



VIETNAMESE IMPORTS OF HIGH-RISK TIMBER: CURRENT STATUS AND CONTROL MECHANISMS

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This Brief provides information on Vietnam's imports of logs and sawnwood in 2020. It summarizes Vietnam's policies for controlling the import of logs and sawnwood from high-risk countries of origin, and analyzes Vietnam's timber trade dynamics within the context of a legality framework.

1. Vietnam's policies for controlling high-risk timber imports

In 2019, Vietnam's government signed a Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) with the EU, in which the Vietnamese Government committed to ensuring that the wood products produced for domestic consumption and export markets are legal. According to this commitment, all activities along the entire supply chain must fully comply with the regulations of the Government of Vietnam, the countries importing timber products from Vietnam, and those supplying timber (typically as raw material) to Vietnam. To fulfill this commitment, the Government of Vietnam issued Decree No.102/ND-CP (the VNTLAS Decree) in 2020 on the Timber Legality Assurance System.¹

Controlling the legality of imported timber is one of the key aspects of the Decree. According to the Decree, high-risk timber imported into Vietnam includes timber originating from high-risk countries, timber species listed in Appendices I and II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and species imported into Vietnam for the first time. Vietnamese importers bringing high-risk timber into Vietnam must meet two conditions: (1) Provide additional



¹ Details of Decree in following link: http://vanban.chinhphu.vn/portal/page/portal/chinhphu/hethongvanban?class_id=1&_page=1&mode=detail&document_id=200888.

documentation demonstrating legal compliance with laws and regulations of the country of origin and (2) Undertake due diligence practices to reduce legality risks of the imported timber.

Decision No.4832/QĐ-BNN-TCLN, announced 2020 by the Ministry of Agriculture and Rural Development, provided an official list of import timber species, and a list of positive geographies (low-risk countries) supplying timber to Vietnam. The list of positive geographies includes 51 countries: 10 from Asia, 31 from Europe, three from Oceania, six from the Americas and one from Africa.² Imported timber from countries not listed is considered high-risk, whereby importers bringing timber from these countries must fulfill the two conditions mentioned above.

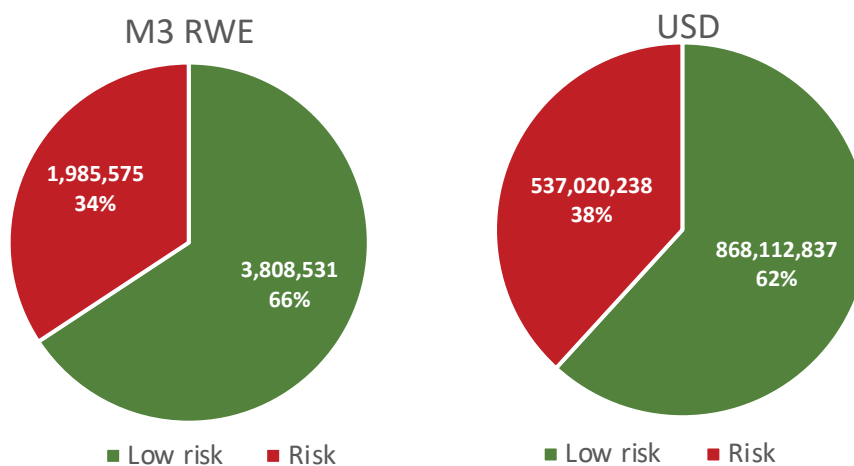
In this Brief, the term "low-risk timber" refers to timber imported from the 51 countries included on the list of positive geographies. "High-risk timber" refers to timber imported from countries not listed as a positive geography. The term "timber" here means logs and sawn timber - the two most important wood products imported into Vietnam every year in volume and value (about 80-90 percentage). Trade data for 2020 timber imports and exports were obtained from the General Department of Vietnam Customs.



2. Vietnam’s imports of logs and sawnwood

In 2020, Vietnam imported 2.54 million cubic meters (m³) of sawn timber and 2.17 million m³ of logs for a total of 5.79 million m³ of round wood equivalent (RWE). Low-risk timber accounted for 65.7% of the total imported volume; the remaining 34.3% was high-risk timber. Total import value for logs and sawnwood reached US\$1.4 billion, of which low-risk timber import accounted for 61% and 39% was high-risk (Figure 1).

