

A background image of a dense forest with a thick layer of fog or mist hanging between the trees, creating a soft, ethereal atmosphere. The trees are mostly evergreens, and the fog is a light, hazy grey.

# **MTCC Survey 2015 in Germany**

Conducted by KaiserCommunication

## **Summary of results and key findings**

# Results at a glance

- Key fact 1: A majority of people is convinced that Malaysia is producing its timber sustainably. No other tropical country in the world comes even close to that
- Key fact 2: 38 per cent of German timber traders see a growing demand for certified timber
- Key fact 3: German window producers see larch as the greatest competitor to tropical timber
- Key fact 4: 80 per cent of German architects consider timber a suitable construction material



# Executive summary

- The survey, conducted in May and June 2015, provides a comprehensive overview of the perception of tropical timber and certification schemes among relevant target groups in the German timber industry.
- Overall, Malaysia is considered the most sustainable producer of tropical timber and PEFC is increasingly becoming more recognized as an acceptable certification scheme.
- Demand for tropical timber overall is slightly decreasing, caused by the emergence of alternative products as well as the trend of using locally sourced timber (pine, spruce, larch). Certified timber, however, is in high demand.
- More efforts need to be taken to highlight that sustainable forestry is the best strategy for the protection of tropical forests all over the world.
- PEFC as a certification scheme for tropical forests was able to increase its brand awareness over the last years, largely due to the positive image of MTCC and the impact Malaysian sustainability efforts had on public opinion.

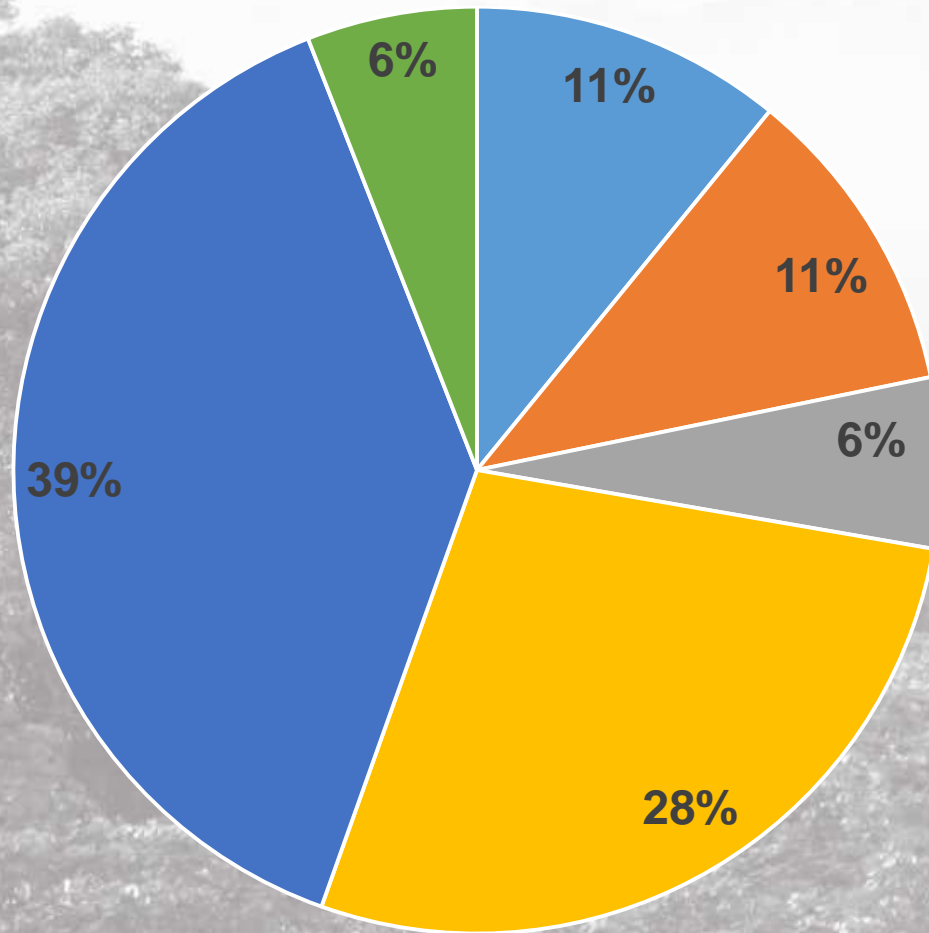
# Survey design

- Online questionnaire, link sent via email
- Four target groups
  - Timber traders and importers
  - Window producers
  - Architects
  - Public Procurement departments
- The questionnaires were designed to offer opportunities of comparing results across groups. Some questions were adapted to fit the target groups, some were exclusively used for specific target groups
- Crude data was analyzed and edited by KaiserCommunication for this summary



# Results Timber Traders / Importers

# What is the percentage of tropical timber from Southeast Asia in the total mix of wood in your company?

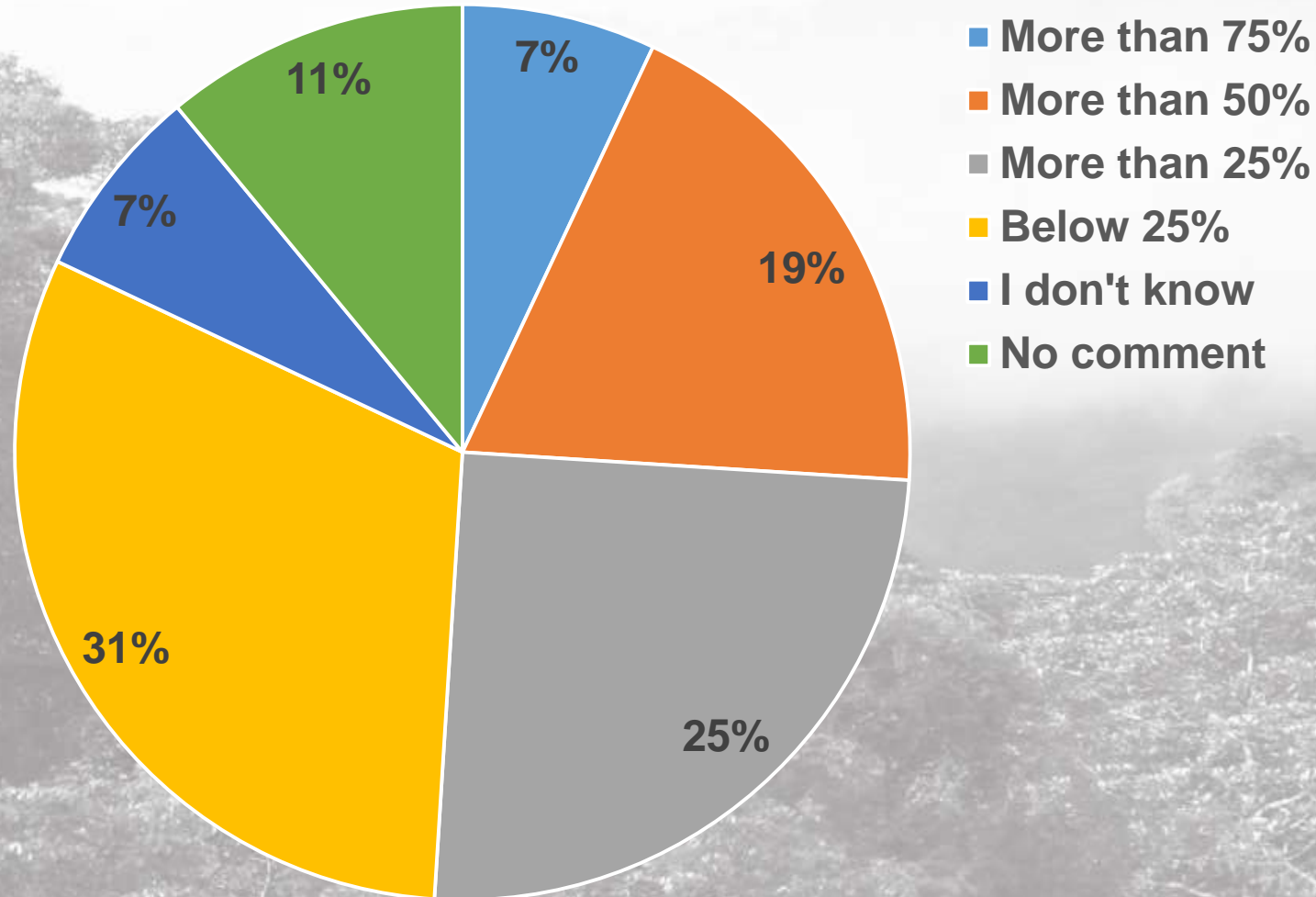


- More than 75%
- More than 50%
- More than 25%
- More than 10%
- below 10%
- no information available

