



Timber Legality Risk Dashboard: Vietnam

Drafted as of: October 2021

On September 1, 2020, the Government of Vietnam issued Decree 102/2020/ND-CP enacting Vietnam's Timber Legality Assurance System (VNTLAS) as part of its commitments under the Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), a bilateral trade agreement with the European Union, but which covers all timber imported and exported from Vietnam. One of the main objectives of the Decree is to develop mechanisms to ensure the legality of Vietnam's imported timber, based on criteria which classify risks by country of origin and timber species. The Decree entered into force on October 30, 2020 but implementation was delayed until the Vietnamese Ministry of Agriculture and Rural Development (MARD) published a list of "positive" geographical regions on November 27, 2020, or those source countries deemed low-risk which, by default, also indicates that any countries not on this list are considered high-risk.

While the VNTLAS is now being implemented, some early challenges should be expected given that this is a new system.¹

The FLEGT VPA and the VNTLAS prescribe risk classification criteria which rate the timber's country of origin according to, among other things, the existence of a mandatory national framework on due diligence, a World Bank Worldwide Governance Indicator of zero or higher, or mandatory certification systems for national timber.² Concerns have been raised about the results of this risk classification, and specifically the inclusion of some countries on the list of positive geographies released in November 2020. This dashboard does not use the same risk criteria as the one outlined in the VNTLAS and FLEGT VPA. In October 2020, the U.S. initiated an investigation under Section 301 of the Trade Act of 1974 to address environmental concerns related to Vietnam's import and use of illegal timber. On October 1, 2021, the U.S. and Vietnam announced an Agreement which sets out several commitments to keep illegal timber out of the supply chain, including revisiting the risk classification.

The VNTLAS is yet to be formally recognized as meeting the standards set by the European Union Timber Regulation (EUTR) and Vietnam is not currently issuing FLEGT licenses. Vietnam will begin issuing FLEGT licenses when the timber legality assurance system has been successfully tested, and when Vietnam and the EU are satisfied that it functions as described in the VPA. In Europe, a FLEGT licence denotes complete compliance with the EUTR for European importers; however, a FLEGT licence may not in and of itself guarantee compliance with timber import regulations in other jurisdictions, such as the U.S. Lacey Act in the United States.

SUMMARY OF LEGALITY RISKS

Risk scores:

Overall Country Governance Risk: 57.4 (Higher-Risk^b)²

Forestry-Related Risk: Historically high, but Vietnam is now implementing the VNTLAS. Some early challenges should be expected given that this is a new system. If the VNTLAS system is robustly implemented, illegal imports may be expected to drop.

Conflict State: NO³

Log and Sawwood Export Restriction in Effect: YES⁴

Import Regulation in Effect: YES

- Vietnam has started implementing mandatory measures blocking illegal timber imports as part of efforts to develop a Timber Legality Assurance System under the auspices of the Vietnam-EU FLEGT VPA. Some early challenges should be expected given that this is a new system.
- Vietnamese domestic and plantation-grown raw materials (primarily acacia, rubberwood and eucalyptus) are generally considered lower-risk.
- Vietnam imports between 4 and 5 million cubic meters of raw materials annually from both higher- and lower-risk sources with higher-risk imports from the Congo Basin rapidly increasing.
- Higher-risk tropical species tend to be manufactured into wood products primarily for the Vietnamese domestic market with some exports to China.

Summary of Legality Risks (continued)

- Independent NGO reports have documented incidents of illegal timber entering Vietnamese supply chains, particularly through imported raw materials from the Mekong sub-region up until 2018, but increasingly from Africa as imports from Cambodia have dropped in the last two years. If the VNTLAS system is robustly implemented, illegal imports may be expected to drop although it will likely be several months before the effectiveness of implementation can be first assessed.

TRADE PROFILE^{c, d, 5}

Total Imports (2019): \$4.89 billion

Total Exports (2019): \$10.62 billion.
\$7.58 billion (71.4%) to “regulated markets”^e

SUMMARY OF HIGHEST PRODUCT-LEVEL RISKS

Exports – Top Products Exported to the US by 2019 Value⁶

- Wood Furniture – Seating (HS940161 & HS940169)
- Wood Furniture – Other (HS940360)
- Wood Furniture – Bedroom (HS940350)
- Plywood (HS4412)
- Wood Furniture – Office (HS940340)
- Wood Furniture – Kitchen (HS940330)
- Paper (HS48)
- Joinery Products (HS4418)
- Densified Wood (HS4413)
- Frames (HS4414)

Vietnam has banned the export of logs, sawnwood, and raw rattan from natural forests since 1992,^{7,8,9} and restricted the export of charcoal and firewood from natural forests since 1995.^{10,11,12} Vietnam has also placed export restrictions on 52 certain protected timber species designated as Group IA and Group IIA since 1992.¹³ No commercial timber can be exported of Group IA species, while no high-quality manufactured pallets can be exported of Group IIA species.¹⁴ Since 2019, Vietnamese law has required that Group IA and Group IIA species be treated identically to CITES Appendix I and Appendix II species, respectively, for the purposes of exploitation, processing, transportation, and trade.¹⁵

Since 2018, the Vietnamese government has also banned the import of logs and sawnwood from Lao People’s Democratic Republic and Cambodia destined for re-export.¹⁶

SUMMARY OF HIGHEST SPECIES-LEVEL RISKS

Illegal logging and trade affect many timber species, but highly valuable - often rare and endangered - species that are protected under harvest and/or trade regulations are a key target and at an elevated risk for illegality. The following species are either currently, or have recently, been protected in Vietnam. These include CITES-Listed species and species listed as Endangered, Precious and Rare by Vietnamese law.