Figure 1. Vietnam’s Imports of Low and High-Risk Logs and Sawnwood, by volume, 2020



Source: Compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends from import and export statistics of the General Department of Vietnam Customs

² Details list of imported species and low risk countries in Decision No. 4832: <https://thuvienphapluat.vn/van-ban/Xuat-nhap-khau/Quyet-dinh-4832-QĐ-BNN-TCLN-2020-cong-bo-Danh-muc-cac-loai-go-da-nhap-khau-vao-Viet-Nam-458434.aspx>.

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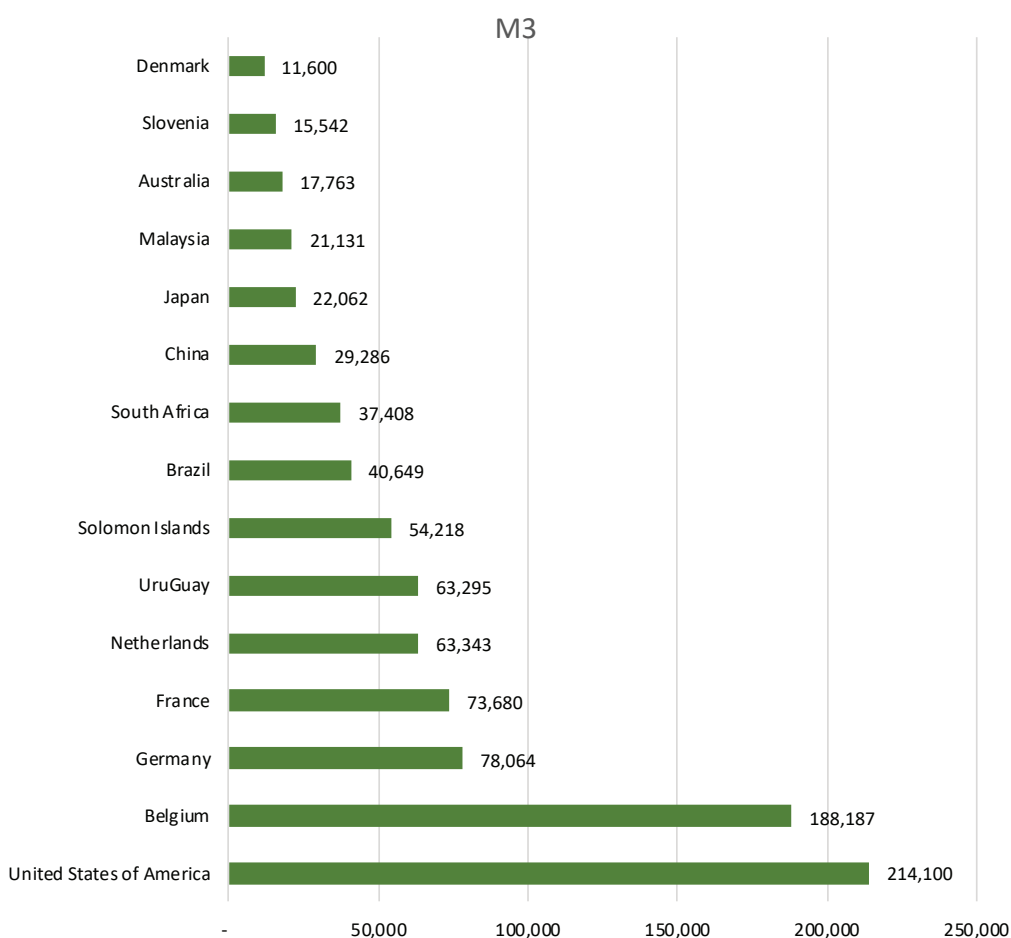
2.1. Vietnam’s imports of low-risk logs and sawnwood

2.1.1. Imports of low-risk logs

Imports by volume

In 2020 Vietnam imported about 998,800 m³ of logs from 41 low-risk countries. The top 15 of these supplied 10,000 m³ or more (Figure 2) and accounted for 93% of the total volume of logs imported from the 41 low-risk sources.

