

# Tracking Russian Birch

The European Commission (EC) has announced an investigation into Russian birch (*Betula* spp.) plywood imports,<sup>1</sup> following concerns<sup>2</sup> about rising volumes entering from secondary markets that suggest evasion of 2021 anti-dumping duties, and 2022 sanctions designed to disrupt Russia’s continuing war in Ukraine.

World Forest ID has been tracking Russia’s shifting trade and the emerging entry points for wood products into the European Union (EU). This work is designed to assess the risk of fraudulent location of harvest claims to best target enforcement and corporate risk mitigation measures, including scientific testing. Here are five insights as of September 2023.

## THE INSIGHT SERIES

World Forest ID’s Insight series is designed to communicate the outputs of our long form research in a timely manner, by summarizing data snapshots and interim learning. All research is ultimately published in appropriate peer reviewed journals and citations should reflect full articles wherever possible.

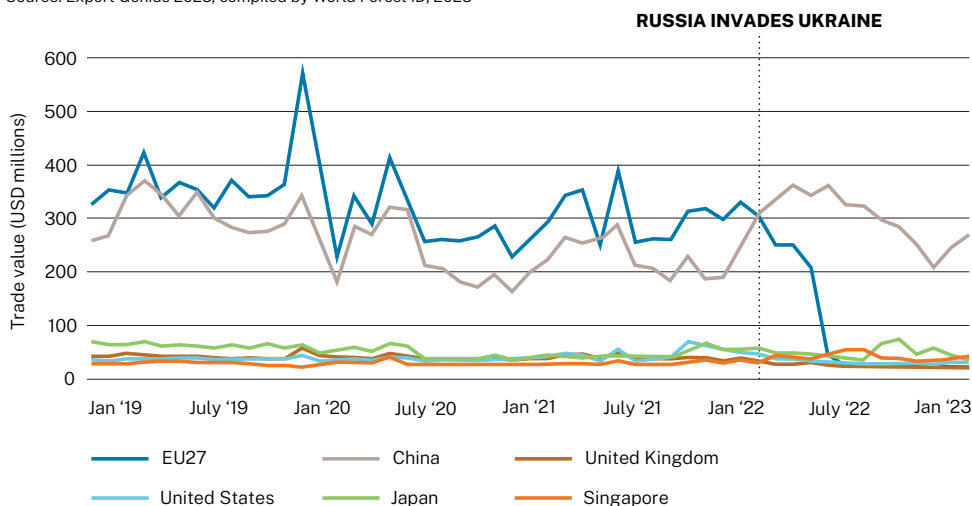
Full article citation (forthcoming):

## 1. Baseline: The EU27 was the largest market, closely followed by China, for Russian wood exports<sup>3</sup> prior to the invasion of Ukraine.

Pre-invasion EU demand (when considering the EU27 as a bloc) for Russia’s wood products exceeded China’s based on value. This was largely driven by Finland, and to a lesser extent Germany, Denmark, Latvia, Lithuania, and Estonia. Following Russia’s invasion of Ukraine, the EU sanctioned direct imports of wood products from both Russia and Belarus in July 2022, driving a shift in international trade<sup>4</sup> (Figure 1).

**FIGURE 1: Russian wood exports to key markets (trade value in USD)**

Source: Export Genius 2023, compiled by World Forest ID, 2023



1. Official Journal of the European Union commission implementing regulation (EU) 2023/1649 of August 21, 2023. [View Document](#)
2. The complaint was raised by Woodstock Consortium, a group of European birch plywood producers “deeply concerned about rising volumes of Russian birch plywood being sold at extremely low prices into the EU.” [Learn More](#)
3. “Wood exports” in this context are defined as all exports under Chapter 44 of the Harmonized Tariff Schedule. This includes a range of raw and semi processed products including wood chips, charcoal, logs, sawnwood, veneer, plywood and flooring. This does not include pulp and paper or furniture products under Chapters 47, 48, and 94 of the Harmonized Tariff Schedule.
4. EU sanctions adopted following Russia’s military aggression in Ukraine. [View Sanctions](#)

## 2. Loss of the EU market forced a decrease in Russian domestic processing and an expansion of exports to secondary markets in countries without sanctions.

