

Can we not see the forest for the trade? An analysis of the EU's responsibility for global deforestation in the context of the EUDR

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The negative impacts of deforestation and tree cover loss on biodiversity and climate change are well-documented. Yet it continues to expand at an alarming rate. The primary driver of forest degradation in most regions is the demand for agricultural land to produce core commodities for global markets. Direct and indirect consumers of these goods are responsible for this problem. Indeed, EU consumption is estimated to have contributed to 10% of global deforestation (CEC, 2023). In response, in 2023, the European Union approved the EU Deforestation Regulation (EUDR), which aims to make products sold in the EU deforestation-free (European Parliament & European Council, 2023). The main means by which EUDR seeks to achieve this is the imposition of due diligence obligations on products most strongly linked to deforestation - meat, wood, palm oil, soy, cocoa and coffee. Under the regulation, agents selling these commodities and their derived products in the EU market, or exporting them from the EU, must provide a detailed due diligence statement.

This proposal has been very controversial, not least because of a lack of clarity about its operationalisation, including how countries will be classified by deforestation risk. As it also applies to EU products, some member states are concerned about the negative effects on local producers. There are also concerns about the potential negative impacts on developing countries, especially for small- and medium-sized producers whose production may not be linked to deforestation but who may be unable to provide the required paperwork. This controversy and delays in agreeing on the technical details have already led to the regulation being delayed twice for a year.

In this context, this work seeks to contribute to the debate on EUDR by providing further evidence of the linkages which the regulation seeks to address. In this paper, we measure the European Union's dependencies on global deforestation as embedded in its consumption of final products. To do so, we apply a multiregional input-output model to trace the tree cover loss driven by the cultivation of EUDR products - meat, wood, soy, palm, coffee and cocoa - which the EU directly or indirectly demands. The primary data sources are the EMERGING input-output tables (Huo et al., 2024), the World Resources Institute estimates for agriculture-linked deforestation (Goldman, Weisse, Harris, & Schneider, 2020), and FAO statistics (FAOSTAT, 2024). Our key aim is to trace the main deforestation impacts driven by the EU's final demand, assessing effects by country and product. In addition, we seek to trace these effects across specific GVCs to determine the extent to which EU regulations can effectively control deforestation in key products.

Preliminary results show that EU consumption of seven key commodities (cattle, cocoa, coffee, palm oil, soy and wood) caused about 150,000 hectares of deforestation worldwide in 2024. A small group of countries accounts for most of the EU-driven deforestation. The top 10 countries include major tropical suppliers such as Brazil, Indonesia, Ivory Coast, Ghana, Cameroon, and Nigeria, among others, depending on the product. In several countries, the EU accounts for a large share of total national deforestation, showing strong dependency on EU demand. The share exceeds 30–40% in key cases, highlighting the EU's significant influence on land use change abroad.

In sectoral terms, food-related industries account for 37.9% of EU-driven deforestation in palm oil and soy. For coffee and cocoa, 49.2% of the footprint in 2023 came from specific downstream sectors. This decomposition shows which EU industries are most responsible for embedded deforestation in imports.

By products, 75% of global cocoa production is concentrated in the Ivory Coast, Ghana, Cameroon, and Nigeria. This geographic concentration makes cocoa-driven deforestation particularly sensitive to EU purchasing patterns. EU imports account for a particularly high share of deforestation in West

Africa.

Results illustrate how EU consumers drive deforestation indirectly through long supply chains, not only through direct imports. The evaluation of the EURD application by country and product is crucial to ensure real control of deforestation.