Figure 2. Vietnam’s top 15 source countries of low-risk logs, 2020



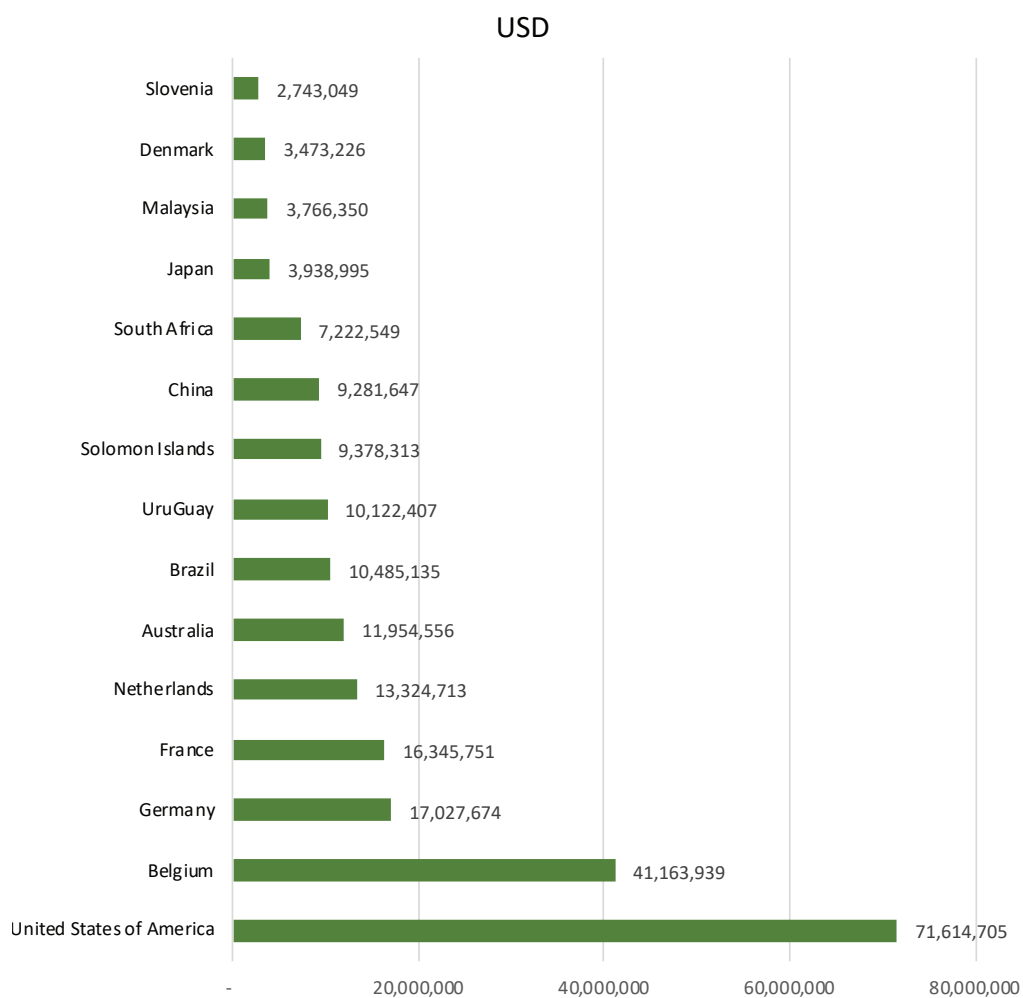
Source: General Department of Vietnam Customs import statistics, as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

21 low-risk countries (51% of the 41) supplied less than 5,000 m³ each. Eight of these countries supplied less than 1,000 m³.

Imports of low-risk logs by value

Vietnam imported nearly US\$252 million of low-risk logs from the 41 countries assessed. Eight of the 41 low-risk countries each totaled over US\$10 million in import value, accounting for 76.2% of the total value of Vietnam’s low-risk log imports (Figure 3).

Figure 3. Vietnam’s top 15 source countries of low-risk logs, by value, 2020



Source: General Department of Vietnam Customs import statistics, as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