**The share of Southeast Asian timber averages around 28 per cent.**

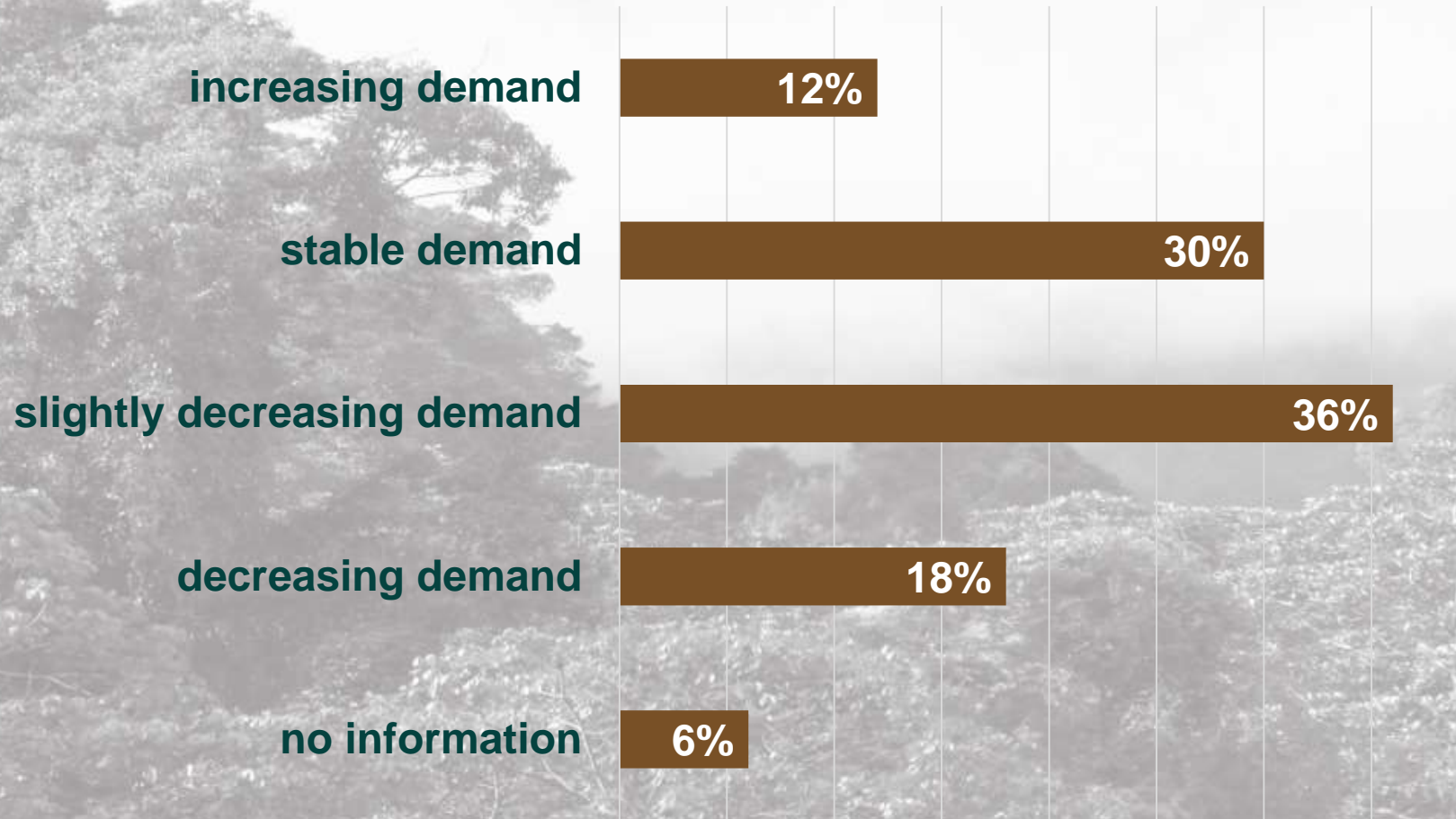


# What is the percentage of tropical timber from Malaysia in the total mix of tropical wood in your company?



**Malaysian timber holds a share of on average more than 50 per cent of all tropical timber available.**

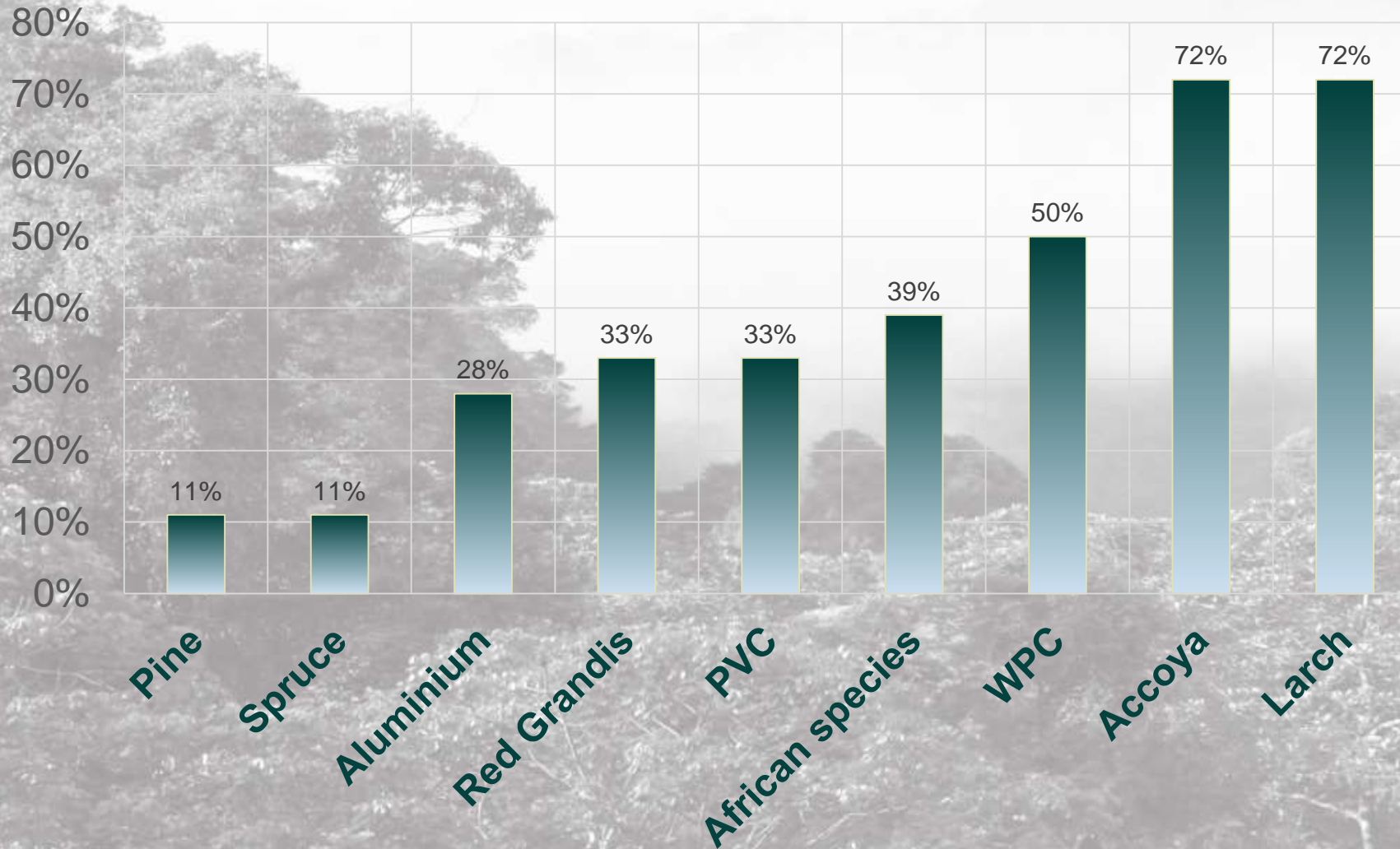
# How has the demand for tropical timber among window producers developed over the past two years?



**There is an overall trend towards local or European species in the market.**



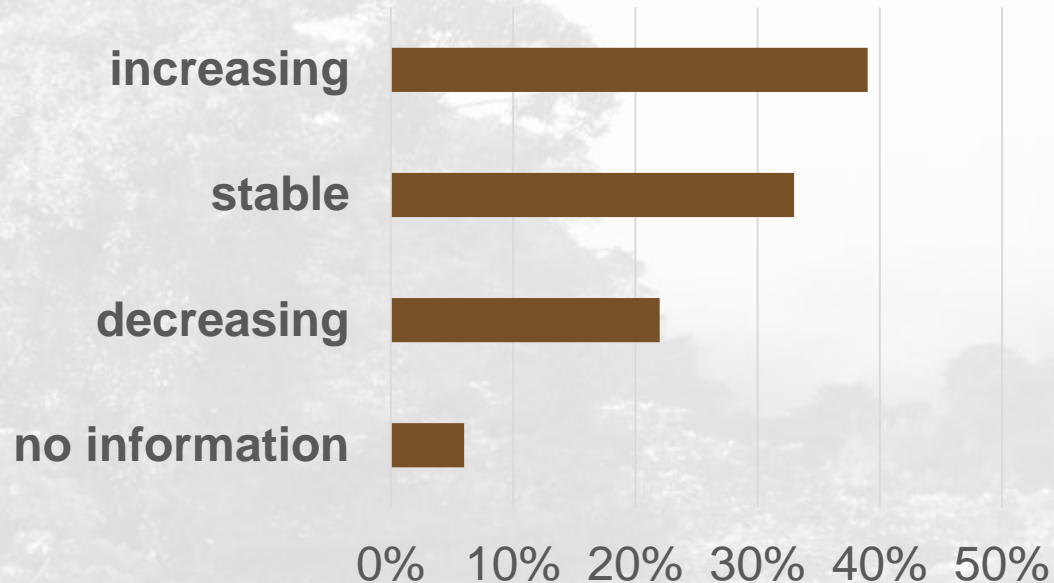
# Do you consider the following materials to be relevant market competitors to tropical timber from Malaysia?



According to traders, modified timbers (Accoya) and local species (including larch) are main competitors to Malaysian timber.

