



Global Rattan Trade: Pressure on Forest Resources – Analysis and Challenges

By Peter Hirschberger, commissioned by WWF Austria, February 12, 2011

Summary

The aim of this first-ever assessment of the global trade in rattan products is to map global rattan trade flows, identify key markets, and outline major trends. This is important background information for the WWF Sustainable Rattan Programme currently being implemented in Cambodia, Lao PDR, and Viet Nam.

This assessment is primarily based on trade data provided by the United Nations Commodity Trade Statistics Database (UN Comtrade). Due to shortcomings associated with data provided by some of the key rattan-producing countries, this assessment is based mainly on trade data reported by import countries.

Other relevant reports and websites, such as the International Network for Bamboo and Rattan (INBAR), as well as various experts were also used as sources of information.

The main conclusions from this analysis are:

1. Rattan resources are declining

In all countries where relevant information is available, rattan resources are declining rapidly, particularly for commercially valuable species and species with large diameter. The primary reasons for this are forest loss, which reduces suitable habitat for rattan plants, and overexploitation. Inventories of rattan resources do not exist in most producer countries, and where they do exist, they are out-dated or just rough estimations. As the actual volume and growth rate of rattan resources are unknown, the annual allowable cut is not determined in terms of sustainability but by the current demand of the rattan industry. This leads to overexploitation of commercially valuable rattan resources.

2. Global trade in rattan canes has decreased significantly in recent years

Global imports of rattan canes decreased from an average of 87,500 tonnes annually between 2000 and 2006 to 62,000 tonnes in 2008. The import value also decreased, from US\$71.3 million in 2000 to US\$59.6 million in 2008.

3. Indonesia is the dominating rattan export country

Indonesia accounted for about 80 per cent of rattan in the global market in 2008, and was the leading exporter of rattan furniture and the second-largest exporter of rattan mats, plaits, and basketwork. The key market was the EU, which accounted for almost two-thirds of Indonesian rattan furniture exports and half of Indonesian basketwork exports.

4. China is the dominating import country for rattan canes

Although imports have decreased by almost half since 2003, China's imports accounted for 60 per cent of rattan canes traded globally in 2008. China sourced rattan canes almost exclusively from Indonesia and Myanmar, in order to produce rattan basketwork and furniture for export mainly to the EU and North America.

5. Viet Nam is the third-largest supplier of rattan furniture and basketwork to the EU

Eighty per cent of rattan furniture and about half of the basketwork exported by Viet Nam went to the EU in 2008, in particular to Germany and France. To produce these goods, Viet Nam imports rattan canes from Lao PDR, Indonesia, and, in previous years, Cambodia and the Philippines. Imports of rattan canes seem to have dropped sharply since 2005. However, due to weak and missing trade data it is impossible to exactly determine the rattan trade between Viet Nam and neighbouring countries. In addition, substantial unofficial imports to Viet Nam have been reported in recent years¹.

6. The Philippines ranks number four in the global export of rattan basketwork and furniture

The Philippines' primary market is the US, which accounted for 84 per cent of rattan basketwork and three quarters of furniture exported by the Philippines in 2008. As the Philippines imported almost no rattan canes from other countries, these goods were produced from rattan harvested domestically in the Philippines.

7. Singapore imports rattan canes mainly from Indonesia and Malaysia in order to re-export them to developing nations and emerging economies

Singapore's main market in 2008 was Egypt; other markets are China, India, Pakistan, and Thailand. As Malaysia also imports rattan canes from Indonesia, most rattan canes exported by Singapore were probably harvested in Indonesia. However, the rattan trade between these three countries is extremely untransparent, with the reported trade data being contradictory.

8. Legal frameworks and credible certification can offer solutions to declining rattan resources

Illegal rattan harvesting is widespread as monitoring is weak and difficult^{2, 3, 4}. The US amended the Lacey Act in 2008 in order to prohibit imports of illegally harvested plant materials and products made from illegally harvested plants. This import regulation by a key market for rattan basketwork and furniture may have significant implications for the rattan industry. However while it may reduce illegal rattan harvesting, the Lacey Act does not address unsustainable harvesting if such harvesting is in line with the legislation of the country of origin. The other key rattan market, the EU, does not have any import regulations for rattan, as coming legislation under the Forest Law Enforcement, Governance, and Trade (FLEGT) Action Plan only covers timber and not other forest products.

Credible forest certification can be used as an instrument to promote sustainable rattan management. The world's first FSC (Forest Stewardship Council) certification of a rattan forest is currently underway in Lao PDR, and includes FSC Chain of Custody certification of the local rattan industry. The WWF Sustainable Rattan Programme is working with rattan producers and processors in Lao PDR, Viet Nam, and Cambodia to develop a more sustainable rattan sector. This will generate additional jobs, income, and foreign exchange revenues for the rattan sector in these countries, and will hopefully be an incentive for other Southeast Asian countries to follow suit.

The promotion of FSC-certified rattan products by furniture importers and traders in the US and Europe, as well as demand from consumers for certified rattan, are also steps towards creating a more reliable supply in the face of dwindling rattan resources.

1 Diên, L. et al.; 2009: Analysis on Rattan Value Chain in Quang Nam Province. For Sustainable Rattan Harvesting and Production. Report for WWF.

2 ITTO, Ministry of Forestry; 2007: Rattan in Indonesia. Development of Sustainable Rattan Production and Utilization through Participation of Rattan Smallholders and Industry in Indonesia. ITTO - Ministry of Forestry PO 108/ 01 REV. 3 (1). Jakarta, July 2007, <http://www.pustaka.rotanindonesia.org/RATTAN%20IN%20indonesia.pdf>

3 Areewan Angkasirikul et al. 2004. Marketing of Rattan Shoot and Rattan Furniture in Thailand. Royal Forest Department of Thailand.

4 ITTO: Rattan is not a basket case. http://www.itto.int/direct/topics/topics_pdf_download/topics_id=2409&no=0