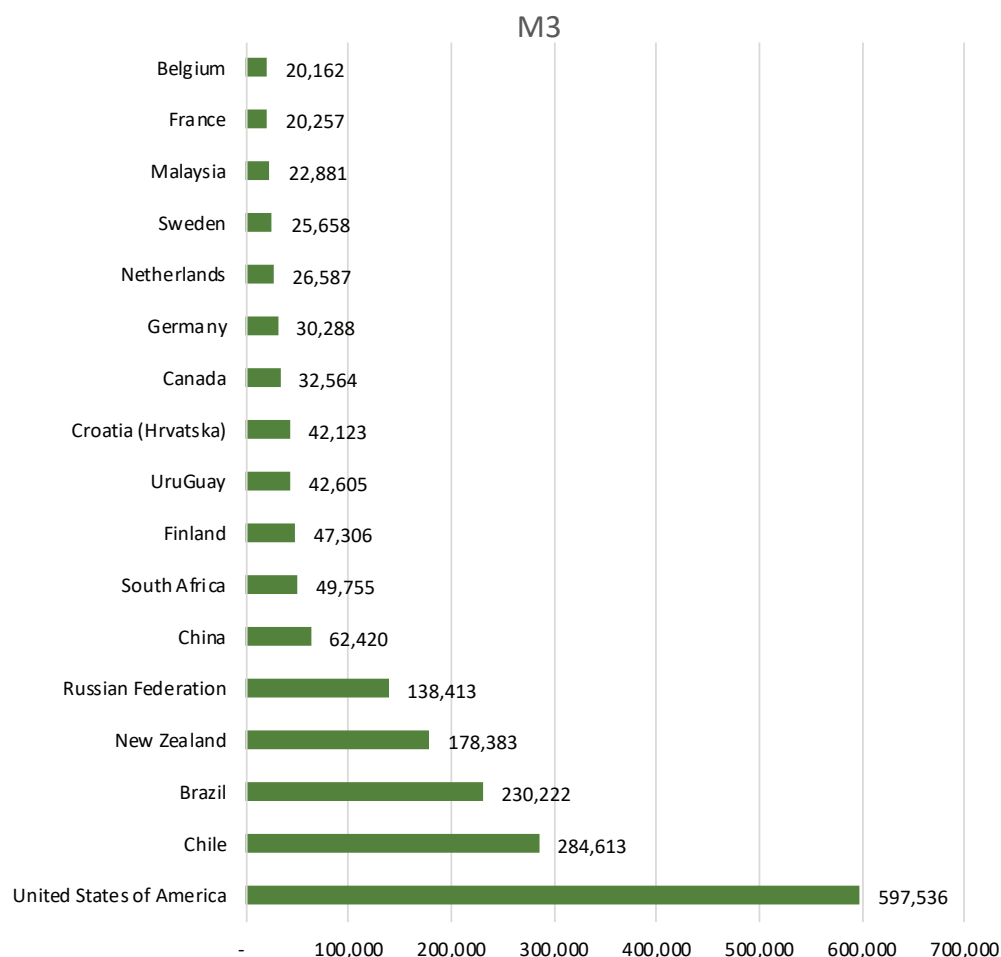
The value of imports from about half of the 41 countries supplying low-risk logs to Vietnam totaled less than US\$1 million in 2020.

2.1.2. Imports of low-risk sawn timber

Imports of low-risk sawn timber by volume

In 2020, 44 countries which exported sawn timber to Vietnam were published on the Government of Vietnam’s list of positive geographies. Vietnam imported nearly 1.97 million m³ from these countries. Of these, 20 countries supplied over 10,000 m³ in 2020, and accounted for nearly 96% of Vietnam’s total import volume from the 44 low-risk countries (Figure 4).

Figure 4. Vietnam’s top 17 source countries for low-risk sawn timber, by volume, 2020

