through to 4421-90-97

Proposed annotation: Simply including the whole category so no annotation required

– Pulp and paper of Chapters 47 and 48 of the Combined Nomenclature, with the exception of bamboo-based and recovered (waste and scrap) products

5403, artificial filament yarn (other than sewing thread), not put up for retail sale, including artificial monofilament of less than 67 decitex: 5403-10-00 through to 5403-49-00

Proposed annotation: 'To the extent that such yarn is derived from dissolving pulp'

Note: This would also be applicable to:

1. 5405-00-00 Artificial monofilament of 67 decitex or more and of which no cross-sectional dimension exceeds 1mm; strip and the like (for example, artificial straw), of artificial textile materials, of an apparent width not exceeding 5mm

2. 5408-10-00 through to 5808-34-00 Woven fabrics of artificial filament yarn, including woven fabrics obtained from materials of heading 5405

6601-00-00 through to 6601-99-09: Umbrellas and sun umbrellas (including walking-stick umbrellas, garden umbrellas and similar umbrellas):

Proposed annotation: 'Where these are made from or contain wood'

6602-00-00 Walking sticks, seat-sticks, whips, riding-crops and the like ...

Proposed annotation: 'Where these are made from or contain wood'

Parts, trimmings and accessories of articles of heading 6601 or 6602: 6603 through to 6603-90-90

Proposed annotation: 'Where these are made from or contain wood'

- Ships, boats and floating structures of Chapter 89

Proposed annotation: 'With the exception of vessels or structures which are not made from and/or contain wood'

Chapter 92, MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES

Proposed annotation: 'Where these are made from or contain wood'

Note: The analysis does not indicate an issue with minimal content, but as indicated elsewhere this could be dealt with by percentage threshold if necessary. However given the nature of the wood used this does not appear to be advisable.

-9401, Seats (other than those of heading 9402), whether or not convertible into beds, and parts thereof: 9401-10-00 through to 9401-90-80

Proposed annotation: 'Seats made from or containing wood'

- 9403 30, 9403 40, 9403 50 00, 9403 60 and 9403 90 30 Wooden furniture
- 9406 00 20 Prefabricated buildings

Chapter 96 MISCELLANEOUS MANUFACTURED ARTICLES

9609 through to 9609-90-90: Pencils (other than pencils of heading 9608), crayons, pencil leads, pastels, drawing charcoals, writing or drawing chalks and tailors' chalks:

Proposed annotation: 'Where these contain wood casings, or contain wood, or are derived from wood'

9619, Sanitary towels (pads) and tampons, napkins and napkin liners for babies, and similar articles, of any material: 9619-00-00 through to 9619-00-89

Proposed annotation: 'To the extent that the product includes [or is derived from] wood or dissolving pulp'

