

MEMBERS' BULLETIN

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Welcome

This *Members' Bulletin* is intended to keep you up-to-date with ATIF activities. This edition provides further comments about the challenge related to timber supplies as a consequence of the illegal invasion of Ukraine by Russia, plus further advice about the upcoming Malaysian Timber Council trade and marketing mission to Australia from 26-30 September. The next ATIF Board meeting is also flagged.

Increased imports of Chinese timber products manufactured from Russian sourced logs

ATIF is continuing to receive representations about issues related to the supply of Russian timber products and related issues, and has continued to work in consultation with the Federal Government in relation to imported Russian product policies, including timber. ATIF has made it absolutely clear on a number of occasions that it unequivocally condemns the atrocities been perpetrated by the Russian invasion of Ukraine.

Since the invasion of Ukraine, the European Union and a number of countries have placed bans or trade restrictions on the importation of Russian products, including timber and logs. The Australian Government has not taken this policy approach, but has flagged the prospect that the deferred 35 per cent additional tariff on Russian imports could be reimposed from 24 October 2022.

The previous announcement by the Russian Government of a ban on the export of logs in 2022 in favour of processing these logs domestically has not been implemented. While many countries have banned log imports from Russia China has not.

Along with logs from other countries China has always utilised significant quantities of Russian logs in manufacturing a wide range of timber products that have then been exported. Evidence suggests that increasing volumes of logs are currently being exported from Russia into China and manufactured into timber products that are then exported.



The Australian Border Force has confirmed the current practice of relying on Country-of-Origin declarations in Bill of Lading and other import documents. In the case of timber products manufactured in China utilising Russian-sourced (or other) logs declaring the Country-of-Origin as China continues to be the established lawful practice. Of course, under Australia's illegal logging regulations, importers continue to be required to attest that the logs utilised in the manufacture of imported timber are obtained from lawful forest harvesting operations.

ATIF acknowledges that individual companies will continue to make their own decisions on the importation of Chinese timber products knowing they are, or likely to be, manufactured from Russian-sourced logs. However, it is ATIF's position that it does not support or endorse practices that attempt to circumvent current trade sanctions widely imposed on Russia because of its illegal invasion of Ukraine.

Further, ATIF strongly encourages member companies to verify with suppliers that timber products imported from China are not knowingly manufactured from Russian logs in contradiction of international sanctions directed at restricting product imports that directly or indirectly support the widely condemned Russian military aggression in Ukraine.

Malaysian Timber Council Australian trade and marketing mission update

As previously advised the Malaysian Timber Council (MTC) will be leading a trade and marketing mission to Australia from 26-30 September that will comprise leading Malaysian timber industry and timber product manufacturing executives. The mission will seek to underscore the commitment of the Malaysian timber industry to strengthen the already close ties and mutually beneficial economic and trade relationships with Australia companies.

During the trade and marketing mission the MTC delegation will be visiting ATIF member companies in Melbourne and Sydney.

As per previously circulated invitations, MTC seminars will be held in Melbourne and Sydney that will provide an opportunity to update the Australian timber industry on business development and timber product export supply opportunities from Malaysia. While noting the limited attendee constraints some spaces remain available to attend the business seminars in Melbourne and Sydney. Enquiries may be directed to Campbell McInnes at 0406 223 007 or campbell@mitimber.com.au

Next ATIF Board meeting

The next meeting of the ATIF Board will be held on Wednesday, 12 October 2022 at the new Vida Wood Australia facility in Hemmant, Queensland. The agenda for the meeting will include discussions on membership-related issues and new member requests, financial reports, an update of imported timber supply issues, including interaction with Federal Government agencies, and a meeting with the Federal Minister for Agriculture, Murray Watt.