The EC has flagged trade via Turkey and Kazakhstan for particular investigation, noting an increase in trade in high value birch (*Betula* spp.) plywood. Russian wood product exports to Turkey started increasing after EU sanctions came into effect (Figure 2), with Turkey reporting a 240% increase in Russian plywood imports in 2022 compared with a low base of 15 million kilograms (kg) in 2021.<sup>5</sup> This trend intensified into 2023 increasing a further 595% in the first six months compared with the same period in 2022.

In total, Turkey's plywood imports increased by 247% or 77 million kg with Russia and Belarus responsible for supplying 66 million kg of that additional volume according to official trade data reported by Turkey to the United Nations Comtrade Database. While there has been a percentage increase in exports of plywood from Russia to Turkey, the total volume remains well below the level of EU pre-invasion demand.

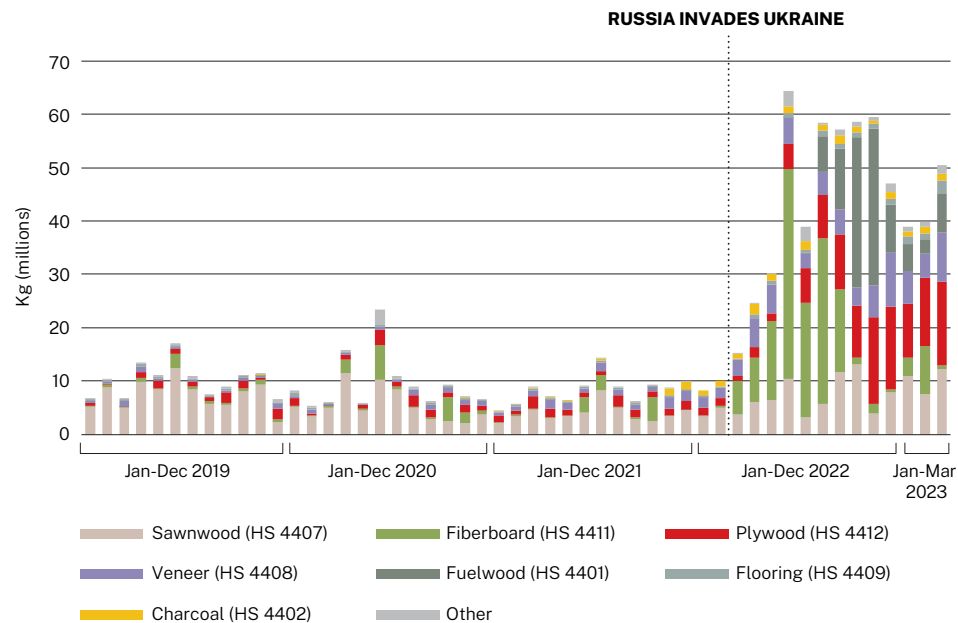
World Forest ID has identified similar shifts in trade for Russian wood product exports to the United Arab Emirates (UAE), Singapore, Hong Kong, Georgia and others that have not been specifically referenced in the EC investigation.<sup>6</sup>

5. UN Comtrade Data, 2023, as reported by Turkey: [View Data](#)

6. World Forest ID intends to publish the underlying methodology for this analysis in a forthcoming peer reviewed publication.

**FIGURE 2: Russia's direct exports to Turkey (kg)**

Source: Export Genius 2023, compiled by World Forest ID, 2023



### 3. At the same time, increased volumes of plywood from third countries buying from Russia<sup>7</sup> appear in EU plywood imports.

7. Percentage increase reported based on the change in the volume of imports reported by the EU27 Member States on Eurostat Comext from each direct source country for the periods January-June 2022 and January-June 2023.

Figure 3 presents the countries supplying the EU27 with more than one million kg of plywood in the first six months of 2023 and seeing 100% increase in the volume of trade when compared with the same period in 2022. Most notably, the EU27 collectively increased plywood imports from Kazakhstan by over 5,000% during this period, while imports from Turkey increased by 137%.