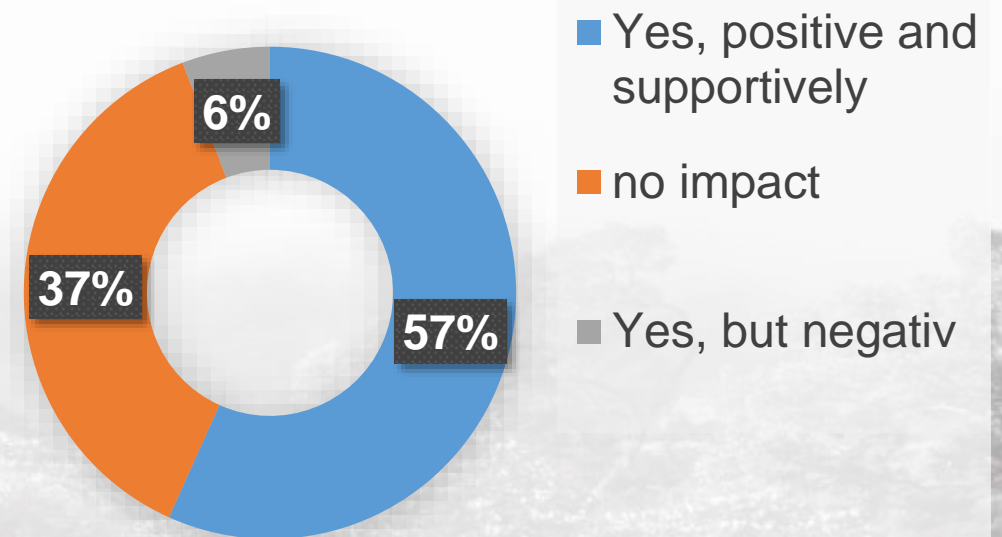
# Certified timber

**How do you estimate the development of the demand for certified tropical timber?**



**The market for certified timber is increasing.**

**Did the development of demand correlate with the implementation of EUTR?**

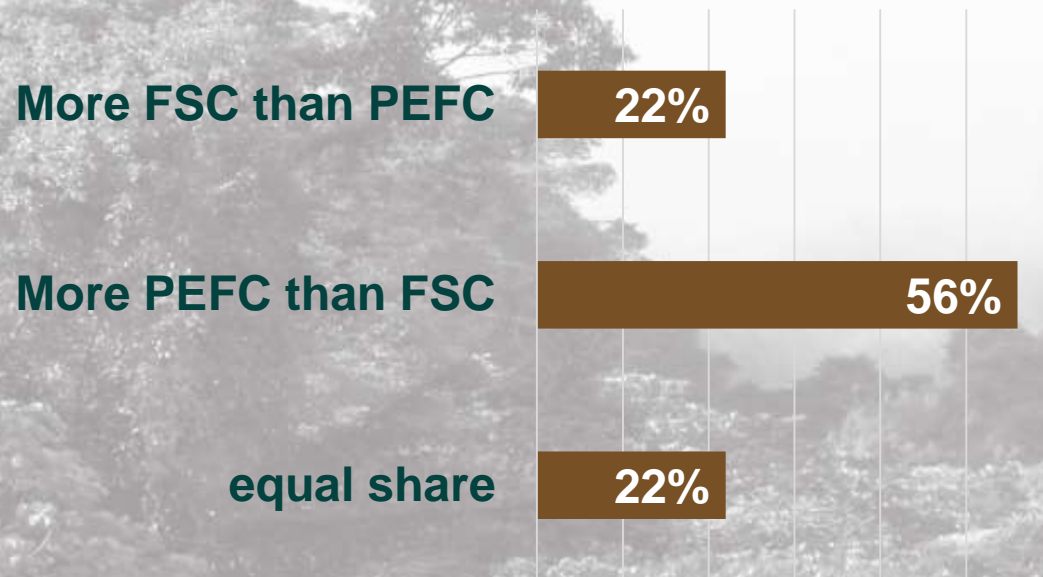


**EUTR implementation had a positive impact on the demand for certified tropical timber.**



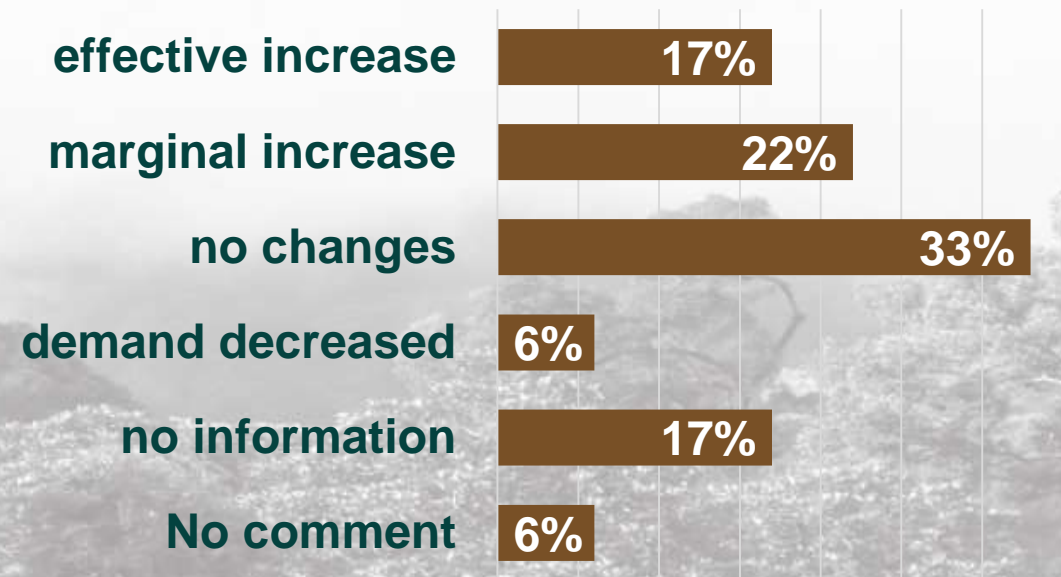
# PEFC vs. FSC

## Share of certification schemes in timber stock (globally sourced)



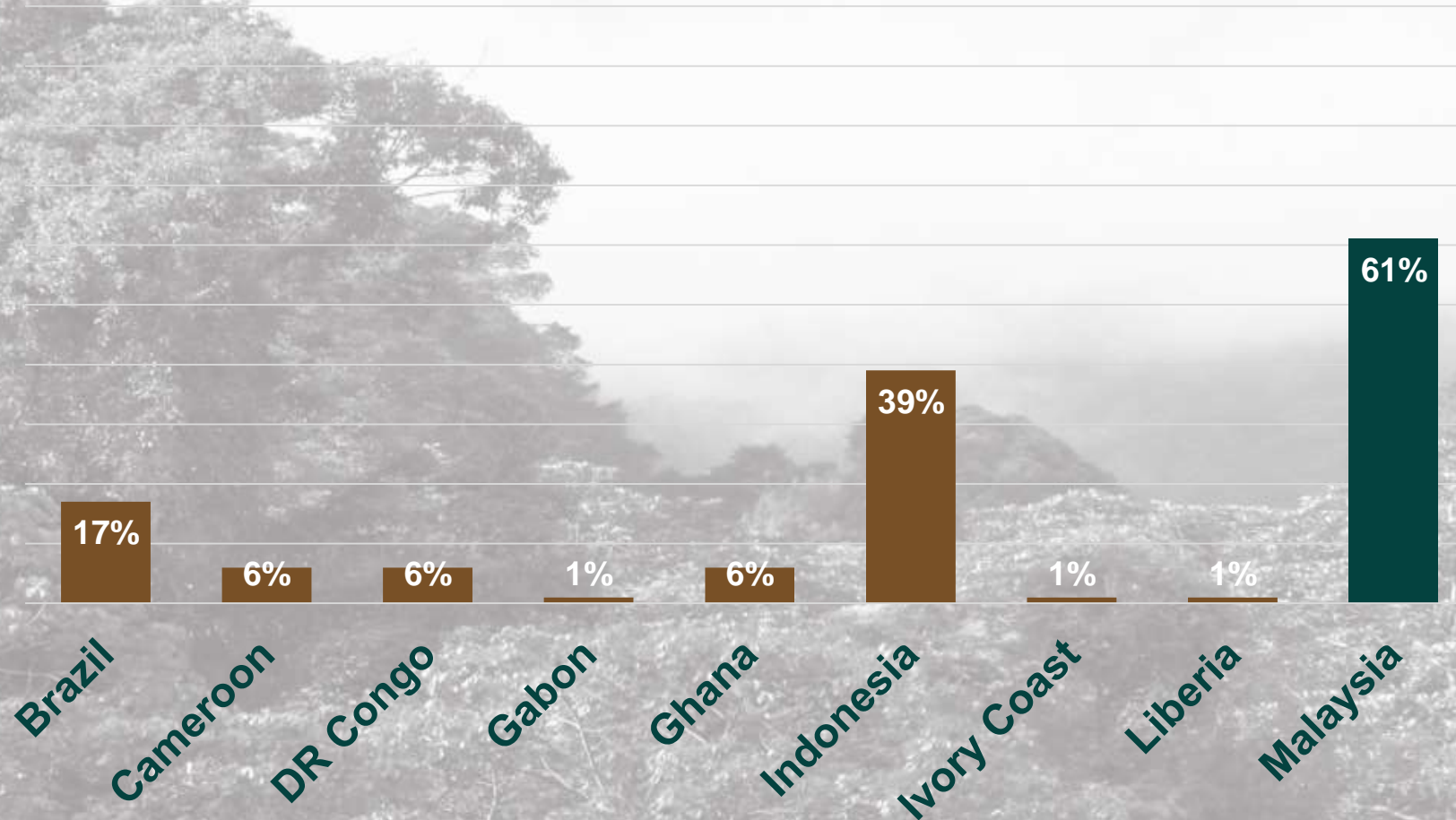
Traders stock greater quantities of PEFC timber than FSC timber.

## Over the last two years, how do you evaluate the development of the demand for PEFC timber compared to FSC?



The results suggest that the market for PEFC develops faster than the market of FSC.

# Which of the following tropical countries do you link with the concept of Sustainable Forest Management?



Malaysia is best recognized as leading in SFM in the tropics.

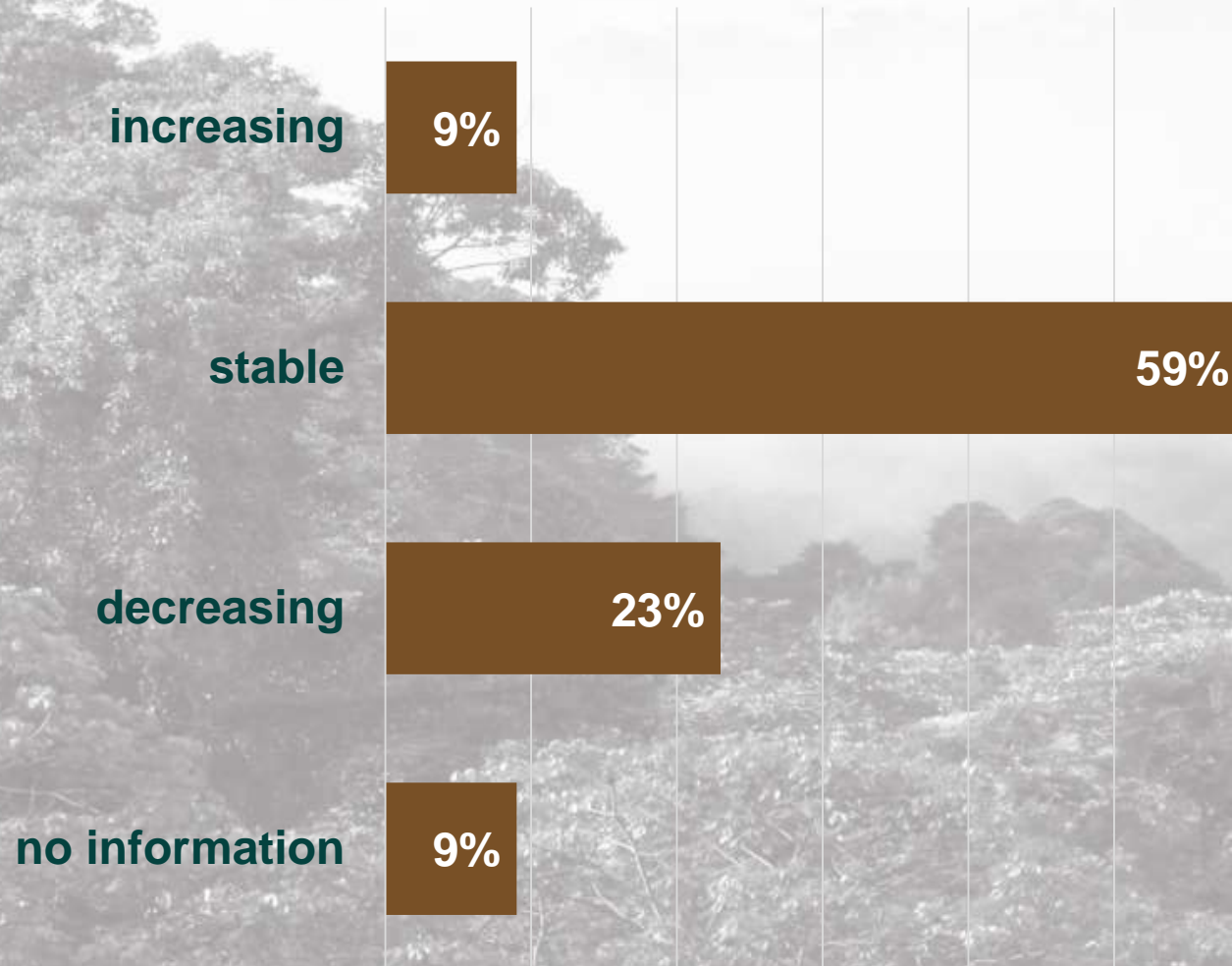
Indonesia's image has improved in the last years, while Brazil remains far behind.

The reputation of African producers remains very negative.



# Results Window producers

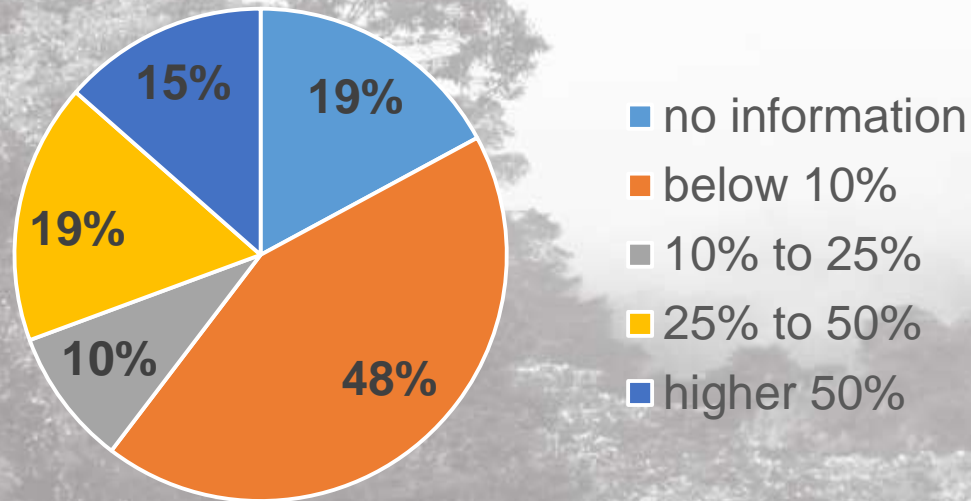
# How has the application of tropical timber in the window sector developed over the last two years?