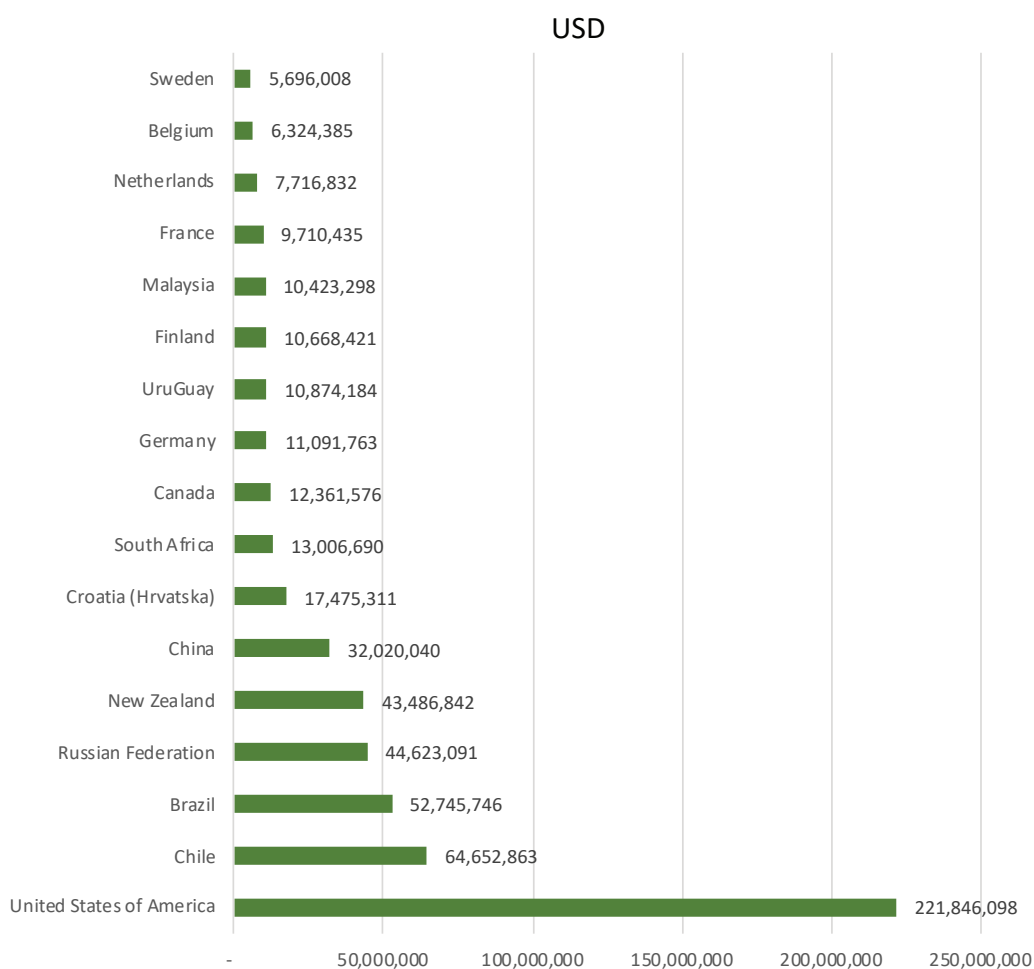


Source: General Department of Vietnam Customs import statistics, as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

Imports of low-risk sawn timber by value

In 2020, Vietnam imported about \$616 million of sawn timber from the 44 low-risk countries. 13 of these countries exported over US\$10 million each to Vietnam, and accounted for 88.5% of the Vietnam’s total low-risk sawn timber import value. (Figure 5)

Figure 5. Vietnam’s top 17 source countries for low-risk sawn timber, by value, 2020



Source: General Department of Vietnam Customs import statistics as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

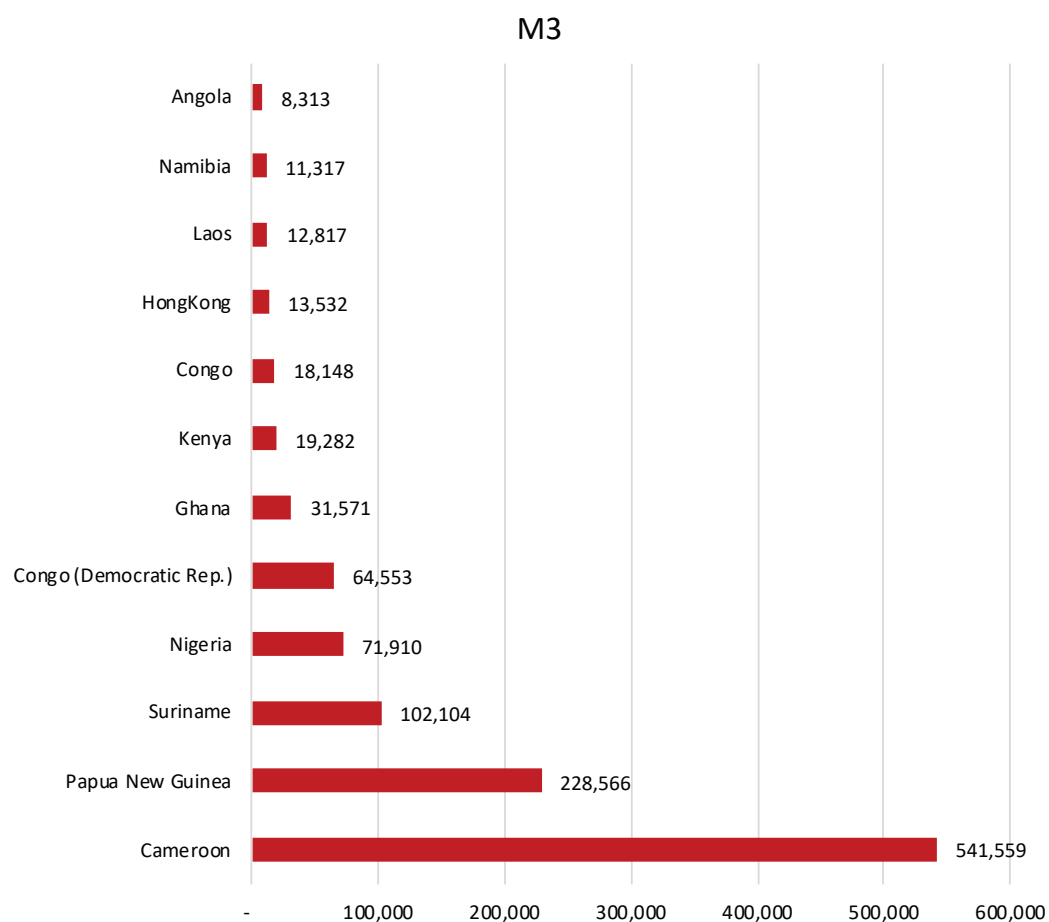
2.2. Vietnam’s import of high-risk timber