APPENDIX 7: ENHANCED LIST

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
3604	36041000	Fireworks	Contains Wood	All	1	244,059,091	109,709
3604	36049000	Signalling Flares etc	Contains Wood	All	1	10,892,176	896
3605	36050000	Matches	Made of Wood	All	1	11,933,358	5,879
3805	3805XXXX	Wood turpentine	Made of Wood	All	5	30,752,611	23,053
3806	3806XXXX	Rosin and resin acids, gums etc	Made of Wood	All	4	264,534,249	144,997
3807	380700XX	Wood tar, wood tar oils	Made of Wood	All	2	36,589,635	90,285
3912	3912XXXX	Cellulose and chemical derivatives	Made of Wood	All	10	578,401,780	180,755
3920	39207XXX	Cellulose sheets, films, plates etc	Made of Wood	All	5	18,062,744	2,448
3921	39211400	Cellulose sheets etc, unworked	Made of Wood	All	1	10,696,148	3,518
4202	42021XXX	Trunks, suitcases, vanity cases etc	May Contain Wood	42021110 42021190 42021219 42021291 42021299 42021990	6	907,665,094	162,716
4402	4402XXXX	Wood Charcoal	Made of Wood	All	2	202,123,441	560,477
4404	4404XXXX	Hoopwood, pickets, stakes etc	Made of Wood	All	2	16,688,927	52,426
4405	44050000	Wood wool and wood flour	Made of Wood	All	1	1,482,890	3,564
4417	44170000	Tools, tool bodies, tool handles etc	Made of Wood	All	1	33,440,377	22,600
4419	4419XXXX	Tableware and kitchenware	Made of Wood	All	2	203,350,474	62,676
4420	4420XXXX	Wood marquetry, ornaments etc	Made of Wood	All	5	344,863,788	97,367
4421	4421XXXX	Other articles of wood	Made of Wood	All	4	833,332,731	513,153
4601	4601XXXX	Plaits and products of plaiting materials	May Contain Wood	All	18	62,100,735	43,363
4602	4602XXXX	Basketwork, wickerwork etc	May Contain Wood	All	5	328,046,373	89,651
4901	4901XXXX	Printed books, brochures, leaflets etc.	Made of Wood	All	2	1,629,822,958	294,746
4902	4902XXXX	Newspapers, journals and periodicals	Made of Wood	All	2	178,334,371	25,940
4903	49030000	Children's picture, drawing or colouring books	Made of Wood	All	1	129,204,975	41,514
4904	49040000	Music, printed or in manuscript	Made of Wood	All	1	10,093,432	747
4905	4905XXXX	Maps etc	Made of Wood	All	3	14,543,791	1,236
4906	49060000	Plans and technical drawings	Made of Wood	All	1	4,584,971	107
4907	4907XXXX	Unused postage, banknotes etc	Made of Wood	All	3	40,471,983	882
4908	4908XXXX	Transfers (decalcomanias)	Contains Wood	All	2	42,581,451	2,180
4909	49090000	Printed postcards, greetings cards etc	Made of Wood	All	1	255,639,232	51,535
4910	49100000	Calendars	Made of Wood	All	1	51,235,889	16,480
4911	4911XXXX	Other printed matter	Made of Wood	All	4	697,551,161	128,147
5311	53110090	Woven fabrics of other fibres, e.g. paper yarn	Contains Wood	All	1	5,832,347	2,565
5403	5403XXXX	Viscose rayon and cellulose acetate yarns	Contains Wood	All	8	97,260,274	20,149
5405	54050000	Artificial monofilament etc	Contains Wood	All	1	1,242,218	287
5408	5408XXXX	Woven fabrics of artificial filament yarn	Contains Wood	All	10	138,080,187	11,810
5502	550200XX	Artificial filament tow	Made of Wood	All	3	98,759,542	24,032
5504	5504XXXX	Artificial staple fibres, not processed for spinning	Made of Wood	All	2	50,911,789	32,594
5507	55070000	Artificial staple fibres, processed for spinning	Made of Wood	All	1	1,227,402	325
5509	55095100	Polyester yarn mixed with artificial staple fibres	Made of Wood	All	1	21,238,398	6,839