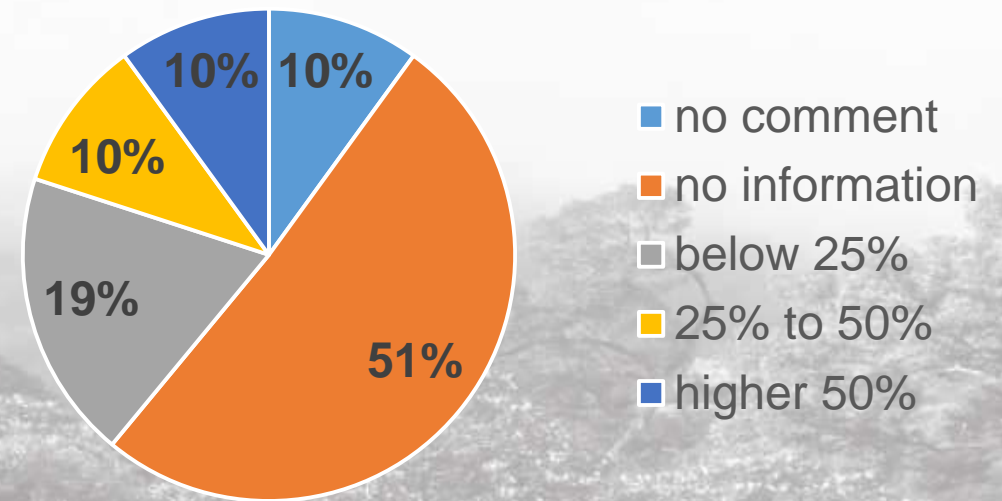


# Timber from Asia or Malaysia

**What is the share of timber from Southeast Asia in your business?**

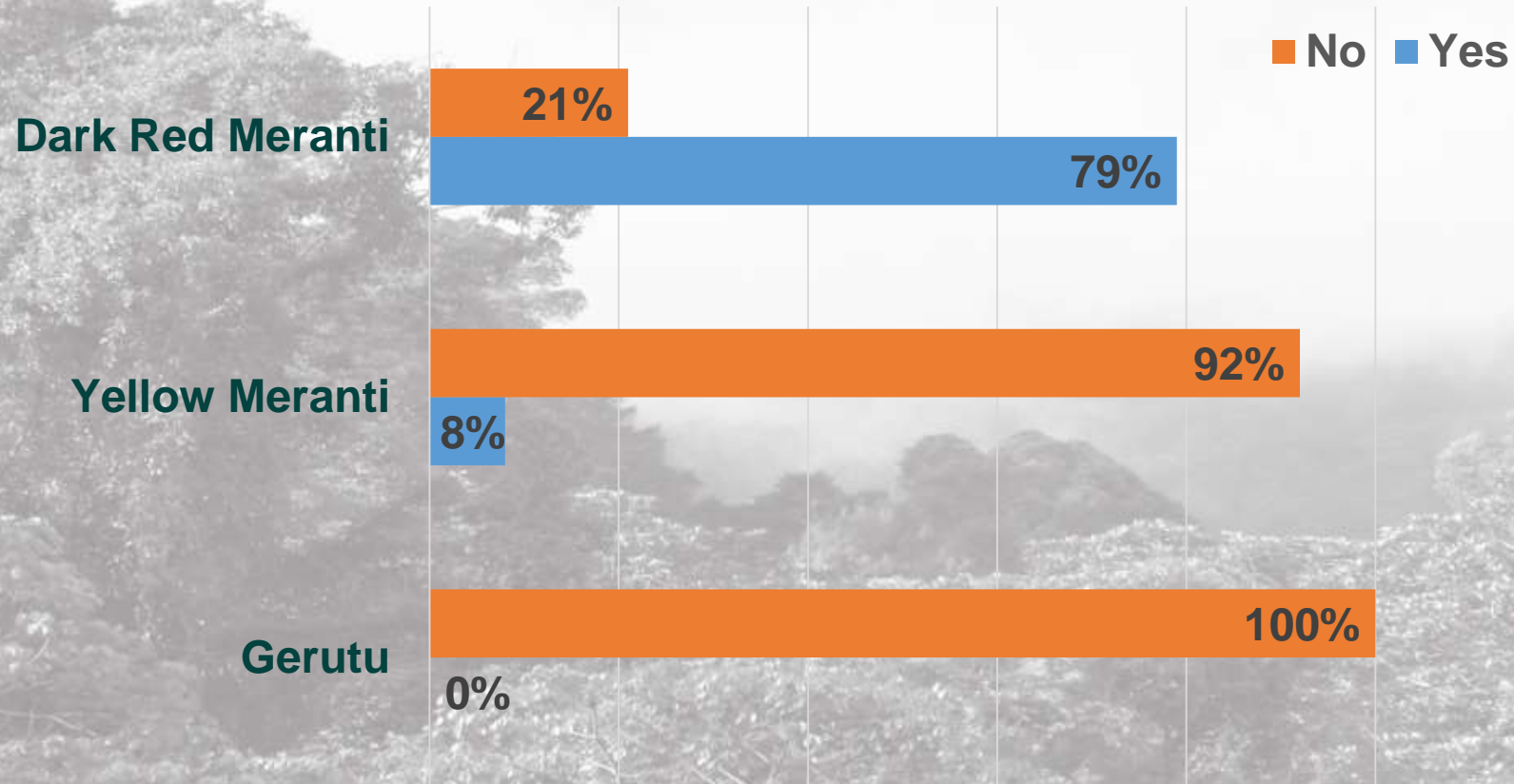


**Of all the Asian timber you use: What is the share of timber from Malaysia?**



**Some window producers are highly specialized on Malaysian timber.**

# Which Malaysian species do you use?

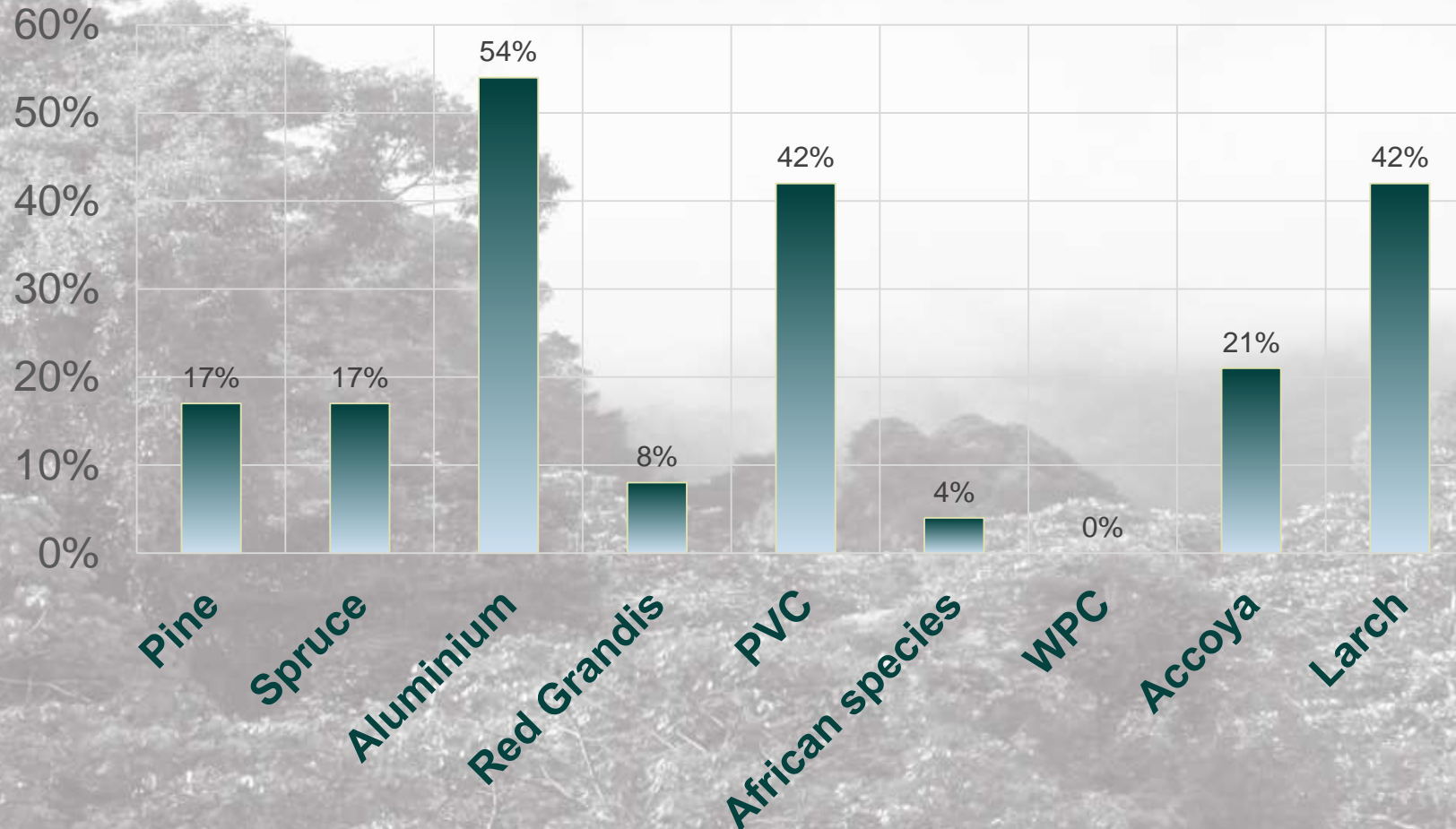


**Dark Red Meranti is the major species from Malaysia, e.g. for windows and doors, in Germany.**

**Other species like Kasai, Bintangor, Gerutu and Merawan do not have a market impact in the window sector.**



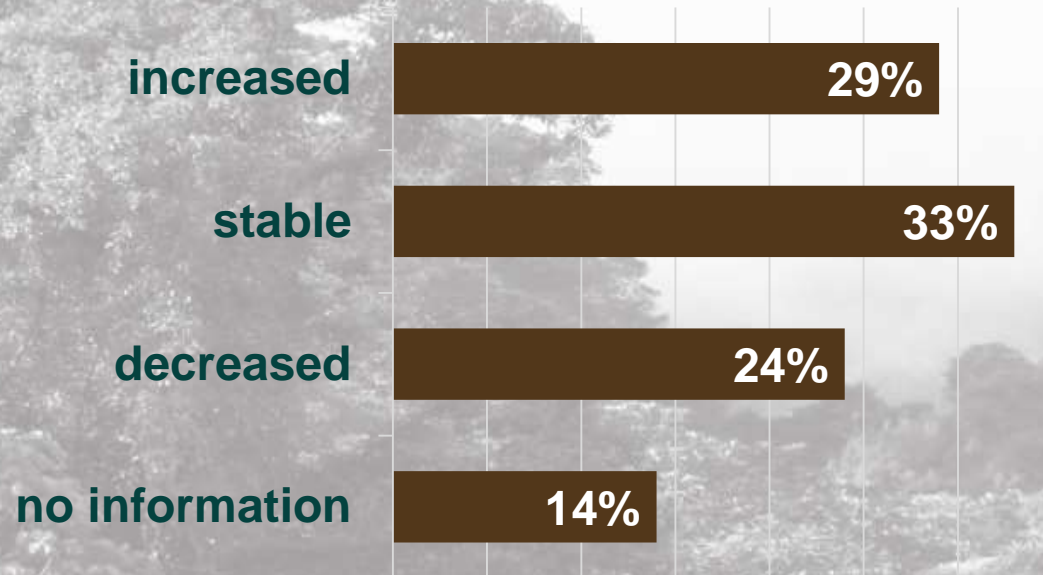
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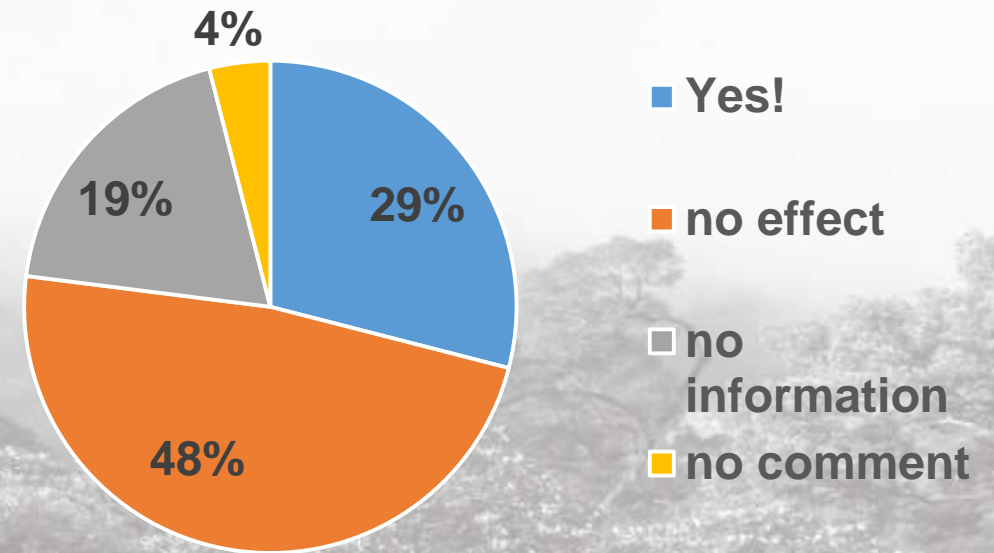
**According to window manufacturers, alternative materials and larch are main competitors to Meranti windows.**

# PEFC-certified window frames

Has the demand for certified tropical timber in the German market changed?



Do PEFC-certified window frames sell better than products without certification?

