

Ghana to remove taxes on imported timber products

Posted By [admin](#) On June 30, 2009 @ 5:13 pm In [General News](#) | [No Comments](#)



^[1]Taxes on imported logs and sawn timber are to be removed as part of efforts by government to bolster the flagging timber industry, which has been hard hit by the global financial downturn, Vice President John Mahama announced on Tuesday.

He said the decision to remove the taxes was to encourage the flow of raw materials to feed the timber industry, which is reeling from poor patronage resulting in the loss of jobs as many companies cannot cope with the situation.

Addressing delegates at the on-going International Tropical Timber Organisation (ITTO) conference in Accra on Tuesday, Vice President Mahama stated the need for a high level of collaboration between African countries as part of efforts to create alternate markets to offset the downturn.

Many African countries have been experiencing poor patronage for the timber products, and Vice President Mahama encouraged them to ensure that barriers to trade were eliminated to allow the free flow of goods and services.

Vice President Mahama's concerns are supported by a study by the ITTO which makes it clear that although the US continued its dominance as the most lucrative destination for Ghana's kiln-dried lumber and rotary veneer, the recent economic crisis has caused the slump of demand for the country's timber products, particularly Mahogany and Odum.

This, according to the report, has forced some of Ghana's lumber and veneer prices down, thus affecting the viability of these companies.

The Vice President told delegates at the joint ITTO and UN Food and Agriculture Organization conference that they must help to ensure vibrant wood processing industries in Africa, with collaboration among governments in ensuring that barriers to trade are eliminated.

"This is critical in the light of the current global crisis when we should collectively promote increased trade in wood products in our region," he emphasized.

In addition, such interventions, he explained, should focus on creating a balance, in resource utilization to ensure that the environment is not unduly disturbed, arguing that "sustainability of timber resources should be the prime objective of African nations".

Ghana, he explained, had engaged the European Union on a project called the "Voluntary Partnership Agreement" to ensure that timber products from Ghana originate from legal sources, to ensure sustainability of the industry and the development of an appropriate legal regime to regulate the depletion of forestry resources.

"It is my strong conviction that if we were to move forward in the right direction, there was the need to network and communicate effectively with other sub-regional blocs, to holistically look at developing a regional scheme which would accommodate the free flow of timber products within the region."

Alhaji Collins Dauda, Minister of Lands and Natural Resources, said forestry contributed substantially to rural

livelihoods because of the large segment of society that depended on it for their livelihood, and as a result government was initiating steps to make it a sustainable part of the poverty alleviation agenda.

One such effort, he said, was the implementation of a large scale commercial plantation development programmes throughout the country to serve as a mechanism for rural job creation and ultimately to help reduce poverty.

Other programmes being pursued by the government, Alhaji Dauda outlined, were the expected restoration of depleted forests to fill what he estimated to be a 3.5 million cubic meters per annum timber supply and timber deficit.

Other speakers at the function included Mr Michael Maue, Chairperson of the International Tropical Timber Council, Mr Martin Mabala, Gabonese Minister of Forestry and Dr Daniel Aka Ahizim his Ivorian counterpart. They were unanimous on the need for African nations to remove barriers that inhibited growth in the sector to enhance untapped opportunities for tropical timber protection.

The three-day conference which would end on July 3, is expected among other things to identify and analyze constraints that inhibit the expansion of the intra-African market for tropical timber and timber products, as well as options to overcome the constraints and key players who could help remove those constraints.

Source: GNA

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