

Rosewood Protection and the U.S. Guitar Industry

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In January of 2017, the Convention on International Trade in Endangered Species (CITES) placed rosewood under Appendix II protections, requiring those who export finished products containing rosewood to obtain export licenses. Though implemented to protect rosewood from illegal logging for use in the Chinese furniture industry, this requirement affected the U.S. guitar industry, which uses rosewood as a source of wood for many types of guitars. Since January 2017, the U.S. guitar manufacturing industry has worked to respond to the revised regulatory environment and ultimately succeeded in exempting their products from requiring export licenses.

Guitars and Rosewood Usage

Guitars, like many musical instruments, derive their tone and clarity from the type of wood used in their production. Wood such as spruce, cedar, and mahogany forms the body of the guitar while rosewood (*Dalbergia*), a more expensive type of wood, often covers the back and sides of the guitar. Brazilian rosewood is preferred by guitar manufacturers for its high quality and popularity with customers, but rosewood is also sourced from countries such as India, Guatemala, and China. In addition to its usage in guitars and other musical instruments, rosewood is also used in the furniture industry, particularly in Chinese luxury furniture. Chinese imports of rosewood increased 14-fold from 2009 to 2014, with Chinese producers turning to foreign rosewood to satisfy the high domestic demand. This booming industry, however, led to illegal logging and unsustainable deforestation, making rosewood the world's most trafficked wild product.

Restrictions on Rosewood

Following an analysis submitted to CITES by the Environmental Investigation Agencyⁱ on the impact of the demand from the Chinese furniture industry for rosewood, CITES placed all 200-plus species of rosewood under Appendix II protections beginning January 2, 2017. Protections under Appendix II required those in the United States who export finished products containing rosewood to obtain export licenses from U.S. Fish and Wildlife Services.

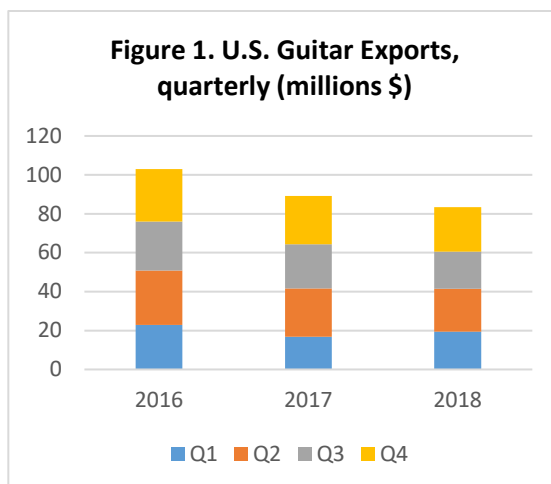
Impact on the Guitar Industry

A leading producer in high quality guitars, the United States was the second largest exporter of wooden string instruments behind China in 2016 and 2017.ⁱⁱ Though implemented to protect an endangered tree from the burgeoning Chinese furniture industry, the required export licenses increased operating costs for the U.S. guitar industry. Costs increased for U.S. manufacturers in terms of time and

Box 1. What is the CITES? The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement adopted in 1975 that aims to regulate the international trade of wild animals and plants. The United States has been a member since the beginning of the agreement, with China joining in 1981. CITES places species under protection controls that require member states to regulate their trade through import and export licenses. Species receive protections based on their threat level, with Appendix I being the most stringent. Appendix I includes species threatened with extinction and only allows trade in exceptional circumstances. Appendix II includes species that are not necessarily threatened with extinction but that require trade control in order to avoid threats to extinction. Appendix III includes species that a specific country protects domestically and asks CITES for assistance in controlling trade.

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resources spent navigating and complying with the license process. For example, guitar producers were required to vet every finished product containing rosewood to ensure each product would be covered under the export license. Though the industry uses only a small quantity of rosewood reserved primarily for higher quality guitars, rosewood's lack of substitutability makes it difficult to avoid entirely.ⁱⁱⁱ These obstacles interrupted production and delayed shipments, with some manufacturers altering their designs to limit the use of rosewood. For instance, Bob Taylor of Taylor Guitars, America's largest acoustic guitar manufacturer, stated that the company would no longer use rosewood in lower price point products for export. Additionally, many U.S. guitar manufacturers had difficulty obtaining export licenses due to a lack of knowledge of the license process, as well as backlogs and delays in license processing by the U.S. Fish and Wildlife Services. These regulations coincided with a decline in U.S. guitar exports in the first quarter of 2017 (figure 1), a decrease of nearly 38 percent from the previous quarter. Though exports increased in the second quarter of 2017, the quarterly sales continued to decrease in 2017 and 2018.^{iv}



CITES Response to Musical Instrument Industry Efforts

Musical instrument manufacturers protested the required licensing of products containing rosewood, stating that the music industry accounts for only 0.001 percent of rosewood consumption. Manufacturers also contested the redundancy of obtaining permission to export a finished product when the raw rosewood used has already been verified as legal. Stakeholders including representatives from Martin Guitars, Taylor Guitars, and Fender Musical Instruments Corporation organized together and attended the 2017 and 2018 CITES meetings to inform the drafters of the CITES rosewood regulations of the unforeseen impact of the regulations on their industry. This engagement led to proposed exemptions under Appendix II that were finalized at the CITES World Wildlife Conference on August 28, 2019. CITES now requires licenses for imports of unfinished rosewood logs, boards, and veneers, but exempts completed instruments, instrument parts, and accessories containing rosewood.

Sources: [Guitar Talk](#); [Guitar Wood Types: Acoustic Knowledge Upgrade](#); T. Gilbert, [Rosewood: The Blood Diamond of Music Wood](#); E. Guo, [The Fight to Protect the World's Most Trafficked Wild Commodity](#); Music Trades, [New Rosewood Trade Regulations Challenge Guitar Industry](#), 2016; D. Hunter, [The War of the Rosewood](#); Music Trades, [CITES Considers Loosening Strict Rosewood Regs](#), 2018; Music Trades, [CITES Lifts Rosewood Permitting Requirements](#); P. Sullivan, [Guitar Makers Challenged by New Rosewood Restrictions- and What This Means for Players](#); M. Taylor, [How CITES is Changing the Future of Rosewood in Guitars](#); Music Trade, [CITES Considers Revising Rosewood Rules](#), 2017; R. Benincasa, [The Tree that Rocked the Music Industry](#); K. Rouz, [Rosewood Trade Restrictions Send Global Guitar Makers Reeling](#); CITES; CITES, [Statement of Principles Musical Instruments and Appendix II Annotation #15](#); CITES, [Analysis of the Demand-Driven Trade in Hongmu Timber Species](#).

ⁱ The Environmental Investigation Agency is an international NGO.

ⁱⁱ Source: UN Comtrade, accessed August 27, 2019. HTS statistical reporting number 9202.90.

ⁱⁱⁱ Rosewood use varies by guitar type and model, with instruments typically containing less than 10kg of the material. C.F. Martin and Co., a leading U.S. guitar manufacturer, stated that it uses rosewood in 200 acoustic models, equaling an estimated 50 cubic meters of rosewood a year.

^{iv} Source: Dataweb, accessed August 13, 2019. HTS statistical reporting number 9202.90.30.

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