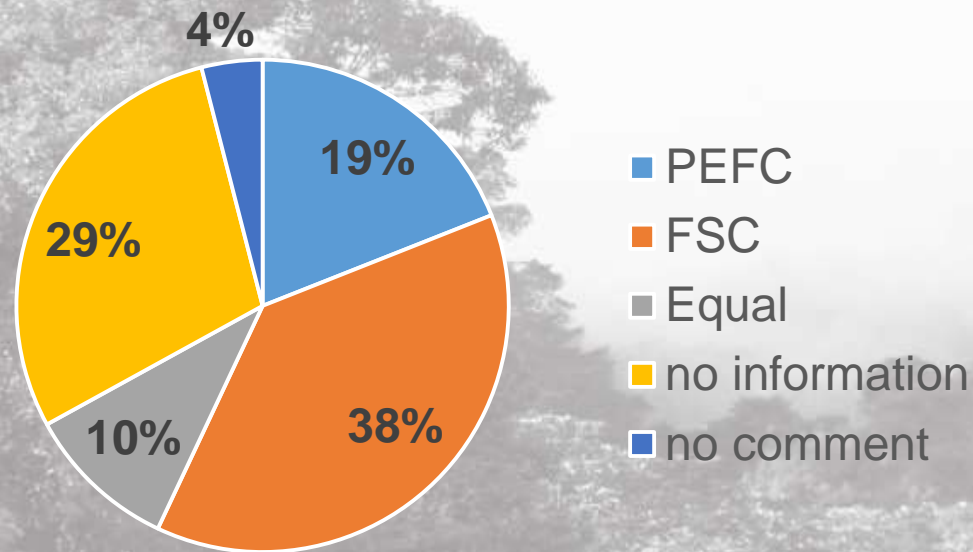


A large share of window producers do not see a direct financial benefit from certification and complain that the revenue derived from using certified timber is still not motivating large-scale change.



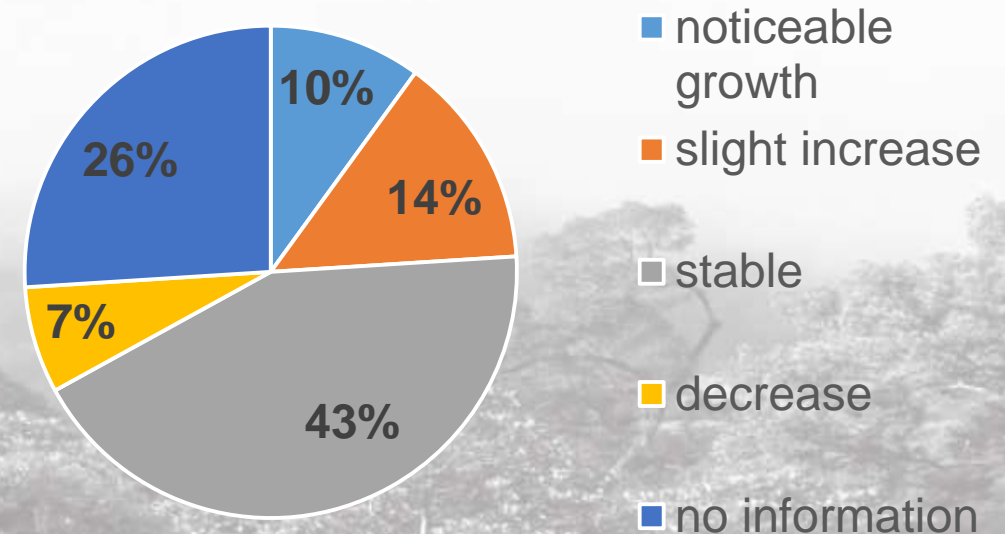
# PEFC vs. FSC

Products with which of the two major certifications do you use more often?



Clients still seem to prefer FSC-certified products on average.

Over the last two years, how do you evaluate the development of the demand for PEFC timber compared to FSC?



# Which of the following tropical countries do you link with the concept of Sustainable Forest Management?

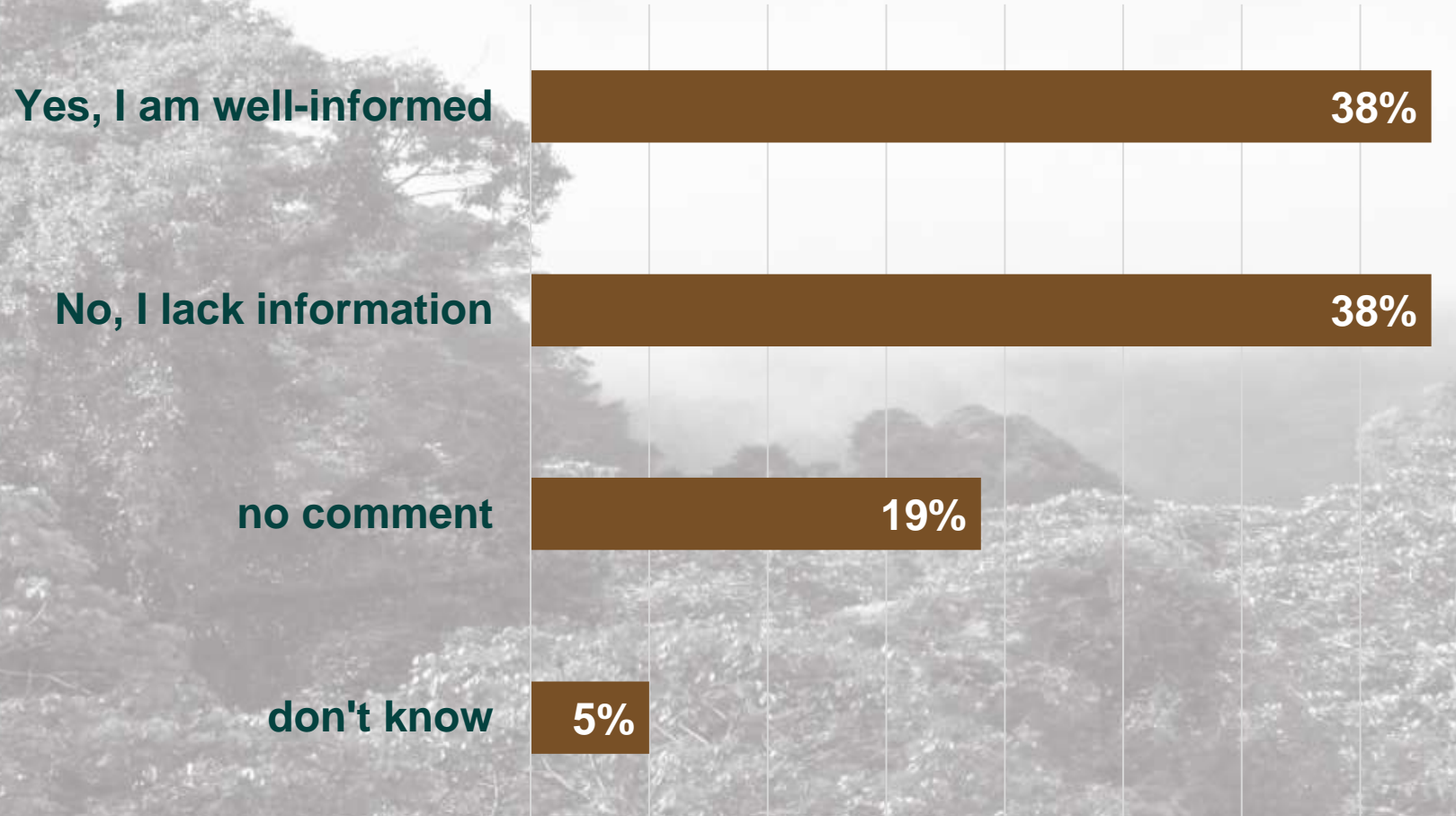


**54 per cent link Malaysia to SFM, only 12 per cent see Indonesia as adhering to SFM.**

**The results document the prominent role of Malaysia in regards to certification and sustainability of tropical timber.**



# Do you consider yourself to be well-informed on PEFC sustainability standards and its certification scheme?



**Roughly half of the German window producers lack sufficient knowledge of and training on certification schemes and SFM.**

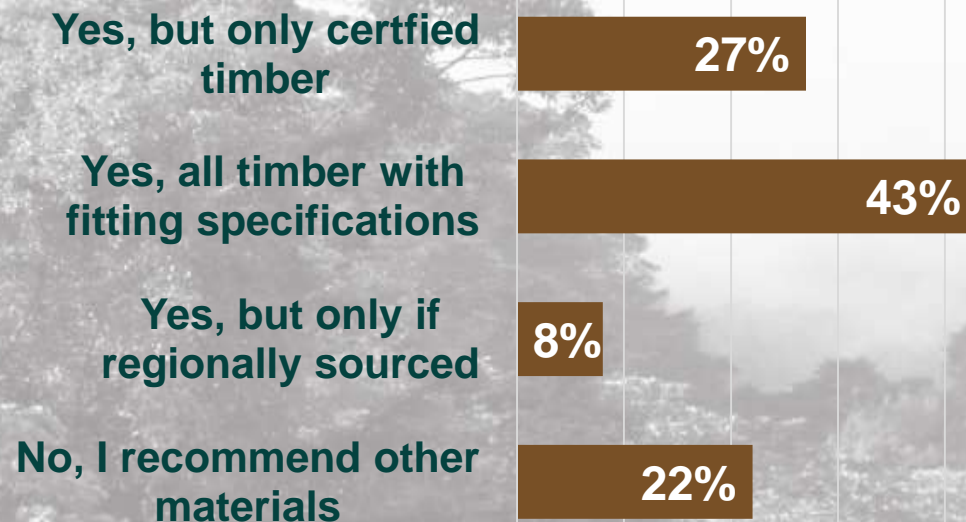
**More than a third consider themselves well-informed.**

# Results architects



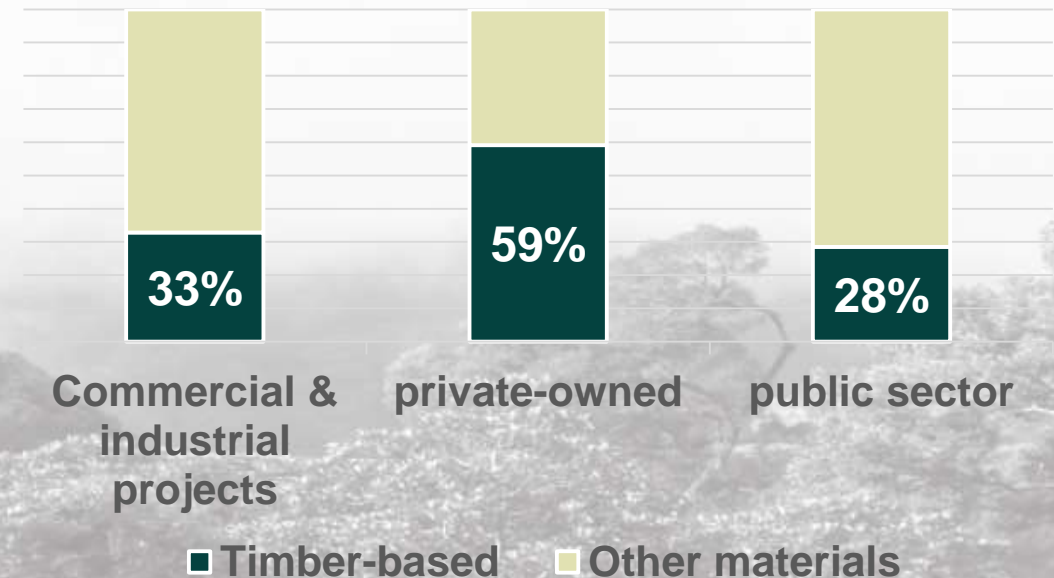
# Timber as construction material

**Do you consider timber a suitable material for window and door frames?**



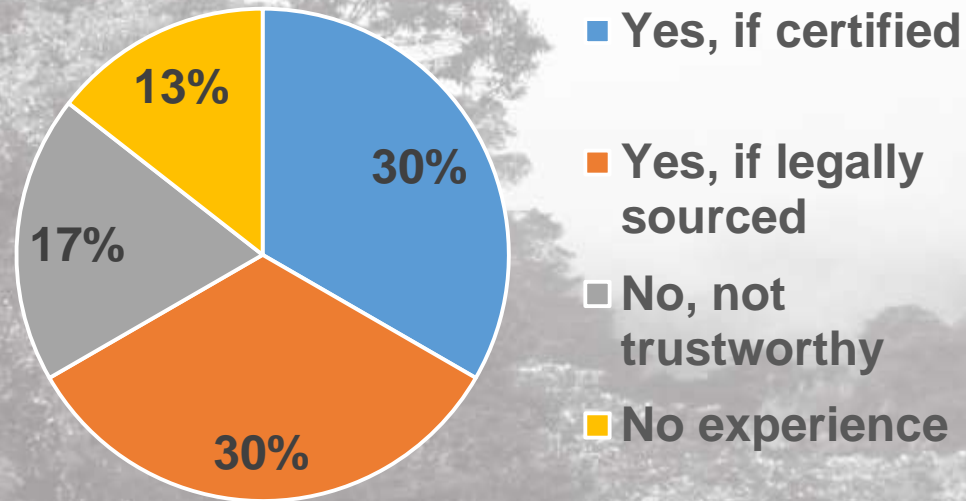
**About 80 per cent of architects consider timber a suitable construction material. There is a rising recognition for the value of certification.**