CITES-Listed Species (Appendix II):

- **Agarwood** (*Aquilaria* spp.)¹⁷
- **Chinese Yew** (*Taxus chinensis*)
- **Himalayan Yew** (*Taxus wallichiana*)
- **Thailand Rosewood** (*Dalbergia cochinchinensis*)^{18,19}

Currently protected:²⁰

Group IA (banned from exploitation and commercial use):

- **Bhutan Cypress** (*Cupressus torulosa*)
- **Bách đãi loan, Taiwania, or Chinese Coffin Tree** (*Taiwania cryptomerioides*)

- **Bách vàng or Vietnamese Golden Cypress** (*Xanthocyparis vietnamensis*)
- **Vân sam fan si pang or Fansipan Fir** (*Abies delavayi* subsp. *fansipanensis*; *Abies delavayi* var. *nukiagensis*)
- **Thông Pà cò or Hunan Five-Needle Pine** (*Pinus fenzeliana* synonym *Pinus kwangtungensis*)
- **Thông đỏ lá dài or Himalayan Yew** (*Taxus wallichiana*)
- **Thông nước or Chinese Swamp Cypress** (*Glyptostrobus pensilis*)
- **Hoàng liên ba gai** (*Berberis wallichiana*)

- **Mun sọc** (*Diospyros salletii*)
- **Sua or Sua** (*Dalbergia tonkinensis*)
- **Chinese Goldthread** (*Coptis chinensis*)
- **Goldthread** (*Coptis quinquesecta*)
- **Venus Slipper** (*Paphiopedilum* spp.)

Group IIA (restricted from exploitation and commercial use):

- **Đỉnh tùng, Phỉ ba mũi, or Mann's Yew Plum** (*Cephalotaxus mannii*)
- **Bách xanh** or **Chinese Incense Cedar** (*Calocedrus macrolepis*)
- **Bách xanh núi đá** or **Vietnamese Incense Cedar** (*Calocedrus rupestris*)
- **Pơ mu** or **Fujian Cypress** (*Fokienia hodginsii*)
- **Du sam, May hình, or Yunnan Youshan** (*Keteleeria evelyniana*)
- **Thông Đà Lạt** or **Dalat Pine** (*Pinus dalatensis*)
- **Thông lá dẹt** or **Krempf's Pine** (*Pinus krempfii*)
- **Thông đỏ lá ngắn** or **Chinese Yew** (*Taxus chinensis*)
- **Sa mộc dầu** or **San-Mu** (*Cunninghamia konishii*)
- **Cycas** (*Cycas* spp.)
- **Trúc tiết nhân sâm** (*Panax bipinnatifidum*)
- **Panax Stipulegnatus** (*Panax stipuleanatus*)
- **Sâm Ngọc Linh** or **Vietnamese Ginseng** (*Panax vietnamensis*)
- **Markhamia** (*Markhamia stipulata*, *Markhamia pierrei*)
- **Gỗ đỏ, Cà te, Go Do, or Makamong** (*Azelia xylocarpa*)
- **Lim xanh** or **Lim** (*Erythrophleum fordii*)
- **Gụ mật, Gỗ mật, or Sepetir** (*Sindora siamensis*)
- **Gụ lau** (*Sindora tonkinensis*)
- **Dảng sâm, Mần cày, or Rầy cáy** (*Codonopsis javanica*)
- **Trai** (*Garcinia fagraeoides*)
- **Trắc** or **Thailand Rosewood** (*Dalbergia cochinchinensis*, synonym *Dalbergia cambodiana*)
- **Cắm lai Bà Rịa, Burmese Rosewood, or Tamalan** (*Dalbergia oliveri*, synonyms *Dalbergia bariensis*, *Dalbergia mammosa*)

- **Giáng hương quả to, Burma Padauk, or Rosewood** (*Pterocarpus macrocarpus*, synonym *Pterocarpus cambodianus*, *Pterocarpus indicus*)
- **Gù hương** or **Quế balansae** (*Cinnamomum balansae*)
- **Re xanh phần** or **Ré** (*Cinnamomum glaucescens*)
- **Vù hương, Xá xỉ, Re hương, or Selasian Wood** (*Cinnamomum parthenoxylon*)
- **Yellow Vine** or **False Calumba** (*Coscinium fenestratum*)
- **Fibraurea** (*Fibraurea tinctoria*, *Fibraurea chloroleuca*)
- **Stephania** (*Stephania* spp.)
- **Nghiên** or **Nghien** (*Burretiodendron tonkinense*, synonym *Excentrodendron tonkinense*)
- **Hoàng tinh cách** (*Disporopsis longifolia*)

Historically protected:

- **Malaysian Persimmon, Broad Leaved Ebony, or Sea Ebony** (*Diospyros maritima*)²¹
- **Agarwood** (*Aquilaria crassna*)²²
- **Cambodia Cinnamon** (*Cinnamomum cambodianum*)²³
- **Chinese Plum Yew, Fortune's Plum Yew, or Chinese Cowtail Pine** (*Cephalotaxus fortunei*)²⁴
- **Brown Pine** (*Podocarpus neriifolius*)²⁵
- **Keteleeria Calcarea** (*Keteleeria davidiana* var. *davidiana*, synonym *Keteleeria calcarea*)²⁶
- **Amentotaxus Argotenia** (*Amentotaxus argotaenia*)²⁷
- **Sindora Cochinchinensis** (*Sindora siamensis* var. *siamensis*, synonym *Sindora cochinchinensis*)²⁸
- **Rosewood** (*Pterocarpus* spp.)²⁹
- **Almondwood** (*Chukrasia* spp.)³⁰
- **Ebony** (*Diospyros* spp.)³¹
- **Madhuca Pasquieri** (*Madhuca pasquieri*)³²
- **Burretiodendron** (*Burretiodendron* spp.)³³
- **Kim giao đá vôi, or Kim giao núi đá** (*Nageia fleuryi*, synonym *Podocarpus fleuryi*)³⁴
- **Indian Mulberry** (*Morinda officinalis*)³⁵

Imported Species: Vietnam's VNTLAS entered into force on October 30, 2020, and while implementation was initially delayed until MARD released a list of "positive" geographies/countries as well as a list of 322 timber species recently imported into Vietnam denoting species that are considered lower risk, implementation is now underway. The VNTLAS is a mandatory national system to track and verify legality and control illegal timber which covers imported wood products. As such, tropical hardwood should be considered high-risk until it is shown that the VNTLAS is being robustly implemented. Imported temperate hardwoods are generally low-risk as Vietnam is predominantly importing these species from North America and Europe, but some high-risk Russian, Ukrainian, or Chinese temperate species are also imported.