2.2.1. Imports of high-risk logs

Imports of high-risk logs by volume

In 2020, Vietnam imported nearly 1.17 million m³ of high-risk logs from 47 countries. 11 countries accounted for 95.4% of all of Vietnam’s imports of high-risk logs, and supplied over 10,000 m³ each. (Figure 6).

Figure 6. Vietnam’s top 11 source countries for high-risk logs, by volume, 2020



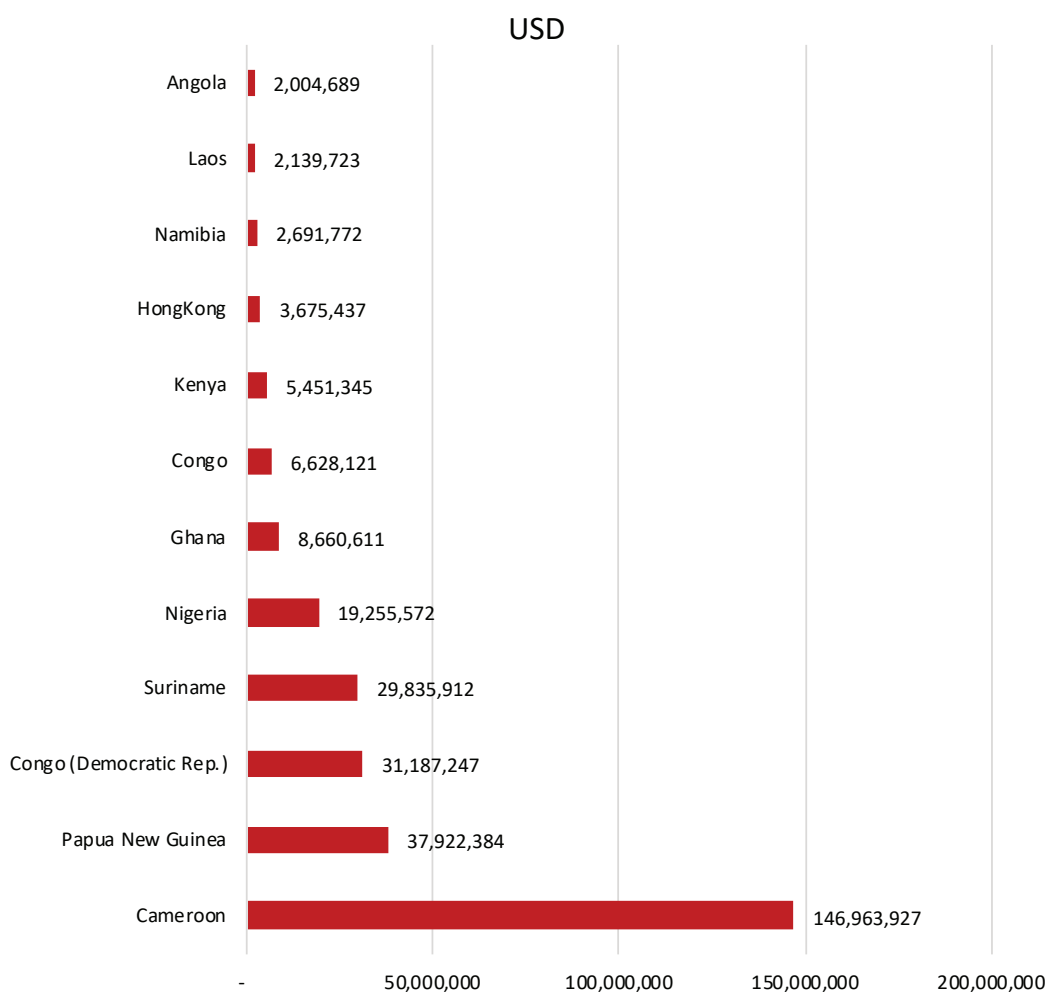
Source: General Department of Vietnam Customs import statistics as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

Of the 47 countries supplying high-risk logs to Vietnam, 20 supplied only small volumes - less than 1,000 m³ each.