**How large is the share of timber-based materials, e.g. windows/doors, in your various construction projects?**



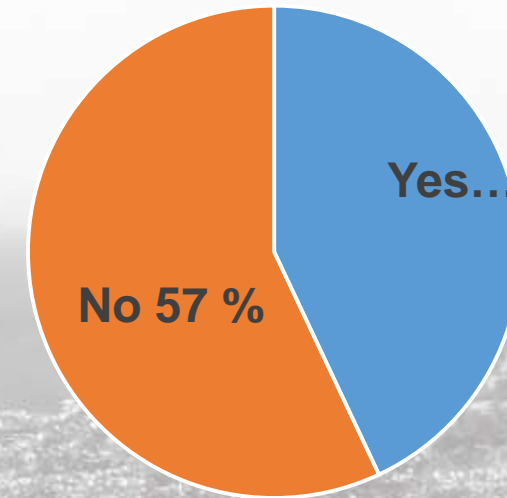
# Application of tropical timber

**Do you recommend the application of tropical timber?**



**The majority of architects generally recommend the use of timber from producing countries.**

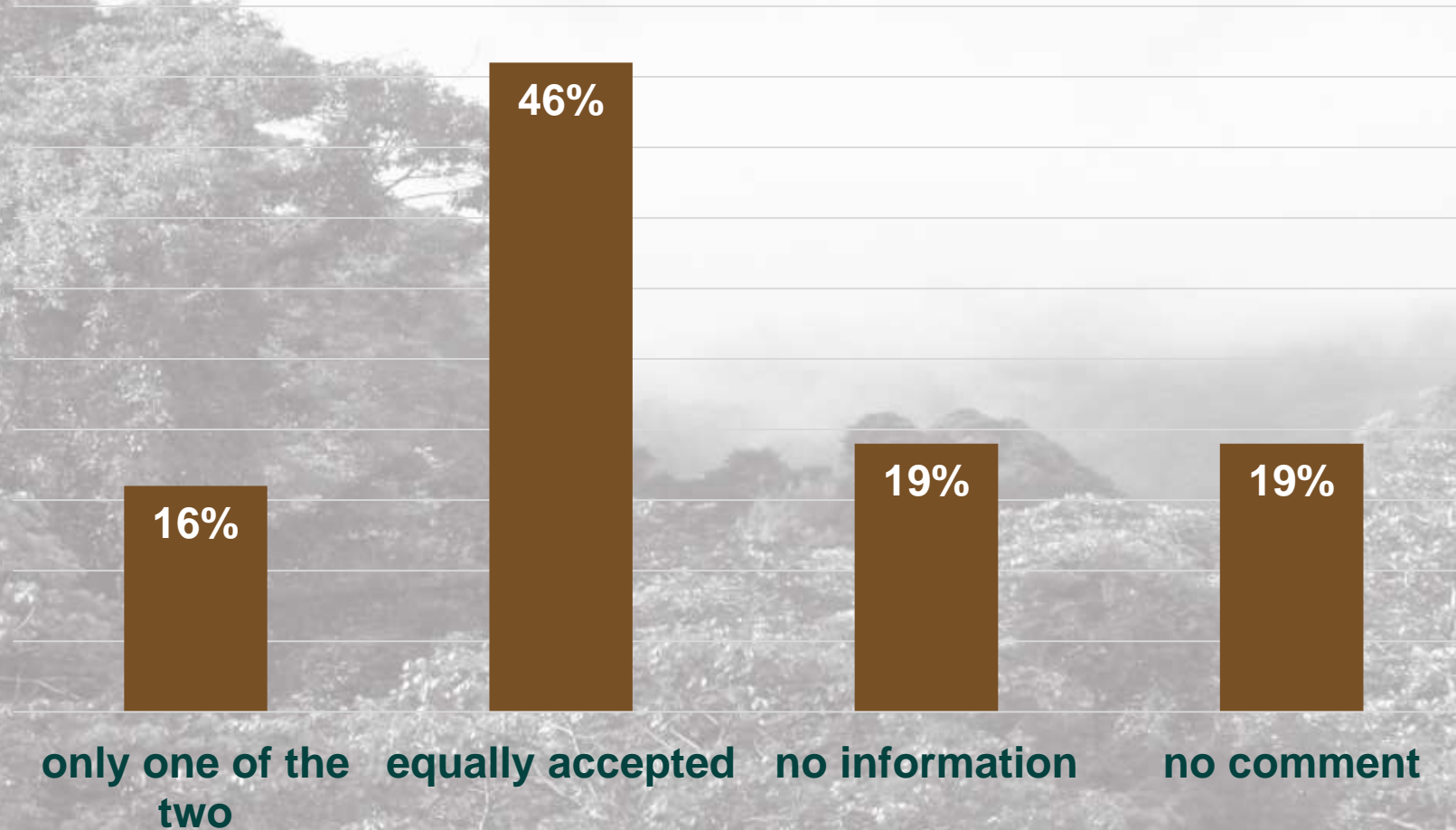
**Do you regularly consider using certified tropical timber in your designs?**



**A large share of architects welcome tropical timber as a material for their drafts.**



# PEFC and FSC: Which of the two major schemes do you accept as certificate for sustainable forestry and CoC management?



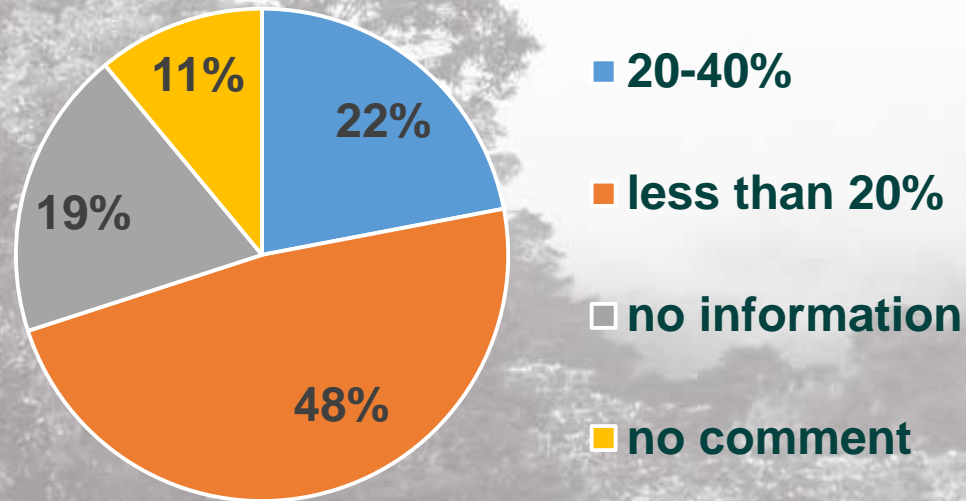
Nearly two thirds accept certification schemes. Half of the architects rate the systems equally. However, 40 per cent do not comment, do not have sufficient information or no data available.

# Results public procurement departments



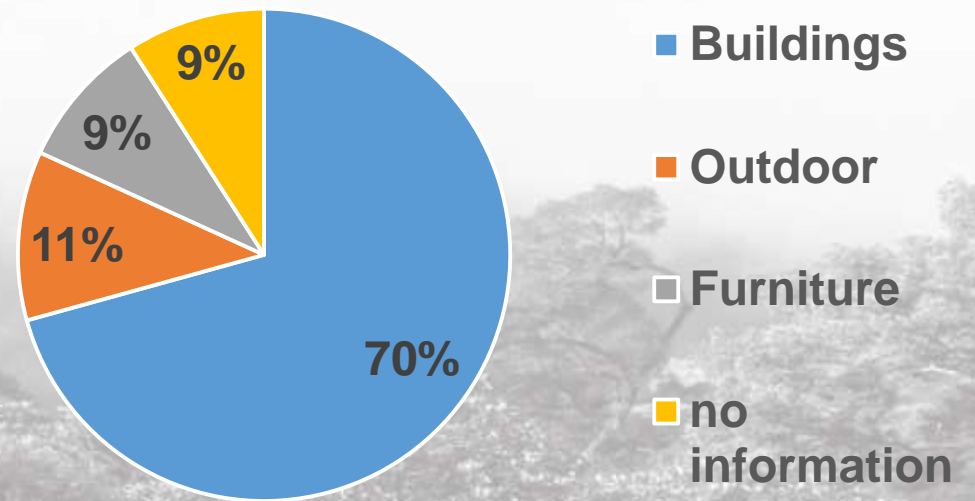
# Timber in public procurement

What do you estimate is your share of timber products in your overall procurement?



Municipalities have little data so far, procurement of renewable resources is a growing issue in Germany.

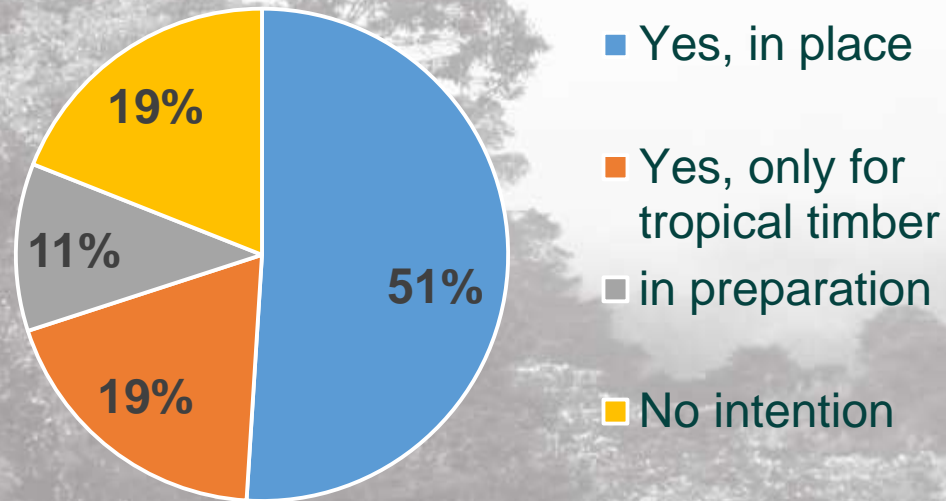
For what purposes is the procured timber used?



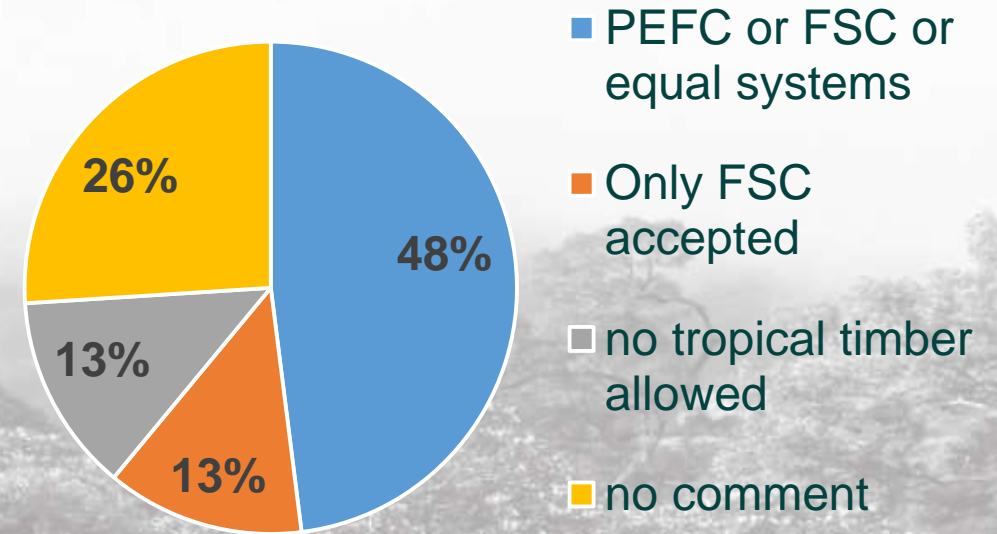
Most of the timber is used in the construction and renovation sector.

