



## **Austrian and Italian wood industry associations**

### Implementation of the EU Deforestation Regulation (EUDR) – Challenges and demands

- The content of the EUDR must be completely revised and adapted to practical requirements.
- The Commission must take supply chain processes and operational practice into account for all further steps.
- The deadline must be extended in any case.
- The EUDR must be fundamentally reworked after the European Parliament elections in June 2024.
- The EU should use its exclusive competence for international trade agreements to fight against global deforestation.

Austria and Italy are closely linked economically. The volume of trade between the two countries amounts to 25 billion euros (2023). There have been close trade relations within the forestry and timber value chain for decades. These trade relations must not be impaired by the EU Forest Protection Regulation, or EUDR for short.

The EUDR came into force on 29 June 2023. It has to be implemented by 30 December 2024. The regulation aims to ensure that products made from certain raw materials, such as coffee, cocoa, palm oil, soy, rubber and wood, that are imported into or exported from the EU have been produced without deforestation or forest degradation. In order to prove this, companies must implement a due diligence system. To this end, information on the origin of primary products and raw materials must be collected and risks assessed and minimised. The EU Commission has set up an information system to collect this data.

The EUDR results in a disproportionate bureaucratic effort for companies, which ties up enormous human and financial resources. In addition, negative effects on international competitiveness are to be expected. The benefits of these excessive regulations are not apparent, particularly for countries that have effective forest conservation legislation in place. The EU information system in the form provided is not manageable in operational practice due to the lack of automated input options via data interfaces, as the pilot phase that took place in January 2024 clearly demonstrated.

- **We are calling for the content of the EUDR to be completely revised and made practicable.** Countries with a stable or increasing forest area, sustainable forest management and functioning law enforcement should be exempted from the unnecessary bureaucratic hurdles.
- **We believe it is necessary to extend the implementation deadlines.** Without prompt clarification of the fundamental substantive issues and without a technically mature EU information system, the requirements of the EUDR cannot be implemented by companies in a timely manner, despite their best efforts.
- **We expect the Commission to take supply chain processes and operational practice into account and to define the scope for interpretation accordingly.** The requirements of the EUDR pursue an objective that is supported by our industry in principle, but do not take practical processes into account in the specific regulations.
- **We advocate a comprehensive impact assessment of the previous Green Deal and decisions their reciprocal effects for forests and the forestry and timber industry value chain.** The EUDR must be fundamentally scrutinised after the European Parliament elections in June 2024.
- **We propose more effective alternatives in the fight against global deforestation.** The EU has exclusive competence for international trade agreements. At this level, agreements should be made with third countries to promote environmental standards. The EU should use this competence for such goals. It is a breach of the legislative system to transfer political objectives to the level of the private economy through the threat of penalties.