Imports of high-risk logs by value

In 2020, Vietnam imported over US\$331 million of high-risk logs from 47 countries. Five of these countries accounted for 85.2% of all of Vietnam’s imports of high-risk logs, with import values totaling above US\$10 million each (Figure 7).

Figure 7. Vietnam’s top 12 source countries for high-risk logs, by value, 2020



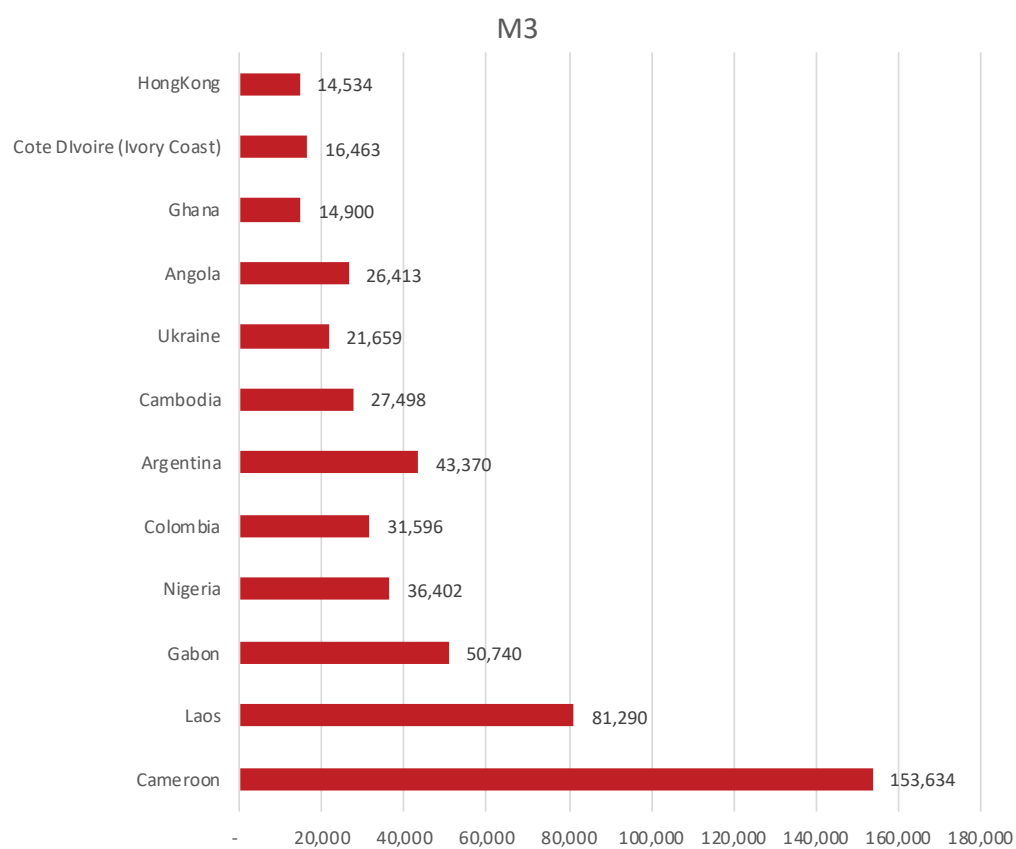
Source: General Department of Vietnam Customs import statistics as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

2.2.2. Imports of high-risk sawn timber

Imports of high-risk sawn timber by volume

In 2020, Vietnam imported over 572,300 m³ of high-risk sawn timber from 45 countries. Of these countries, 12 accounted for 92.6% of all of Vietnam’s imports of high-risk sawn timber, each with import volumes of over 10,000 m³ each (Figure 8).

