

Sustainable Timber Trade: Are Discrepancies in Trade Data Reliable Indicators of Illegal Activities?

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Abstract: Timber trade statistics published by international organizations such as ITTO and FAO often reveal discrepancies between what is reported as exported by a supplying country as compared with what is reported as imported by the receiving country. The discrepancies appear particularly large in the case of tropical wood products. Factors that might explain discrepancies in trade data can be categorized into “primary normal factors” (e.g. FOB vs. CIF prices), “secondary normal factors” (e.g. differences in product classifications) and “abnormal factors” (e.g. illegal activities). A study undertaken in 2004 involving 10 case studies examined the extent to which discrepancies might be considered abnormal.