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
5510	5510XXXX	Yarn of artificial staple fibres	Made of Wood	All	5	149,981,782	54,387
5515	551511XX	Fabric of polyester mixed with rayon	Made of Wood	All	3	129,693,416	25,812
5516	5516XXXX	Woven fabrics of artificial staple fibres	Made of Wood	All	21	198,333,255	29,094
6601	66019XXX	Other umbrellas	May Contain Wood	All	2	264,560,192	58,500
6601	66011000	Garden or similar umbrellas	May Contain Wood	All	1	215,833,038	68,271
6602	66020000	Walking sticks etc	May be Made of Wood	All	1	34,049,650	3,458
6603	6603XXXX	Parts for umbrellas, walking sticks etc	May be Made of Wood	All	3	42,600,735	40,860
7009	70099200	Framed glass mirrors	May Contain Wood	All	1	217,606,606	83,421
7321	7321XXXX	Iron or steel stoves, ranges, barbecues etc	May Contain Wood	All	8	990,960,568	538,317
8201	8201XXXX	Hand tools (spades, picks, axes, shears etc)	May Contain Wood	All	6	205,017,613	62,054
8205	8205XXXX	Other hand tools	May Contain Wood	82051000 82054000- 82059090	9	800,519,386	137,981
8205	82052000	Hammers	May Contain Wood	All	1	45,889,119	17,219
8205	82053000	Chisels etc	May Contain Wood	All	1	20,102,505	3,526
8206	82060000	Sets of hand tools	May Contain Wood	All	1	173,717,670	38,436
8214	8214XXXX	Other articles of cutlery (cleavers, letter openers, nail files etc)	May Contain Wood	All	3	125,183,105	13,102
8901	8901XXXX	Cruise ships, cargo ships, ferry boats, barges etc	May Contain Wood	All	8	7,961,345,555	809,995
8903	8903XXXX	Yachts, rowing boats and other pleasure boats	May Contain Wood	All	10	2,195,127,526	90,833
9017	901710XX	Drafting tables and machines	May Contain Wood	All	2	4,569,496	566
9023	902300XX	Demonstrational models etc	May Contain Wood	All	4	200,336,368	5,338
9103	9103XXXX	Clocks with watch movements	May Contain Wood	All	2	12,510,135	1,282
9105	9105XXXX	Other clocks	May Contain Wood	All	6	216,571,369	33,900
9112	91129000	Parts for clock cases	May be Made of Wood	All	1	1,136,151	10
9112	91122000	Clock cases	May be Made of Wood	All	1	1,729,673	66
9201	9201XXXX	Pianos etc	May be Made of Wood	92011010 92012000 92019000	3	74,153,196	6,663
9202	9202XXXX	String instruments (guitars, violins etc)	May be Made of Wood	All	4	149,319,742	7,544
9205	920590XX	Wind musical instruments, not brass	May be Made of Wood	All	4	58,598,948	1,370
9206	92060000	Percussion instruments (drums, castanets, maracas etc)	May be Made of Wood	All	1	69,755,272	7,840
9207	9207XXXX	Electric music instruments (electric guitars, organs etc)	May be Made of Wood	All	6	358,970,485	22,913
9208	9208XXXX	Other musical instruments, music boxes, organs etc	May be Made of Wood	All	2	18,323,045	2,400
9401	94017XXX	Seats with metal frames	May Contain Wood	All	2	1,698,312,239	538,410
9401	94013000	Swivel seats with variable height adjustment	May Contain Wood	All	1	449,087,650	162,492
9401	94016XXX	Seats with wooden frames	Contains Wood	All	2	1,811,579,060	506,235
9401	94018000	Other seats	May Contain Wood	All	1	401,886,012	95,110
9401	94014000	Seats convertible into beds (not garden or camping seats)	May Contain Wood	All	1	109,788,798	46,506
9401	94019030	Parts of seats, of wood	Made of Wood	All	1	33,467,155	13,782
9503	95030061	Wooden puzzles	Made of Wood	All	1	35,716,121	8,603
9504	95044000	Playing cards	Made of Wood	All	1	65,762,200	8,603
9505	95051090	Christmas articles, not glass	May be Made of Wood	All	1	602,639,777	110,570
9609	960910XX	Pencils	Made of Wood	All	2	99,812,863	19,064

CN Code Heading	CN Code Sub-headings	Description summary	Significance	Sub-codes selected	No. of sub-codes selected	2014 Value (€) EU	2014 Quantity (t) EU
9609	96099010	Drawing charcoals etc	Made of Wood	All	1	12,630,954	3,146
9619	9619008X	Nappies etc, not textile	Made of Wood	All	2	184,310,467	59,242
9619	9619007X	Sanitary towels, tampons, feminine hygiene, not textile	Made of Wood	All	3	92,762,505	20,047
890X	890XXXXX	Other ships and boats	May Contain Wood	89020010-90, 17 89040010-99, 89051010-90, 89052000, 89059010-90, 89061000, 89069010-99, 89071000, 89079000, 89080000		963,596,349	38,292