# Procurement Guidelines

**Does your city, municipality or state have a procurement guideline for timber and timber products?**



**Do you have special requirements for the procurement of tropical timber?**

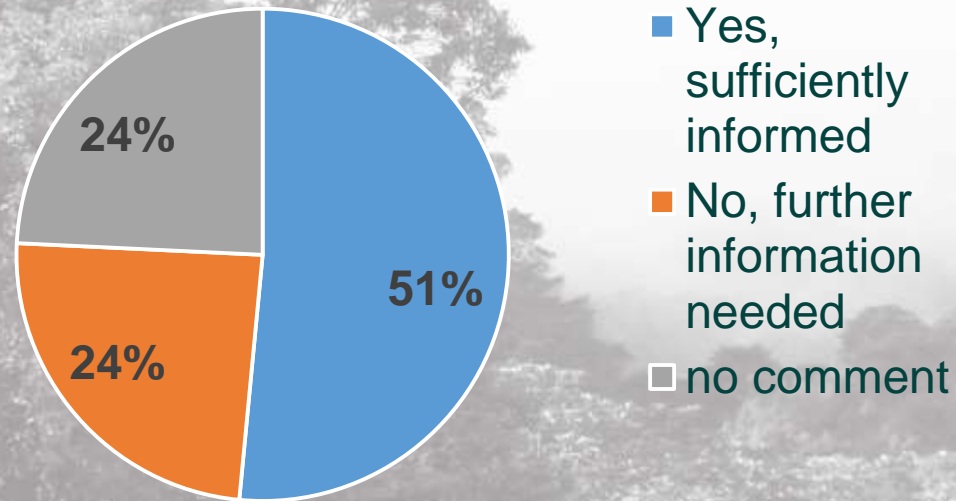


**26 per cent of all public procurement officers are generally skeptical of buying tropical timber.**

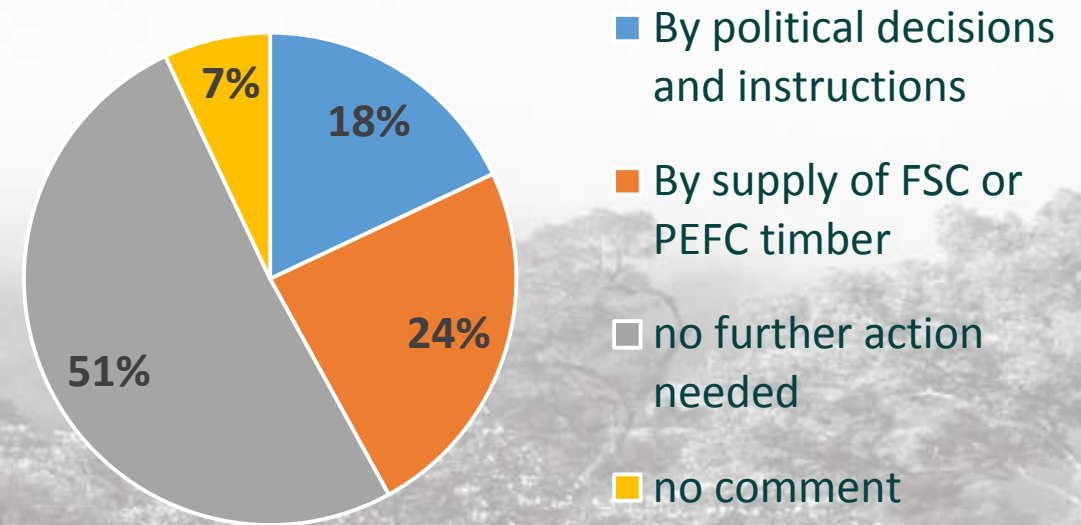


# Certified tropical timber in procurement

Do you consider yourself to be well-informed on the certification of tropical timber?



Under which conditions would you agree on increasing the share of tropical timber in your procurement?



# What are major barriers for the usage of certified tropical timber in Germany?

## Responses by the participants:

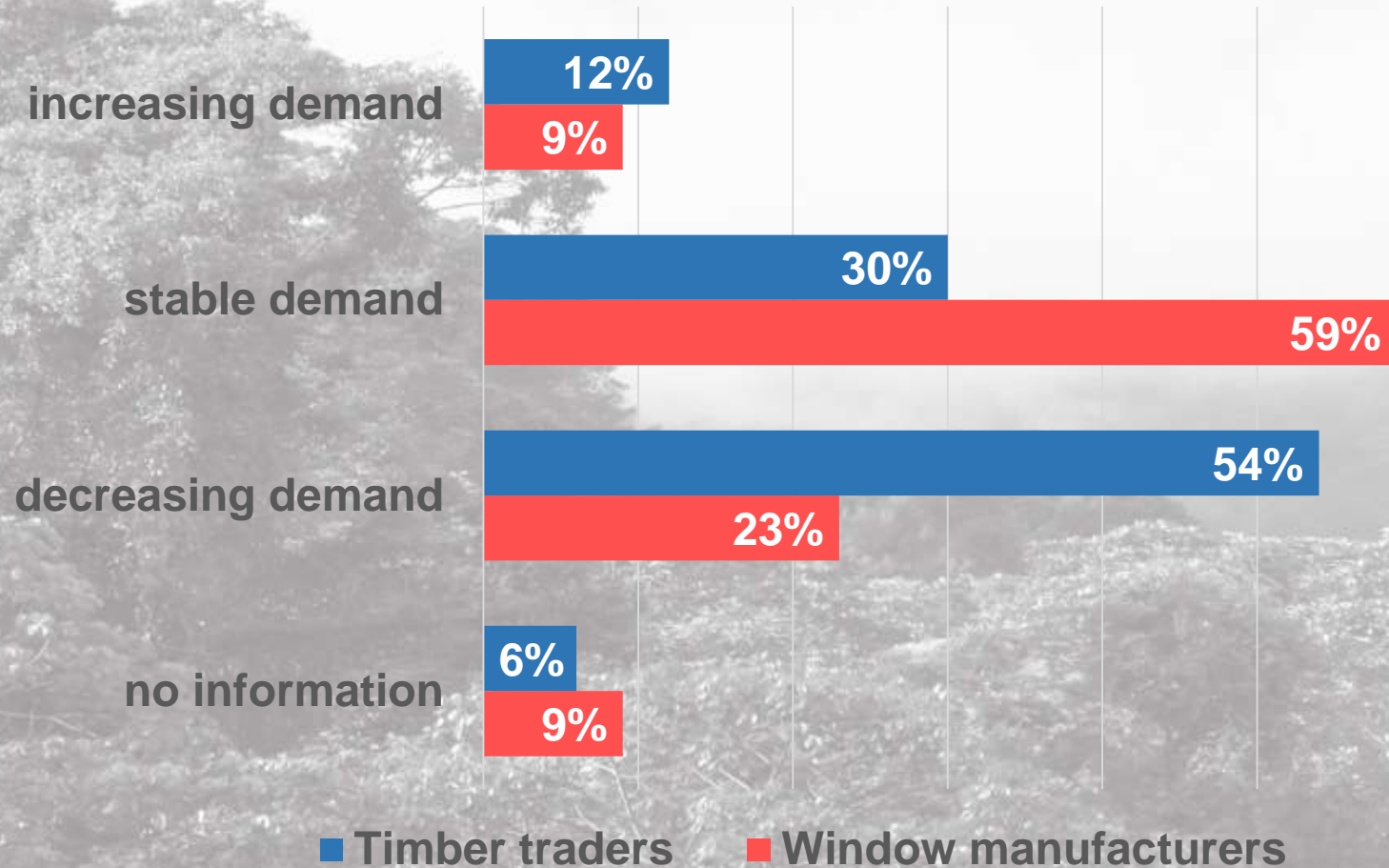
- German manufacturers along the CoC are not certified
- Negative media coverage puts decision-makers under pressure to refrain from arguing in favor of tropical timber in public debates and NGO dialogues
- Increased supply of domestic products & local sourcing initiatives
- Rising availability of recycling alternatives
- Low level trust in the certificates and authorities in producing countries



# Comparative analysis

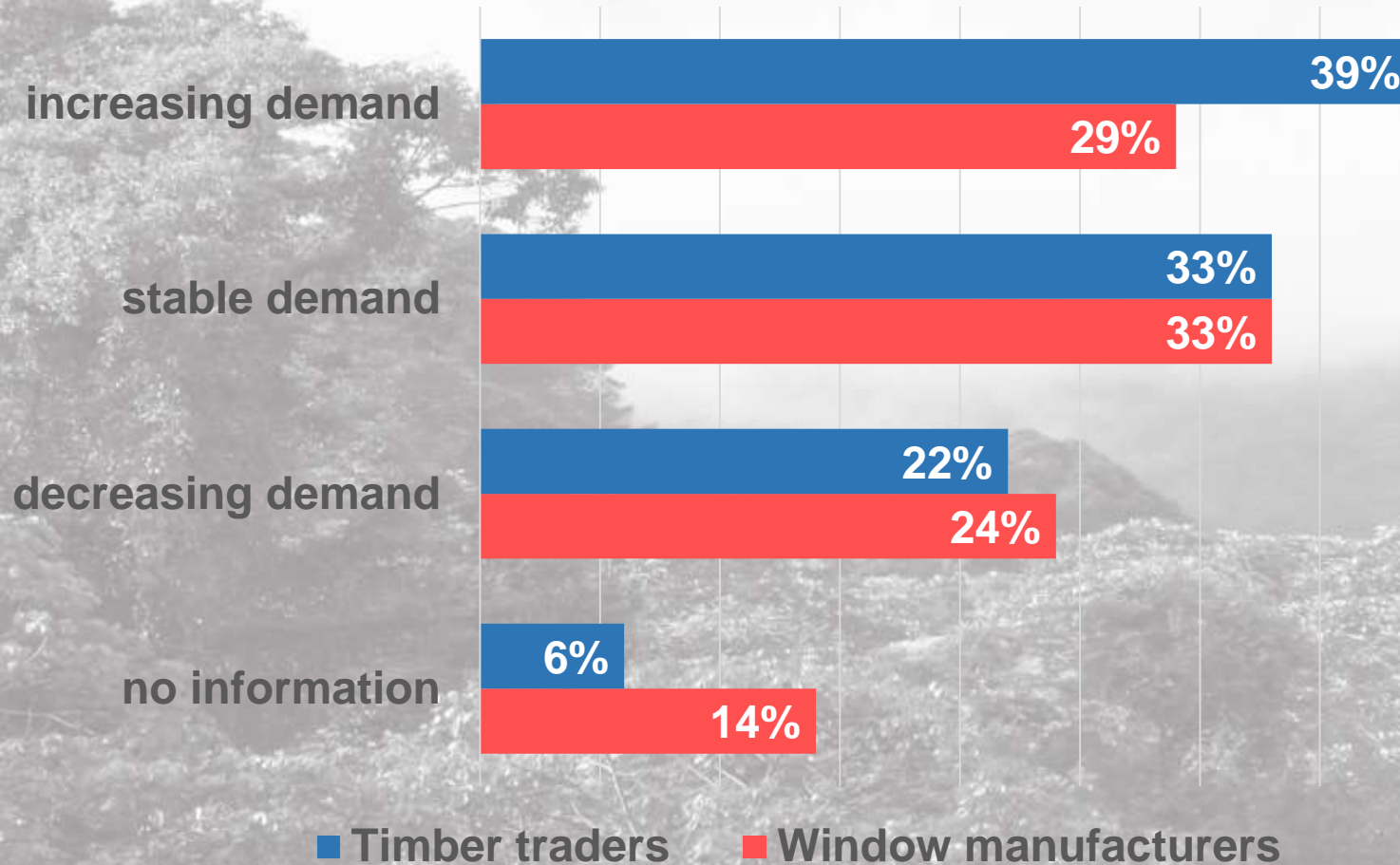
In order to achieve the best possible results, those target groups representing trade and industry as well as those target groups representing market and consumer demands are used for comparison.

