EU Deforestation Regulation – DIHK Calls for Delay and Adjustments

The German Chamber of Industry and Commerce (DIHK) continues to see serious challenges in the implementation of the EU Deforestation Regulation (EUDR). According to the chamber, the current design creates requirements that are hardly manageable in practice. After the initial postponement, the DIHK is calling for another delay and substantive adjustments in order to secure legal certainty and to avoid disruptions in supply chains.

What the EUDR Is About

The regulation stipulates that only products proven to be "deforestation-free" may be placed on the EU market. This includes beef, palm oil, soy, coffee, cocoa, natural rubber, as well as timber and timber products. Companies must demonstrate that these raw materials do not originate from land that has been deforested after December 31, 2020, and must provide geolocation data tracing the supply chain back to the area of origin.

Challenges for Businesses

Small and medium-sized enterprises in particular are confronted with extensive documentation requirements. In global supply chains, the necessary data are often not available or can only be obtained at disproportionate cost. The DIHK warns of competitive disadvantages compared to suppliers from regions where administrative structures do not match European standards.

Geolocation data: Often unavailable or difficult to collect.

<u>Complex supply chains:</u> Many stages make traceability and accountability unclear.

IT requirements: Reporting and documentation obligations consume significant resources.

Legal uncertainty: Ambiguous interpretations create liability risks.

SME burden: Equal obligations as for large corporations, without proportional relief.

Demands of the DIHK

The chamber calls for further postponement beyond the current start date and for practical adaptations. These include simplified procedures for low-risk regions, clear guidance and transitional rules to keep supply chains functional. Existing certification systems should be recognized, and unnecessary duplication of structures avoided.

Proposed Adjustments at a Glance

<u>Low-/no-risk categories:</u> Relief for countries and regions with proven low deforestation risk.

Recognition of existing systems: Certification and due diligence procedures should be accepted.

<u>"Once-only" principle:</u> Data submitted to authorities should not have to be provided multiple times.

Transitional phase: Pilot reporting and proportionate controls instead of immediate sanctions.

<u>SME exemptions:</u> Proportional requirements and realistic deadlines.

Significance for Forestry and Timber

Especially for timber and timber products, business representatives emphasize the need for predictability. Without practical ways to provide evidence, companies face delays, higher costs, and competitive disadvantages. Sustainable forestry in Europe should be strengthened by reliable rules, not hindered by overregulation.

Joint Efforts Against Wildfires

At the same time, fire brigades, forestry services and associations are pushing for closer cooperation in wildfire prevention. Networking, faster information exchange, and the use of local expertise are intended to improve both prevention and the effectiveness of firefighting operations.

Criticism of the EU Restoration Regulation

Associations of forest owners and family businesses have also voiced concerns regarding the EU Restoration Regulation. They criticize potential infringements on property rights, unclear responsibilities, and additional bureaucracy, while meaningful implementation pathways and cost implications remain vague.

In Summary – Explained Simply

The goals of the EUDR and the Restoration Regulation – forest protection and biodiversity – are broadly supported. However, businesses stress the need for more time, clear legal frameworks, and workable procedures. Only then can sustainability, legal certainty, and functioning supply chains be reconciled.