



WORKSHOP

VIETNAM – CHINA TIMBER TRADE IN 2012 - 2014:

PRESENT STATUS AND FUTURE TRENDS

Background

China's market has been important for timber trade and the processing industry of Vietnam, and will continue to be so in the future. The importance of this market is not only reflected in terms of a large volume of annual export revenue but also in a huge demand on imported volume of wood products from Vietnam every year. In 2014, Vietnam derived about US\$845 million from wood products going to China. In the same year, Vietnam spent US\$240 million for importing wood products from China. Almost all wood products exported to China from Vietnam are raw materials such as woodchips, round wood, sawnwood, veneer, and handicrafts (e.g., tables, chairs, and cupboards) made of precious wood species. The main wood products imported to Vietnam from China are plywood, fiberboard, particleboard, and chipboard.

In general, trade relations between China and Vietnam have been characterized as a *permanent deficit* for Vietnam, with an average annual deficit of more than US\$20 billion. Nevertheless, the timber trade relations between the two countries do not follow this trend, with the trade surplus for Vietnam.

Although the timber trade between Vietnam and China has been very important, its present status, dynamics, and future trends are unknown. Furthermore, while comparing the import-export data recorded by the Vietnamese authority with the data recorded by the Chinese authority, large gaps for some similar wood products are revealed. This has triggered a lot of concerns about the accuracy of statistics and questioned the reported magnitude and current dynamics of timber trade between two countries.

Objectives

This workshop is held to assess the present status, dynamics, and future trends of timber trade relations between Vietnam and China in the context of changing economic and political relationships between the two countries. The specific objectives include:

- Assess the present status and future trends of timber trade between Vietnam and China in 2012 – 2014;
- Review pros and cons in existing timber trade relations between the two countries;

- Examine the key reasons that explain the gaps in import-export data between Vietnam and China;
- Discuss and recommend policy options to promote sustainable timber trade between two countries.

Organizers:

Vietnam Timber and Forest Products Association (VIFORES), Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA), Forest Products Association of Binh Dinh (FPA Binh Dinh) and FOREST TRENDS.

Workshop participants:

- Government: Office of the Government, Ministry of Agriculture and Rural Development, Ministry of Industry and Trade, Ministry of Finance, Vietnam Chamber of Commerce and Industry (VCCI);
- Research institutions whose work relate to forest and timber trade;
- Representatives from companies and households those directly involve in the production or trade of timber products;
- Development organizations and NGOs;
- Scientists;
- Mass media

Time: In the morning on September 15th 2015 (Tuesday).

Venue: Cong Doan Hotel, No 14th Tran Binh Trong str., Hai Ba Trung district, Hanoi.

Agenda: *Enclosed with this introduction.*

Registration: Please register before **17:00 pm, September 11th 2015 (Friday)** with Ms. Cao Thi Cam – Vietnam Timber and Forest Products Association (VIFORES), email: camcao@vietfores.org; Telephone number: 04. 37833016/0904 35 7589

Workshop Agenda

- 8:00 – 8:30 Registration
- 8:30 – 8:40 Opening speech (*VIFORES*)
- 8:40 – 9:10 Vietnam-China timber trade in 2012-2014 using statistics from Vietnamese authorities: Present status and future trends (*FOREST TRENDS*)
- 9:10 – 10:00 Discussion: (*Representatives from timber associations, government authorities, research and development institutions, trading companies, and households involved in the timber production*)
- Types of products imported and exported, and scale and dynamics of the trade
 - Cost-effectiveness and risks in the trade
 - Sustainable trade
- 10:00 – 10:30 Coffee break
- 10:30 – 10:50 Major gaps in timber trade between Vietnam and China: Comparing stat data from Vietnam Customs to Chinese Customs in 2012-2014 (*FOREST TRENDS*)
- 10:50 – 12:30 Discussion: (*Representatives from timber associations, government authorities, research and development institutions, trading companies, and households involved in the timber production*)
- Present status of the gaps
 - The causes of these gaps
 - Solutions to avoid these gaps
- 12:30 Closing remark (*VIFORES*)