# Demand for tropical timber



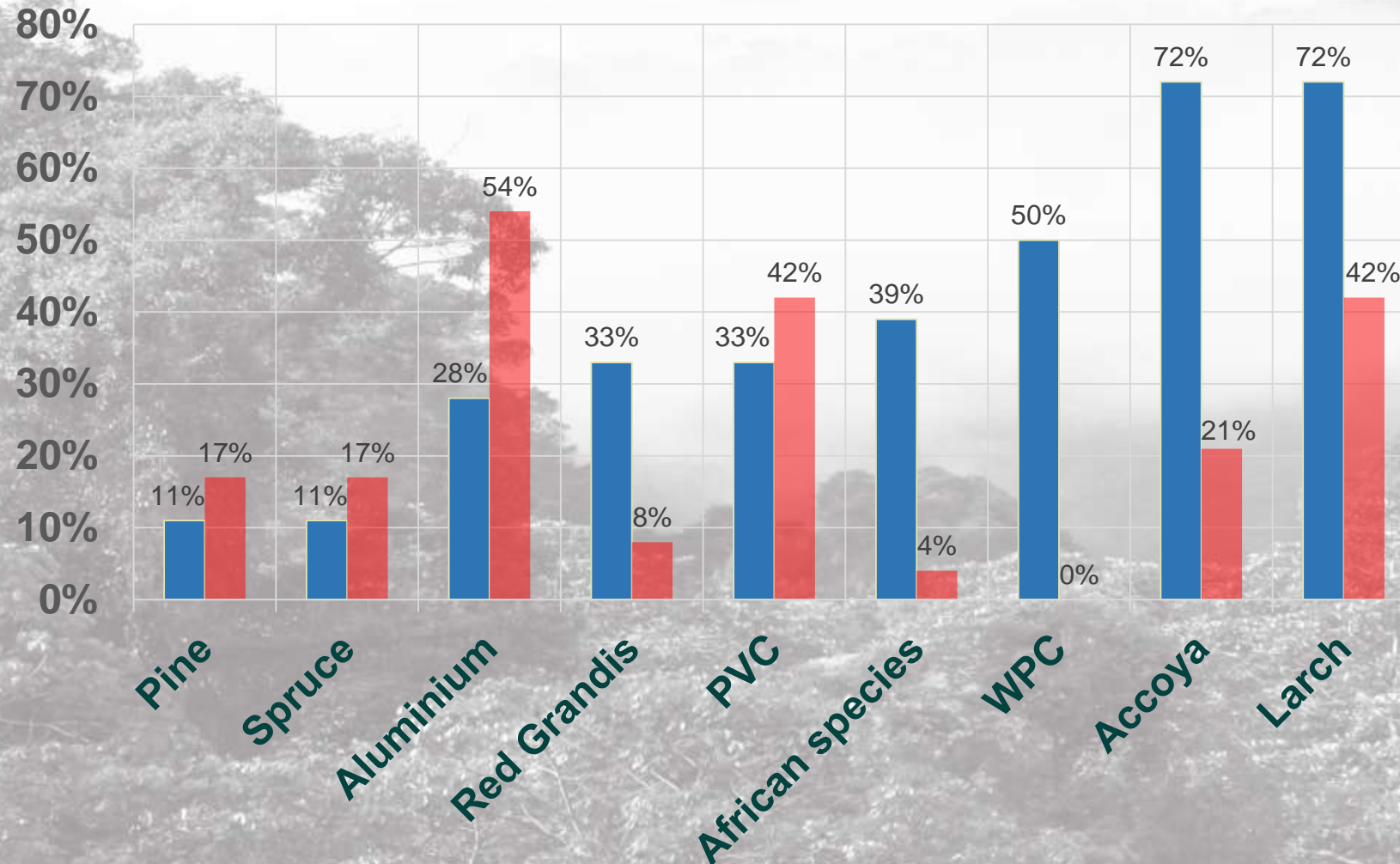


# Demand for certified tropical timber



# Competition from other materials

■ Timber Traders ■ Window manufacturers

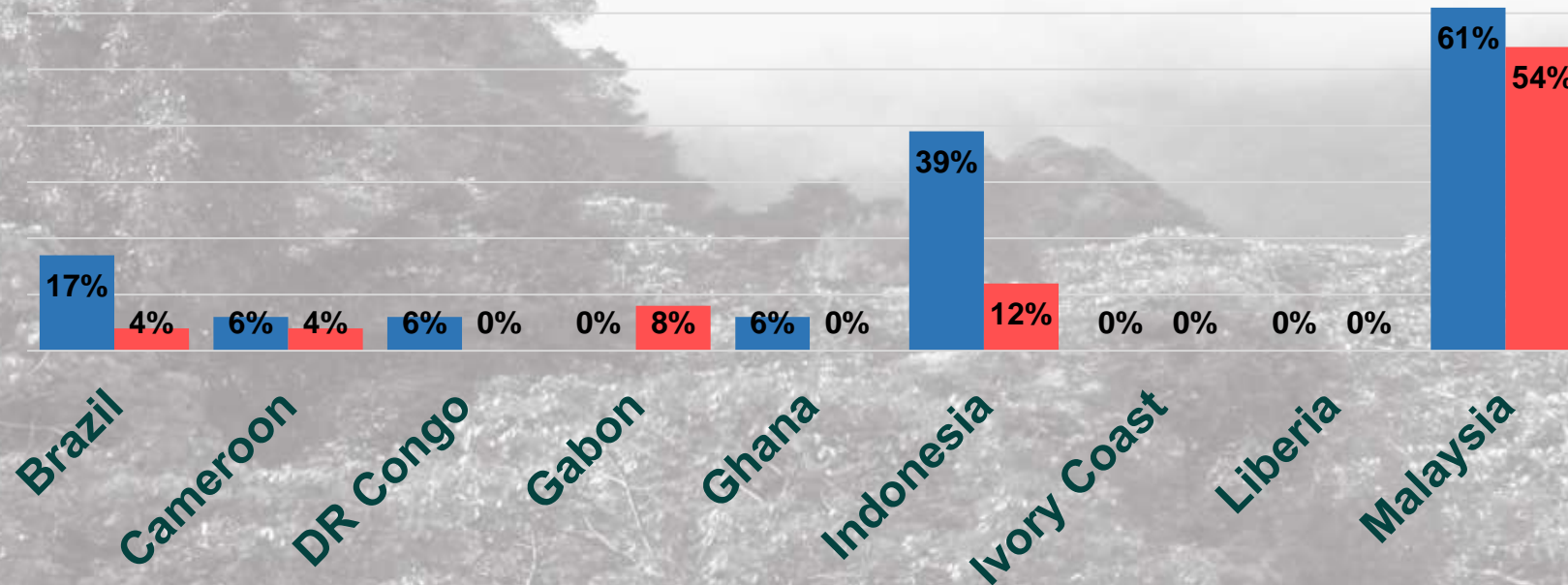


Different groups within the market perceive different products as their competitors.



# Producing countries timber traders and window manufacturers link with the concept of Sustainable Forest Management?

■ Timber traders ■ Window manufacturers

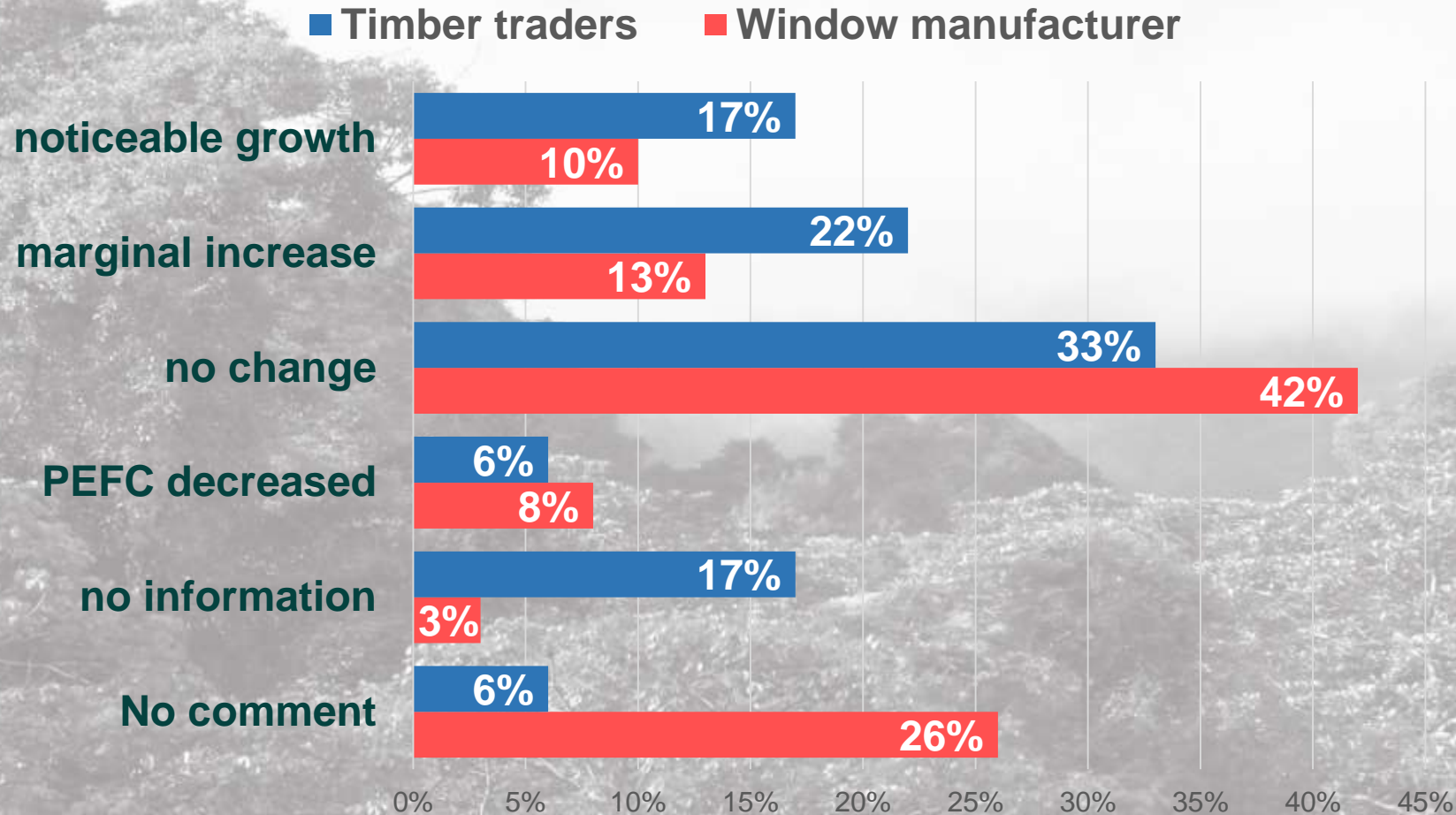


The German CoC consider Malaysia as the only relevant player in SFM in the tropics.

# Epilogue: Dynamics 2013-2015 & Study design



# Developments in the recognition of PEFC and development of market shares since 2013



The PEFC brand is increasing its awareness in Germany.

# New issues and trends since 2013

- PEFC as a global system is increasingly closing the gap to FSC
- MTCS is the flagship for PEFC in the tropics
- Group certification of CoC sectors grows significantly
- The industry and also end consumers (homeowners) ask increasingly for certified materials
- German stakeholders continue to view Malaysia as a forerunner in sustainable forest management
- Other materials and local species increase the competitiveness of the market for Malaysian products
- Certified tropical timber is a growing market



# Survey design and statistics

Target Audiences	Number of Questions	Survey Population	Participants	Response quota
Importers/ Traders	17	190	36	19%
Window Manufacturers	17	225	48	21%
Architects	9	210	23	11%
Public Procurement	10	200	46	23%

## Method:

Online questionnaire, sent via link in email to four target groups

**Types of questions:**  
mainly closed questions

**Time frame of survey:**  
May - June 2015

# Selected comments by participants

„You have the best product, but price and acceptance is challenging!“

„We need more information and promotion to convince the end consumer that PEFC-certified tropical timber is worth buying.“

„Tropical timber lasts longer and therefore is automatically more sustainable.“

“Political influence is of key importance to improve the demand for certified tropical timber.”

“The whole CoC needs to be certified. Often procurement fails because joineries are not certified.”



# Survey office and contact

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The survey was implemented with  
SoSci Survey Software  
[www.soscisurvey.de](http://www.soscisurvey.de)