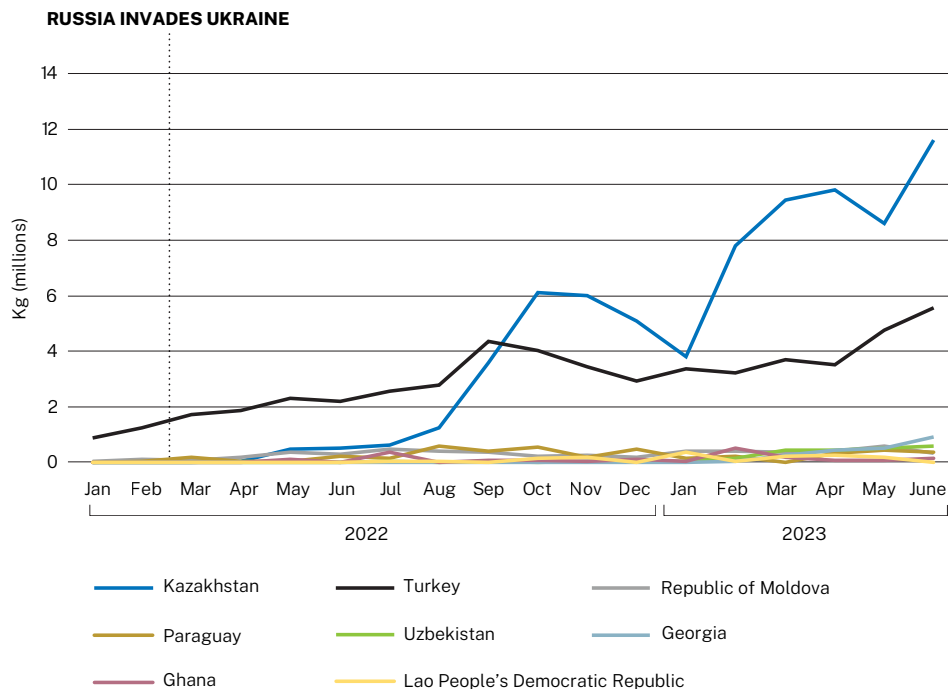
The volume and percentage increase varies considerably by Member State. Romania, Poland, Bulgaria and Lithuania report the highest volumes imported from Turkey. The percentage increase in volumes imported between 2022 and 2023 (January to June) ranged between 17% (in the case of Bulgaria) and more than 43,000% (in the case of Lithuania).

Poland, Latvia, and Estonia report the highest volumes of plywood imported from Kazakhstan in the first six months of 2023 with all three Member States reporting increases of over 8,000% compared with the same period in 2022.

There is limited reported evidence to suggest that Turkish or Kazakh (or other third country) roundwood production capacity has scaled at the pace necessary to suggest that the new supply routes are legitimately produced with domestic fiber.

**FIGURE 3: Countries<sup>8</sup> supplying the EU27 with at least one million kg of plywood in 2023 and seeing 100% increase in this trade volume compared with 2022 (kg)**

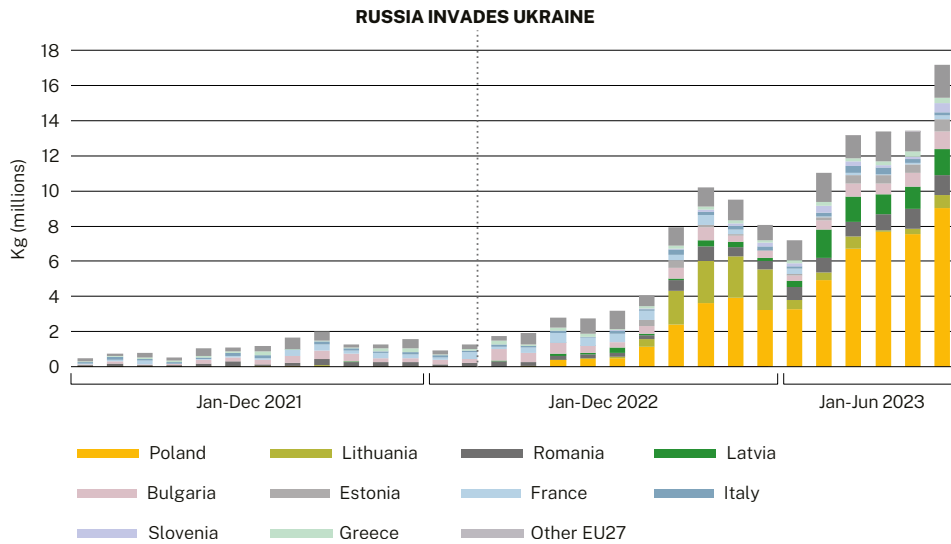
Source: Eurostat Comext, 2023, compiled by World Forest ID, 2023



8. Supply countries were only included if plywood imports into the EU27 under HS code 4412 (as reported by the EU27 on Eurostat Comext) exceeded one million kg between January and June 2023 and represented more than 100% increase on imports between January and June of 2022.

