



## FIGHTING ILLEGAL NATURAL RESOURCE TRADE

Illegal trade in timber, fish, and other natural resources costs the global economy billions of dollars every year. These large-scale criminal activities destroy fisheries and tropical forests while impoverishing communities that depend on them. They also undermine global markets and depress prices for legal goods, including American-made commodities. The result is lost profits for American companies and fewer jobs and lower wages for American workers.

### ILLEGAL TRADE THREATENS U.S. ECONOMIC SECURITY

Illegal trade of natural resources is a multi-billion dollar criminal activity that undermines the livelihoods of local communities and negatively impacts the economy in the U.S. and globally.

- The illegal timber trade is worth between \$30 billion and \$100 billion annually and is a major driver of deforestation in many countries.
- Between 15-30 percent of all wood traded globally derives from illegal logging, along with as much as 50-90 percent of all forestry activities in key tropical forest regions, causing annual losses of \$10 billion to global markets and \$5 billion to government revenues.
- The American Forest & Paper Association estimates that illegal logging depresses world timber prices by between 7-16 percent, causing U.S. companies to lose at least \$460 million each year, with other estimates running as high as \$1 billion.
- Illegal, unreported, and unregulated (IUU) fishing has an annual market value of more than \$10 billion, depressing seafood prices and negatively impacting profits and wages for U.S. producers and fishers by as much as \$1 billion each year.
- Where illegal fishing robs coastal communities of needed protein and income, it can lead one-time fishermen to resort to criminal activities such as piracy, as in the case of Somalia.
- Illegal trade undermines global supply chains, and resulting economic losses rob developing countries of purchasing power, hurting emerging markets for U.S. exports.

*Continued*



## THE U.S. IS A GLOBAL LEADER IN FIGHTING ILLEGAL TRADE

The U.S. is a leader in combating illegal natural resource trade, working with other countries, international and non-governmental organizations, and private-sector partners to strengthen natural resource governance and defend legal markets and sustainable supply chains.

- U.S. Forest Service International Programs are dedicated to improving forest governance, reducing illegal logging, and conserving biodiversity internationally. Their work focuses on enhancing forest governance through improvements in timber tracking technologies, reduced impact harvesting techniques, forest certification schemes, sustainable forest management practices, environmental law enforcement, land tenure rights, and disaster and fire management.
- USAID support for the Global Forest & Trade Network has helped reduce illegal logging and improve forestry practices throughout the forest products industry, promoting legal, responsible trade by helping companies certify that the forest products they use are from responsibly harvested and verified sources throughout the supply chain.
- Through passage and enforcement of the 2008 Lacey Act Amendments, the U.S. banned trade in illegal wood products and increased penalties for violators, creating model legislation that has led the EU and Australia to pass similar laws.
- Through the federal Task Force on Combating IUU Fishing and Seafood Fraud and the Seafood Import Monitoring Program, the U.S. is working to prevent illegal seafood from entering the U.S. market, protecting American companies from unfair competition and American consumers from unknowingly purchasing illegal products.

## MODEST U.S. INVESTMENTS HAVE HUGE IMPACT

Dedicated U.S. funding to fight illegal trade has helped to grow global markets for legal and sustainable products while closing the U.S. economy to illegal products. This in turn protects the economy, making it more difficult for criminal actors to profit from activities such as deforestation and illegal fishing. U.S. government support has:

- Funded international trainings to increase countries' knowledge of how the Lacey Act facilitates prosecutions against illegal logging and help build relationships with law enforcement officials.
- Through the Central African Regional Program for the Environment (CARPE), improved management of nearly 200,000 square miles of forest in seven countries, certified over 20,000 square miles of logging concessions, and created a remote sensing system to measure, track, and verify deforestation in the planet's second largest tropical forest.
- Strengthened Peru's forest sector to help combat illegal logging and related security threats, and ensure Peru can uphold bilateral trade commitments and sustainably manage its forest resources.
- Through contributions to the Global Environment Facility, promoted efforts to address unsustainable fishing in large marine ecosystems that support over 85 percent of global fish catch, as well as globally important high seas tuna fisheries.
- Improved traceability in the seafood supply chain in the U.S. and around the world, including through the development of Catch Documentation and Traceability systems in Southeast Asia, to ensure that fishery resources are legally caught and properly labeled.
- Helped conserve the remaining 400 Amur tigers and fewer than 35-40 remaining Far Eastern Leopards and their habitat from human encroachment, illegal logging, and widespread use of agricultural burning fracture.

**By stopping illegal trade in commodities such as timber and fish, we are defending American workers and businesses, ensuring the integrity of global markets and supply chains, and protecting globally important forests and fisheries while helping developing communities prosper through sustainable use of their natural resources.**