CITES-listed imported species

Appendix II

- **Agarwood** (*Aquilaria* spp., *Gyrinops* spp.) from Malaysia, Indonesia, Papua New Guinea
- **Palo santo** (*Plectrocarpa sarmientoi* (syn. *Bulnesia sarmientoi*) from Argentina, Paraguay
- **Ramin** (*Gonystylus* spp.) from Malaysia
- **Spanish cedar** (*Cedrela odorata*) from Côte d'Ivoire (plantation), Suriname
- **Rosewood** (*Dalbergia* spp.) from Belize, Brazil, Cambodia, India, Lao People's Democratic Republic, Mozambique, Nicaragua.
- **Kevazingo / bubinga** (*Guibourtia demeusei*, *Guibourtia pellegriniana*, *Guibourtia tessmannii*) from Gabon
- **Afromosia** (*Pericopsis elata*) from DRC
- **African rosewood** (*Pterocarpus erinaceus*) from Benin, Burkina Faso, Gambia, Ghana, Guinea, Guinea-Bissau, Mali, Nigeria, Sierra Leone.
- **Mahogany** (*Swietenia macrophylla*) from Mexico

Appendix III

- Oak (*Quercus mongolica*) from Russian Federation

Vietnamese importers also source a high percentage of logs and sawnwood from countries with log and/or sawnwood export restrictions in place (48.5 percent of Vietnam's total imports of logs and 26.0 percent of Vietnam's total imports of sawnwood in 2019 by value)³⁶ which poses a risk that processed products entering the U.S. market could include timber illegally exported from the country of harvest.

A log export restriction (LER) or sawnwood export restriction (SER) signals a need for additional risk assessment and mitigation actions to ensure that the import of logs or sawnwood from these countries does not violate the specific laws and regulations of the source country.³⁷

FORESTRY SECTOR

Forested Area: 14.6 million ha (14.9% protected)³⁸

Deforestation Rate: -0.9% annually (net reforestation)³⁹

Forest Ownership (as of 2015):⁴⁰

- 9.22 million ha publicly-managed (65.6%)
- 4.50 million ha managed by groups with long term rights to forest resources (32.0%).
- 342 thousand ha managed by other groups (2.4%)

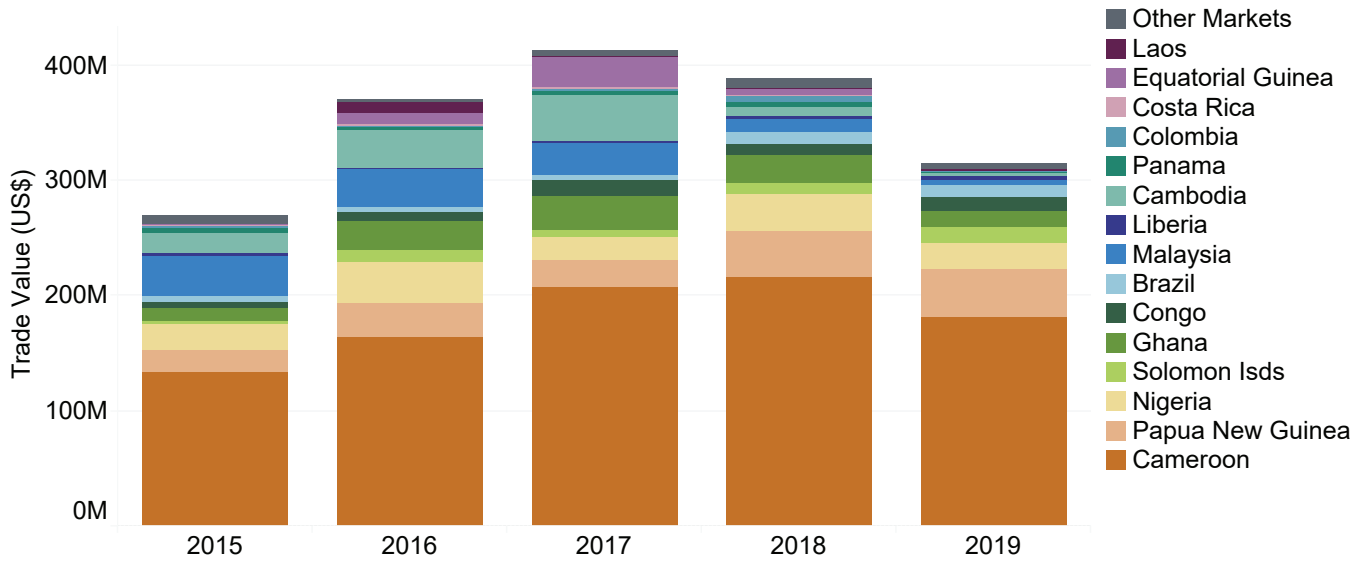
Certified Forests:

- FSC Certification: 199 thousand ha (2019)⁴¹

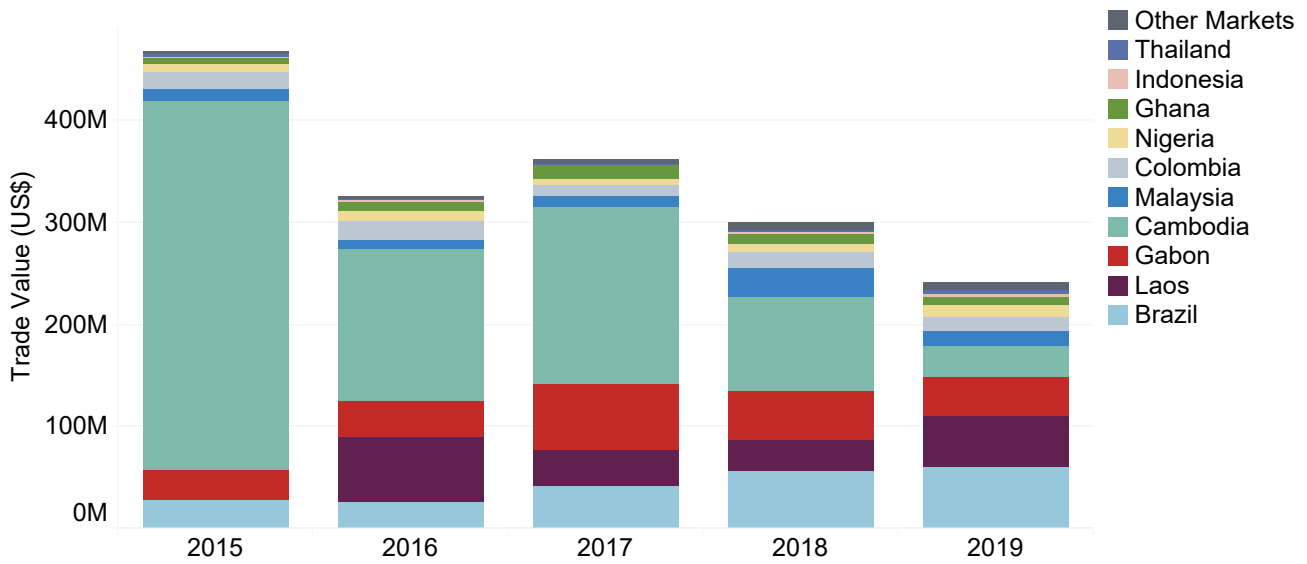
Domestic Production:⁴²

- Logs: 37.34 million m³ (2019)
- Wood Fuel: 20.00 million m³ (2019)
- Wood Chips: 18.15 million m³ (2019)
- Sawnwood: 6.00 million m³ (2019)
- Paper: 3.54 million metric tonnes (2019)
- Wood Pellets: 2.71 million metric tonnes (2019)
- Plywood: 1.65 million m³ (2019)
- Veneer: 1.2 million m³ (2019)
- Pulp: 710 thousand metric tonnes (2019)
- Charcoal: 414 thousand metric tonnes (2019)
- Particleboard: 250 thousand m³ (2019)
- Fibreboard: 190 thousand m³ (2019)

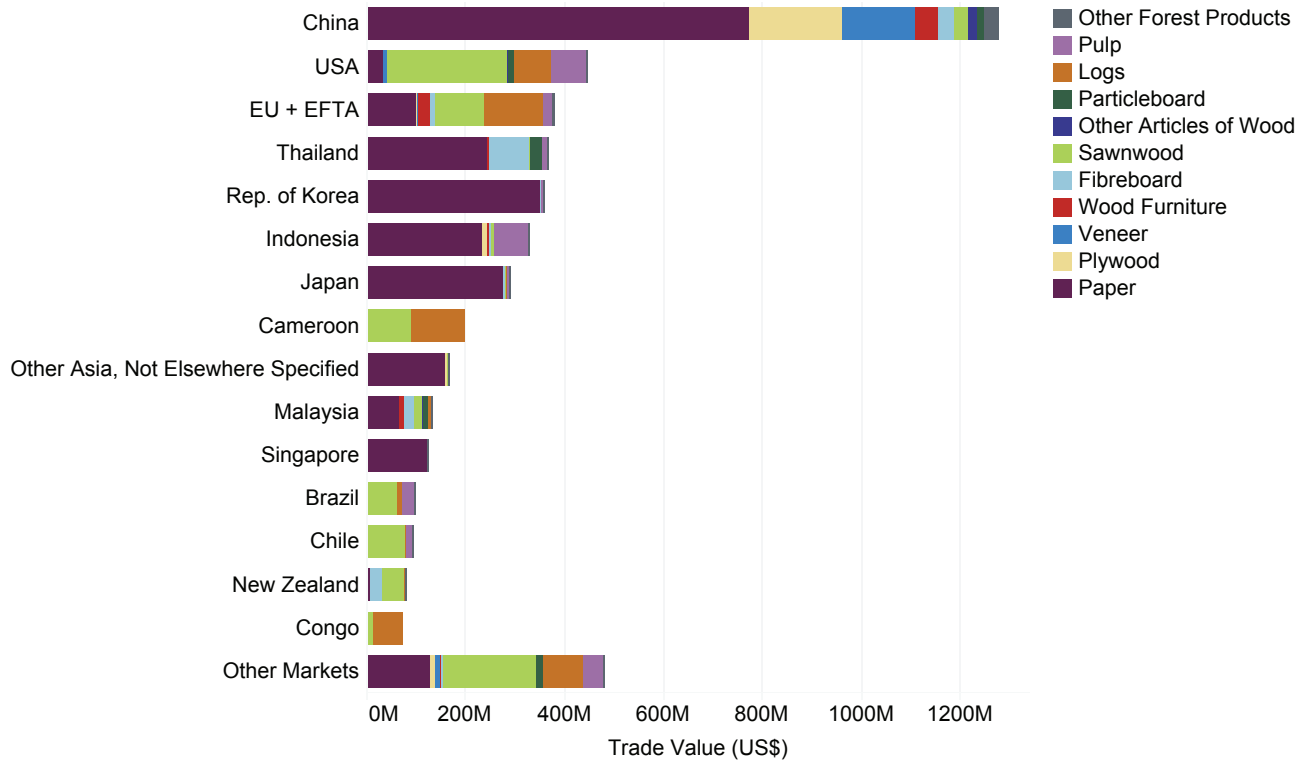
HIGH-RISK IMPORTS: LOG IMPORTS FROM COUNTRIES WHERE ADDITIONAL DUE DILIGENCE IS NEEDED DUE TO AN ACTIVE LOG EXPORT RESTRICTION⁴³ (2015-2019)⁴⁴