**FIGURE 4: EU member state entry points for plywood from Turkey and Kazakhstan (kg)**

Source: Eurostat Comext, 2023, compiled by World Forest ID, 2023



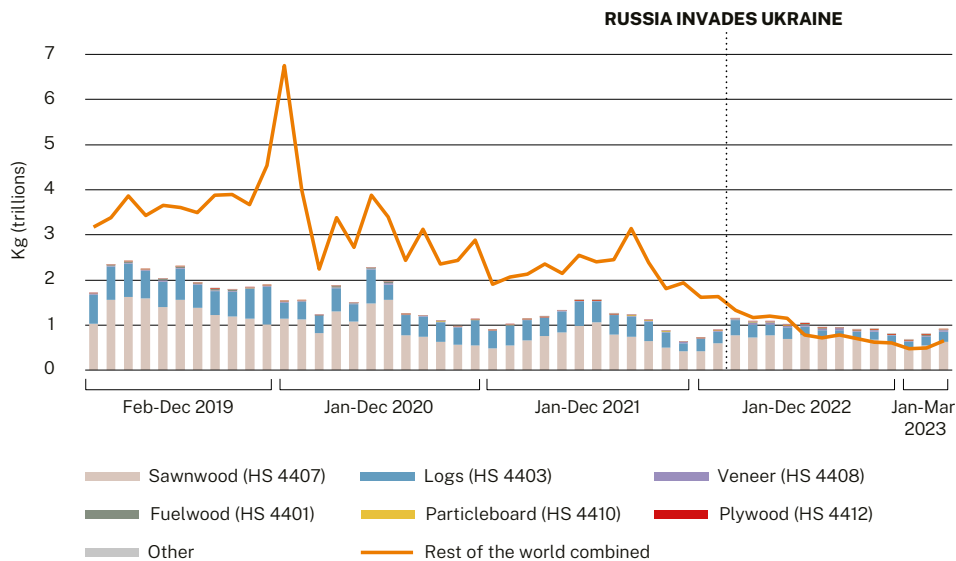
#### 4. There also remains a significant risk that birch plywood purchased from, or manufactured in, China contains Russian-grown wood fiber.

While Chinese demand for wood products, including from Russia, has declined over the last four years, China’s import volumes still dwarf other markets. China remains Russia’s largest single country market for wood products, buying higher volumes between January and March 2023 than the rest of the world combined (Figure 5).

This demand includes imports of logs and sawnwood alongside birch (*Betula spp.*) plywood or larch (*Larix spp.*) lumber, processed in China and then exported globally.

**FIGURE 5: Russian direct exports to China compared with the rest of the world (kg)**

Source: Export Genius 2023, compiled by World Forest ID, 2023



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## 5. World Forest ID has developed a birch data model using stable isotope and trace element values to determine the location of harvest of traded timber.

Scientific testing techniques such as trace element analysis and stable isotope analysis are increasingly used to validate or challenge document-based origin claims for products, in an attempt to tackle fraud and misrepresentation, particularly for products from multi-country supply chains. However, credible timber testing requires the development of reference data at scale, derived from samples across the growing range of the species in question.

World Forest ID collected over 1,000 samples of birch (*Betula* spp.) from across the European and Eurasian range, which have been used to develop a spatial model to determine location of harvest for traded forest products.<sup>9</sup> The model incorporates variability in stable isotope and trace element values-derived from analysis of physical samples, combined with additional data layers, including species distribution limits and land use categories.

The model allows companies and enforcement officials to scrutinize location of harvest claims for traded wood in order to identify potentially sanctioned products, or 'laundered' wood from other illegal or unsustainable sources. It has been developed to both assess the validity of a claimed harvest location, and to make an open determination of the most likely location of harvest within the full sampled species range.

In addition to birch (*Betula* spp.), World Forest ID and partner Preferred by Nature have collected over 4,500 samples across 13 of the most commercially viable tree species growing in the European and Eurasian range, with ongoing collections. Location models for further species, such as larch (*Larix* spp.), are forthcoming.

9. Truszkowski J., Moar R., Bin Yousef R., Biswas S., Chater C., Gasson P., McQueen S., Norman M., Saunders J., Simeone J., Ramakrishnan N., Antonelli A., Deklerck V. (in review). A probabilistic approach to estimating timber harvest location. [Preprint](#)