Logging, with the exception of the petroleum industry, is the main export industry in Cameroon. Cameroon was ranked fifth in the world in terms of export volumes; behind Malaysia, Indonesia, British Colombia (Canada), and Brazil (Bird, 2007). This implies that the logging industry plays an important role in Cameroon’s economy and has important economic benefits on the economy particularly in terms of its contribution to the GDP, Government revenue, Balance of Payments, the level of employment, and the general welfare of the citizens. Timber harvesting accounted for about 6.7% of the GNP of Cameroon in the 1995/96 fiscal year, which implies a 3.5% increase in the 1989/90 fiscal year. Estimates rose to 10% in 1998, showing a gradual increase in export revenue from timber between these years. Increases were partly attributed to the adoption of the 1994 Forest Laws which went into implementation in 1998 to decentralize forest management practices and address issues of sustainability and inequity in the Congo Basin (Oyono, 2004, Alemagi and Kozak, 2010).

INTRODUCTION

From an environmental perspective, Cameroon’s forests and other habitats are among the most biologically diverse in the world. Cameroon was ranked fifth in the world in terms of export volumes; behind Malaysia, Indonesia, British Colombia (Canada), and Brazil (Bird, 2007). This implies that the logging industry plays an important role in Cameroon’s economy and has important economic benefits on the economy particularly in terms of its contribution to the GDP, Government revenue, Balance of Payments, the level of employment, and the general welfare of the citizens. Timber harvesting accounted for about 6.7% of the GNP of Cameroon in the 1995/96 fiscal year, which implies a 3.5% increase in the 1989/90 fiscal year. Estimates rose to 10% in 1998, showing a gradual increase in export revenue from timber between these years. Increases were partly attributed to the adoption of the 1994 Forest Laws which went into implementation in 1998 to decentralize forest management practices and address issues of sustainability and inequity in the Congo Basin (Oyono, 2004, Alemagi and Kozak, 2010).

RESULTS AND DISCUSSION

A regression analysis was computed on stata (software) firstly without taking the natural logs of variables and secondly, taking the natural logs of the variables. This was to ensure the reliability of results and the outcomes of these two methods of testing are outlined here under. The standard error of the dummy variable which represents the domestic policy of Cameroon (without the natural log) is 18812.2, which lies between the 95% confidence interval and excludes 0. This implies a positive and strong relationship between trade policies and trade value of a particular commodity. Placing a ban in 1999 on two major species of timber with high trade value reduced the trade value of the exportation of timber products from Cameroon. However when this ban was lifted, the trade value of timber increased. Due to the size of the standard error, a regression analyses was computed on the natural log of the variables and the standard error changes to 0.377, giving a much more reliable outcomes than the previous test. In this case, further interpretations will be based on the regression outcomes with the natural logs.

The value addition of the manufacturing sector of EU’s wood industry also portrays a significant relation with the trade value of timber exports from Cameroon. EU is one of the major importers of Cameroon timber which explains the drastic fall of trade value between 2008 and 2009 as a result of the global financial crises. Most of the major timber processing units in EU closed down and the levels of timber importation into EU deteriorated to the least recorded values ever, registered by EU (ITTO, 2010), 86% of the changes of the trade value of timber product exports are due to the strong correlation (0.8806) between the domestic policies of Cameroon and the trade value of timber exports, it implies that the timber export values of the country are highly dependent on the domestic policies governing the sector. It therefore means that the Forestry Laws in the country should be trade facilitating in order to ensure higher trade values of timber exports. The implementation, evaluation, and reformation of these policies on a regular basis are vital for the progress of this sector due to the impact the logging industry has on the economy of Cameroon. Without implementation and evaluation, the potential values and economic gains will be undermined even when good policies are in place as is the case of Cameroon. The results also show the need for exports diversification to reduce shocks in the event of potential exogenous forces which may affect the trade value. In 2006, after lifting the ban, exports peaked and later experienced a drastic fall because of the global financial crises in EU.

CONCLUSION

The new forestry law, if fully implemented could promote a more efficient logging industry, improve management of forest resources and help further conservation goals. Logging companies can play an important role, in partnership with the administration, civil society organizations and local communities in promoting sustainable forest management in Cameroon. The lack of implementation and enforcement of the laws in the field tend to undermine the political will expressed in the reform process. The fight against corrupt practices, the promotion of transparency and accountability of business operations in the industry, promotion of processing capacity, and export diversification in the industry, adequate monitoring of logging activities and enforcement of forestry laws are keys to improve timber trade.

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