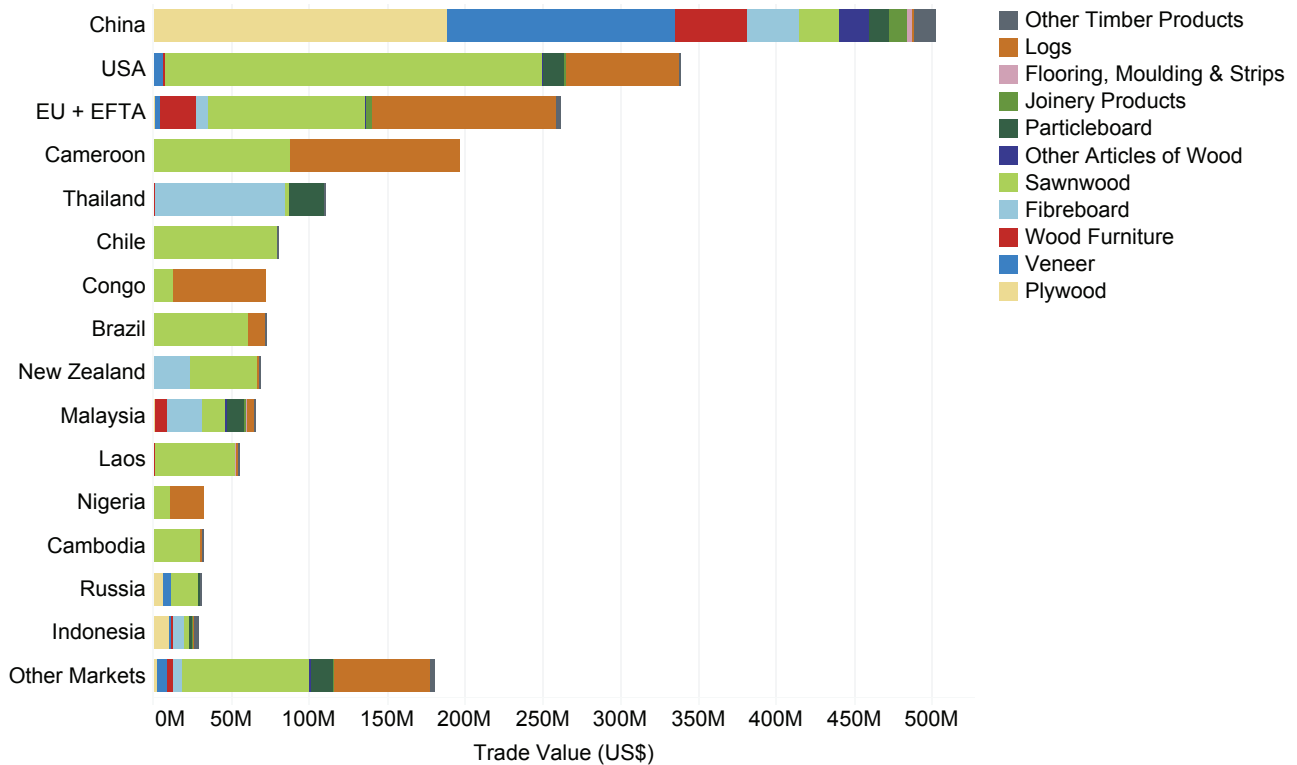
HIGH-RISK IMPORTS: SAWNWOOD IMPORTS FROM COUNTRIES WHERE ADDITIONAL DUE DILIGENCE IS NEEDED DUE TO AN ACTIVE SAWNWOOD EXPORT RESTRICTION⁴⁵ (2015-2019)⁴⁶



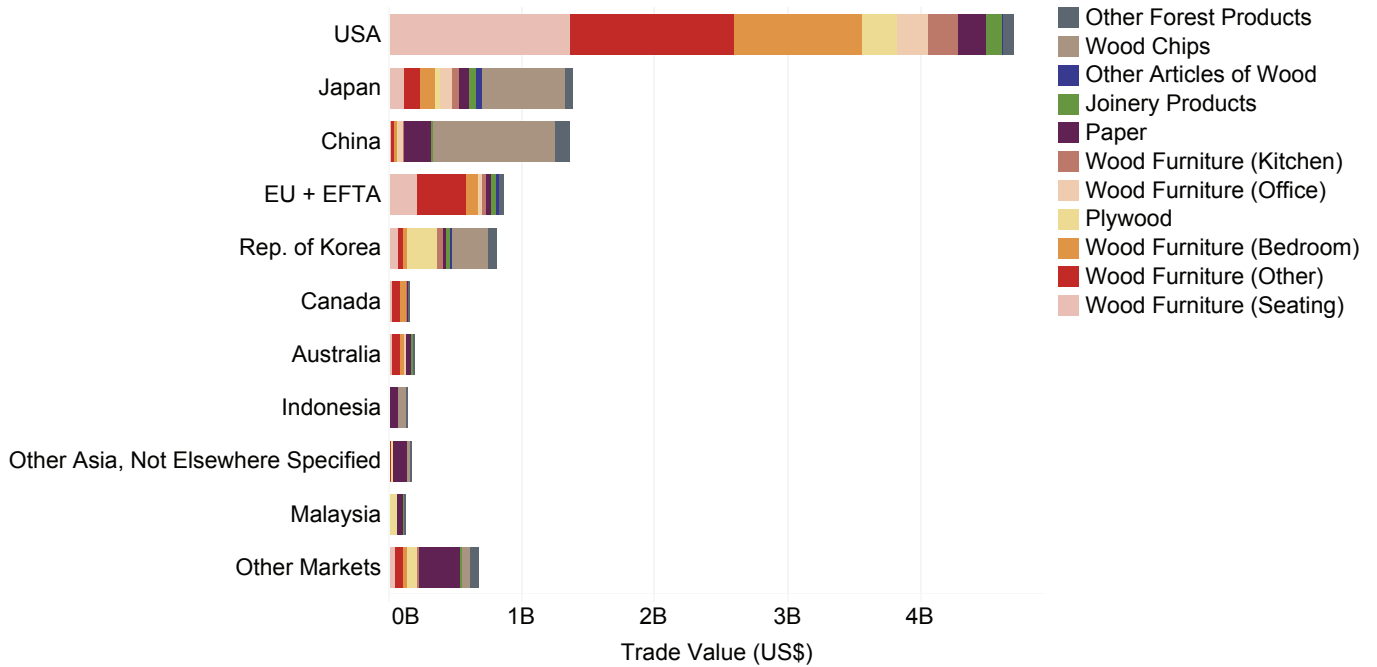
VIETNAM'S TOP SOURCE MARKETS FOR FOREST PRODUCTS BY VALUE (2019)^{f,47}