Figure 8. Vietnam’s top 12 source countries for high- risk sawn timber, by volume, 2020



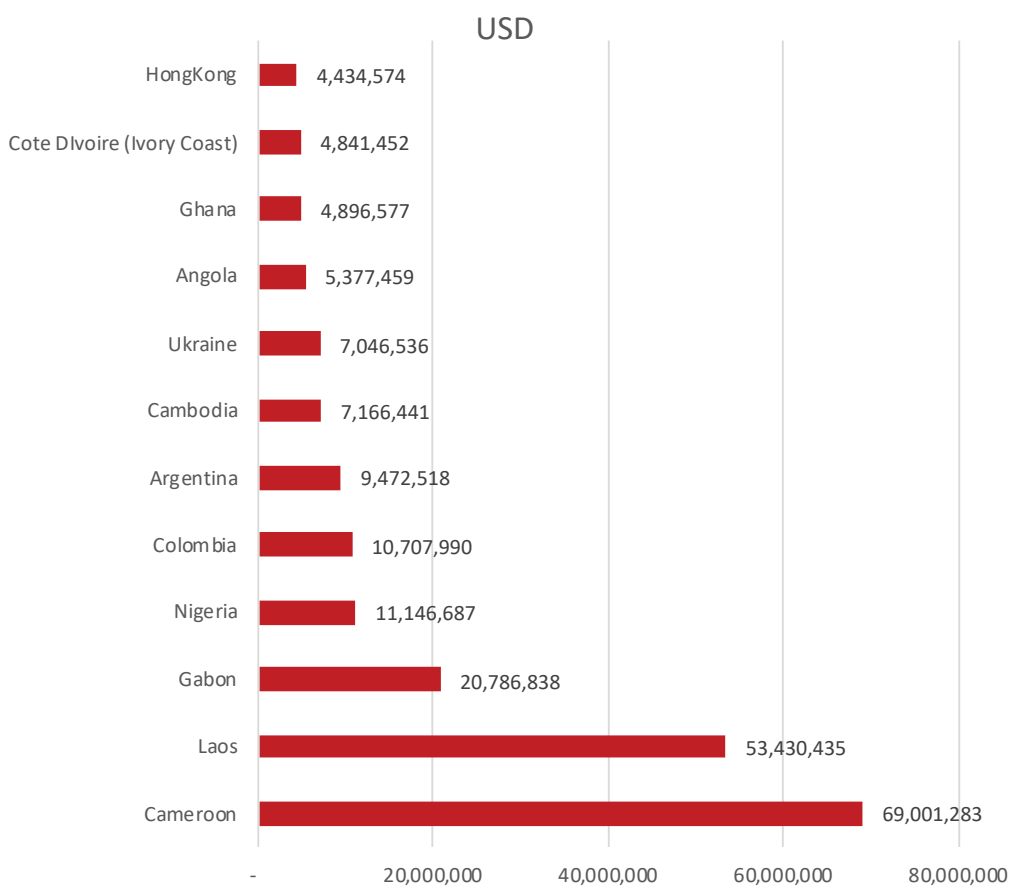
Source: General Department of Vietnam Customs import statistics as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

Of the 45 countries supplying high-risk sawn timber to Vietnam, 27 provided less than 1,000 m³ each; 7 of these, less than 100 m³ each.

Imports of high-risk sawn timber by value

Vietnam imported nearly US\$226 million of high-risk sawn timber in 2020. Imports from five countries exceeded US\$10 million in value each, nine countries with over US\$5 million each, and 18 countries with over US\$1 million each (Figure 9).

Figure 9. Vietnam’s imports top 10 supply countries of high-risk sawn timber, by value, 2020



Source: General Department of Vietnam Customs import statistics as compiled by VIFOREST, Binh Dinh FPA, HAWA, BIFA and Forest Trends

Vietnam's imports of high-risk timber (logs and sawnwood) accounts for one-third of the country's total timber imports.

3. Conclusions

Vietnam's imports of high-risk timber (logs and sawnwood) accounts for one-third of the country's total timber imports. High-risk timber is sourced from 50 countries, with 10 to 15 countries supplying large volumes of over 10,000 m³. The proportion of imported logs which are high-risk is much larger than that of sawn timber imports.

Since committing to eliminating illegal timber from Vietnam's supply chains, as expressed in the FLEGT Voluntary Partnership Agreement (VPA), the Government of Vietnam has been making efforts to control high-risk timber import into Vietnam. Still, however, the volume and value of Vietnam's imports of high-risk timber are still very large.

Eliminating high-risk imports as committed under the VNTLAS Decree is a daunting task. The implementing agencies of the Government of Vietnam may strategies consider focusing first on the main countries of origin (supplying sources), such as those which supply greater than 10,000 m³ each year to Vietnam. The government should require importers of high-risk timber to fully comply with the requirements set forth in the VNTLAS Decree. Strengthening bilateral dialogue with Vietnam's major supplying countries, and with Vietnamese importers, will be critical in allowing the government to make timely adjustments in policy implementation and improvements of its effectiveness.