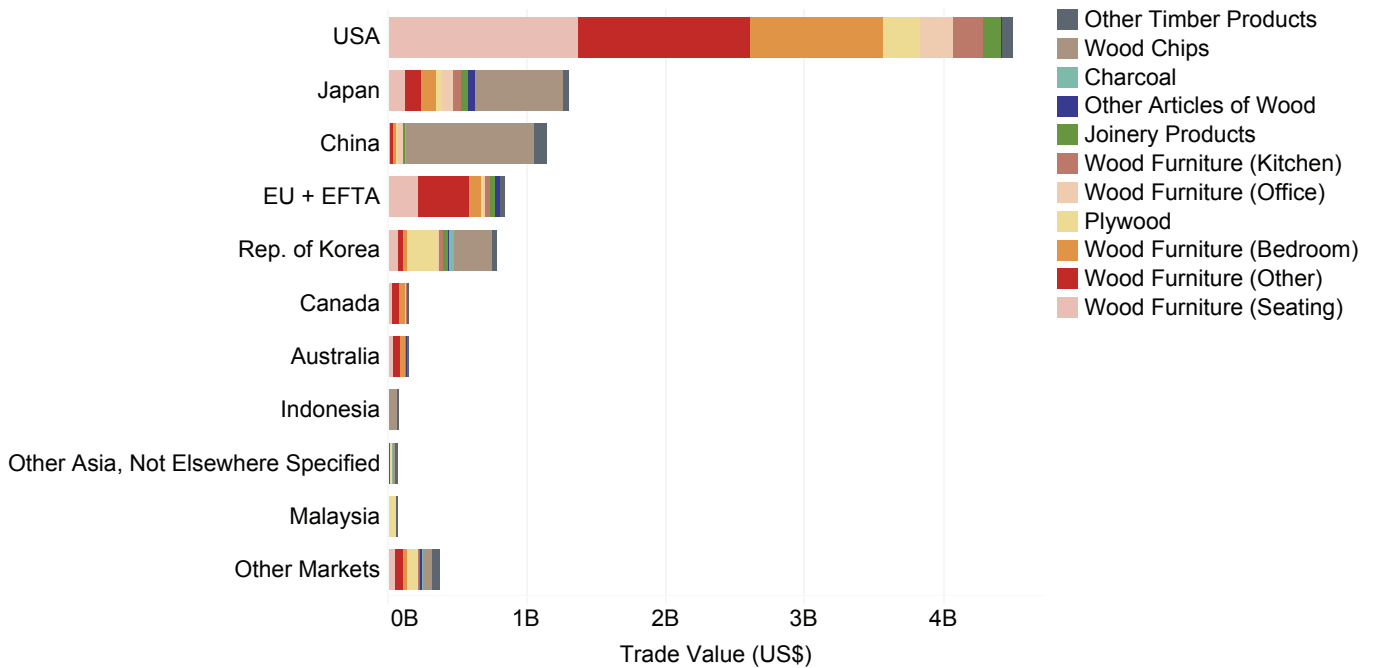
VIETNAM'S TOP SOURCE MARKETS FOR TIMBER PRODUCTS BY VALUE (2019)⁴⁸



VIETNAM'S TOP DESTINATION MARKETS FOR FOREST PRODUCTS BY EXPORT VALUE (2019)⁴⁹



VIETNAM'S TOP DESTINATION MARKETS FOR TIMBER PRODUCTS BY EXPORT VALUE (2019)⁵⁰



- **Vietnam has started implementing mandatory measures blocking illegal timber imports as part of efforts to develop a Timber Legality Assurance System under the auspices of the Vietnam-EU FLEGT VPA. Some early challenges should be expected given that this is a new system.**

The Government of Vietnam has made significant efforts to develop a mandatory national system to track and verify legality and control illegal timber, called the VNTLAS. The VNTLAS was expected to enter into force and become operational on October 30th, 2020.⁵¹ However, implementation was delayed until MARD published a list of "positive" geographical regions, or those source countries deemed low-risk, which would by default, also indicate that countries not on this list should be considered high-risk. MARD published a list of 51 "positive" geographies/countries as well as a list of the 322 timber species recently imported into Vietnam on November 27, 2020. High-risk countries are those not listed in the "positive" geography list. High-risk species are the ones not included in the species list. These include species imported for the first time, species that are listed in CITES Appendices, or those classified as category IA or IIA under Vietnamese law.

There have been a number of concerns raised in relation to the published lists including the presence of some countries on the "positive" geographies list that might be considered higher risk using other risk criteria/methodologies such as the approach taken in this analysis.

In October 2020, the U.S. initiated an investigation under Section 301 of the Trade Act of 1974 to address environmental concerns related to Vietnam's import and use of illegal timber in the processing industry.⁵² The U.S. investigation focused on the extent to which certain timber imports into Vietnam may be inconsistent with Vietnam's domestic laws or the laws of the exporting country, the adequacy of Vietnam's enforcement at the border and other acts, policies and practices related to Vietnam's import and use of illegal timber. On October 1, 2021, the U.S. and Vietnam announced an Agreement on illegal logging and timber trade which sets out several commitments from the Government of Vietnam to improve its Timber Legality Assurance System, keep confiscated timber (i.e., timber seized for violating domestic or international law) out of the commercial supply chain, verify the legality of domestically harvested timber regardless of export destination and work with high-risk source countries to improve customs enforcement at the border and law enforcement collaboration. This Agreement includes a commitment to revisit the criteria used to classify a third country as a "positive geographical area" exporting timber to Vietnam. The U.S. and Vietnam also agreed to the creation of a timber working group under the U.S. - Vietnam Trade and Investment Framework Agreement Council which will monitor Vietnam's implementation of its commitments under the Agreement and associated measures.

The VNTLAS has been designed to provide assurances that timber and timber products produced and processed in Vietnam come from legal sources and are in full compliance with relevant Vietnamese laws and regulations, as verified by accredited independent auditors and monitored by civil society. It covers a wide range of products and applies to all timber traders, downstream processors, and exporters and also requires Vietnamese importers to source legal timber.⁵³

Timber traceability within the wood products processing sector varies greatly between industry sub-sectors. Most exporting companies have some form of chain-of-custody, but many small and micro enterprises using tropical hardwoods do not.⁵⁴

The import controls in the VNTLAS prescribe a series of due diligence requirements that Vietnamese importers must meet if sourcing specific species of timber or wood from a high-risk source country. The requirements are focused on providing documentary evidence to verify legal harvest and legal trade in the species. Reports suggest that such a document-based system can lead to companies seeking a "clean supply chain" through collection of documentary evidence, rather than a genuinely risk-free supply chain. There have been reports of Vietnamese importers using legitimate source documentation to "launder" the import of more timber than the documents would legally allow, as there is no global system of volume reconciliation available to detect this fraud. The Environmental Investigation Agency (EIA) has revealed that there is a high chance of fraudulent documentation used by Vietnamese companies to certify legality for timber shipments from the Congo Basin.⁵⁵

- **Vietnamese domestic and plantation-grown raw materials (primarily acacia, rubberwood and eucalyptus) are generally considered lower-risk.**

A logging ban is currently in place for natural forests which is generally well-enforced and an export ban also covers logs and sawnwood from domestic natural forests.^{56,57,58,59} This means that in principle there should be no timber harvested from natural forests in Vietnam (other than clearing for infrastructure projects). The majority of domestic plantation timber will be from short cycle plantations.

Timber Legality (continued)

Vietnam has significant volumes of plantations, grown in state-owned forests and by small growers harvesting lower-risk species including acacia, rubber, and eucalyptus as well as melaleuca and bamboo.⁶⁰ Vietnam is estimated to produce roughly 35 million cubic meters of timber from plantations annually.⁶¹ Vietnam's exports of wood chips and pellets have grown exponentially and are also likely sourced from low-risk plantations.^{62,63}

Certified plantation timber or species harvested from Vietnamese plantations with documents proving legal right to harvest can generally be considered lower-risk. However, forestland disputes between State Forest Companies and local communities over the last few years remain a risk.^{64,65,66}

Timber sourced from Vietnamese plantations will eventually require a FLEGT licence when Vietnam is issuing FLEGT licenses. In Europe, a FLEGT licence denotes complete compliance with the EUTR for European importers, however, a FLEGT licence may not in and of itself guarantee compliance with timber import regulations in other jurisdictions, such as the U.S. Lacey Act in the United States.

- **Vietnam imports between 4 and 5 million cubic meters of raw materials annually from both higher- and lower-risk sources with higher-risk imports from the Congo Basin rapidly increasing.**

Vietnam imports approximately 4-5 million m³ round wood equivalent (RWE) annually⁶⁷ from a diverse set of countries – ranging from low-risk (in North America) to countries with well-documented risks of illegal logging of tropical hardwoods (Cameroon, Nigeria, Democratic Republic of the Congo, Mozambique, Cambodia, and Papua New Guinea)^{68,69,70,71,72,73,74,75,76} to countries which themselves import from higher-risk countries before shipping to Vietnam for further processing and value addition (Thailand, Singapore, and China).^{77,78,79,80} Vietnamese demand for logs has shifted in the past few years away from Cambodia, Myanmar and Lao People's Democratic Republic, which passed log export restrictions in 2014 and 2015 respectively,⁸¹ to Cameroon, China, the EU + EFTA Member States, the U.S., Nigeria, Papua New Guinea, and the Democratic Republic of the Congo.⁸²

Vietnam's sawnwood imports are sourced from the U.S. (25.2 percent), the EU + EFTA Member States (11.4 percent), Cameroon (11.0 percent), Chile (8.2 percent), Brazil (6.6 percent), Lao People's Democratic Republic (5.3 percent), New Zealand (4.6 percent) and Gabon (4.2 percent). Imports from Lao People's Democratic Republic and Cambodia have decreased in favor of increased imports from lower-risk countries including the US, the EU + EFTA Member States, and Chile, although Cameroon has become increasingly prominent since 2018.⁸³

Vietnam has significantly increased its raw material sourcing from Congo Basin countries. From 2013 - 2018, there has been a 154 percent increase in Congo Basin exports to Vietnam.^{9,84,85}

A significant number of these countries rank high globally for governance challenges and corruption, or are listed on the World Bank's list of fragile and conflict-affected situations (FCS) indicating significant challenges for respective governments to maintain the rule of law. Complicity of government officials in corruption in many states compromises the enforcement of laws and regulations relating to forest protection and management, and suggests an increased risk of buying illegal wood.^{86,87,88}

- **Higher-risk tropical species tend to be manufactured into wood products primarily for the Vietnamese domestic market with some exports to China.**

Imported logs and sawnwood are key components in the production of furniture. It is thought that a majority of the high-risk tropical species are manufactured into wood products primarily for the Vietnamese domestic markets with some limited exports to China. The lower-risk, light-colored species (e.g. oak, beech) are exported to North American and European markets.

In efforts to circumvent U.S. tariffs, Chinese products have been increasingly exported to Vietnam and then re-exported to the U.S. with marginal value-added processing.⁸⁹ This violates U.S. trade laws on circumvention, but also is considered a high risk of illegality due to China's medium-risk rating.^{90,91}

Plywood traded from China into Vietnam and onwards to the U.S. has been of increasing concern. A special action intervention task force has led to legislation in Vietnam that suspends the import of plywood from China for re-export to the U.S. for five years.⁹²

- **Independent NGO reports have documented incidents of illegal timber entering Vietnamese supply chains, particularly through imported raw materials from the Mekong sub-region up until 2018, but increasingly from Africa. If the VNTLAS system is robustly implemented, illegal imports may be expected to drop although it will likely be several months before the effectiveness of implementation can be first assessed.**

For example, in 2018, EIA identified three main areas within Cambodia where substantial illegal logging operations were underway and tracked the timber from these sites into Vietnam, both through an official border crossing at Hoa Lu in Bình Phước province and in Le Thanh in Gia Lai province, and where it was smuggled out of Cambodia and into Vietnam across informal crossings near both Hoa Lu and Le Thanh.⁹³ Vietnamese imports from Cambodia and Lao People's Democratic Republic have dropped significantly since 2018.⁹⁴

During this period, Cameroon has become the largest supplier of tropical logs to Vietnam (accounting for 25 percent of the logs imported between 2016 and 2019, in value).⁹⁵ In Vietnam, Cameroonian logs have replaced the Southeast Asian species that previously filled the market. Unprocessed logs account for the vast majority (73 percent in value from 2016 to 2019) of the timber trade between Cameroon and Vietnam.

More recently, in 2020, EIA demonstrated that the exploding Cameroon-Vietnam timber supply chain is rife with illegal activities, such as: widespread violation of export laws (including log export bans of certain species and limits to the size of processed timber products allowed for export) and routine misdeclaration of species; illegal harvest, including from within national parks; laundering operations with fraudulent paperwork; tax evasion and labor violations.⁹⁵

Global Witness found that Norsudtimber, a Liechtenstein-based company operating in Democratic Republic of the Congo, illegally harvested timber on 90% of its sites. In 2017, Vietnam imported 74% of the timber harvested by Norsudtimber and overtook China as the main destination for Norsudtimber's exports.⁹⁶

REPORTS & ADDITIONAL RESOURCES

A list of relevant reports and additional online tools to complement this country report are also available at the IDAT Risk website: <https://www.forest-trends.org/fptf-idat-home/>

Key Reading:

1. Xuan To, Phuc *et al.* 2020. "Vietnam's Import of Tropical Timber and the Implementation of the Vietnam Timber Legality Assurance System: Africa, Cambodia, Laos, and Papua New Guinea." Forest Trends.
2. Environmental Investigation Agency and Centre pour l'Environnement et le Développement. 2020. "Tainted Timber, Tarnished Temples." Environmental Investigation Agency.
3. Xuan To, Phuc, Basik Treanor, Naomi and Kerstin Canby. 2017. "Impacts of the Laos Log and Sawnwood Bans." Forest Trends.
4. Environmental Investigation Agency. 2020. "The Vietnam-European Union Voluntary Partnership Agreement: A Work in Progress." Environmental Investigation Agency.

METHODOLOGY & TERMINOLOGY NOTES

^aFor further information on the risk classification see Xuan To *et al.*, 2020.

^bThe overall country governance risk scores reflect Forest Trends' 2021 updated assessment of national-level independent political, governance, business, economic and corruption indices which draw on a broad range of relevant underlying data from the World Bank, African Development Bank, Asian Development Bank, Inter-American Development Bank, International Fund for Agricultural Development's programming criteria, United Nations and governmental aggregated data, as well as independent surveys and other primary data to provide an average relative governance and corruption risk score for 211 countries globally. Countries scoring less than 25 are considered "Lower Risk," countries scoring between 25 and 50 are "Medium-Risk" and countries scoring above 50 are "Higher-Risk." It is important to note that it is possible to source illegal wood from a well-governed, "Lower-Risk" state and it is also possible to source legal wood from a "Higher-Risk" country. As such, the risk scores can only give an indication of the likely level of illegal logging in a country and ultimately speaks to the risk that corruption and poor governance undermines rule of law in the forest sector. A full methodology is available on the IDAT Risk website: <https://www.forest-trends.org/fptf-idat-home/>

- ^cThe term “forest products” is used to refer to timber products (including furniture) plus pulp and paper. It covers products classified in the Combined Nomenclature under Chapters 44, 47, 48 and furniture products under Chapter 94. While the term “forest products” is often used more broadly to cover non-timber and non-wood products such as mushrooms, botanicals, and wildlife, “forest products” is used to refer to timber products plus pulp and paper in this dashboard.
- ^d Except where otherwise specified, all trade statistics and chart data is sourced from UN Comtrade, compiled and analyzed by Forest Trends.
- ^e Regulated markets reflect countries and jurisdictions that have developed operational measures to restrict the import of illegal timber. As of 2021, this included the U.S., Member States of the European Union (as well as the United Kingdom, Iceland, Liechtenstein, Norway and Switzerland), Australia, Canada, Colombia, Indonesia, Japan, Malaysia, South Korea, and Vietnam. Some measures are more comprehensive in scope, implementation, and enforcement than others.
- ^f All references to “EU + EFTA” signify the 27 Member States of the European Union (as of 2021), as well as the United Kingdom, Iceland, Liechtenstein, Norway and Switzerland.
- ^g For the purposes of this statistic, the Congo Basin is defined as Cameroon, the Central African Republic, the Republic of the Congo, the Democratic Republic of the Congo, Equatorial Guinea and Gabon.
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This Timber Legality Country Risk Dashboard (Dashboard) was drafted by Forest Trends and funded by a grant from the United States Department of State, Bureau of Oceans and International Environmental and Scientific Affairs. The opinions, findings, and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State or any other party. The United States supports efforts to raise awareness of and combat global illegal logging and associated trade. This dashboard contributes to these ongoing efforts.

The Dashboards have been compiled from publicly available information sources to support risk assessments on the legality of timber products entering international supply chains. The Dashboards are for educational and informational purposes only. The Dashboards have been drafted with input from the Environmental Investigation Agency (EIA) and are subject to external peer review. The Dashboards will be updated periodically based on newly available information.

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