



China and the Global Forest Products Trade: Trade of legal and sustainable wood in China

4th Round

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Oriental Garden Hotel, Beijing

Controlling Illegal Logging through cooperation with
Customs:

Lost in Transit: Export and import protocols as
contributors to discrepancies in international
timber trade data

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Exporters and importers reviewed for the study

Producers	Processing/ transit countries and territories	Consumers
Indonesia Malaysia	China Hong Kong Singapore Taiwan POC	France Germany Italy Japan Netherlands Rep. of Korea UK USA

A comparison of the export volumes for HS4403 logs as reported by Indonesia and its importing partner Japan

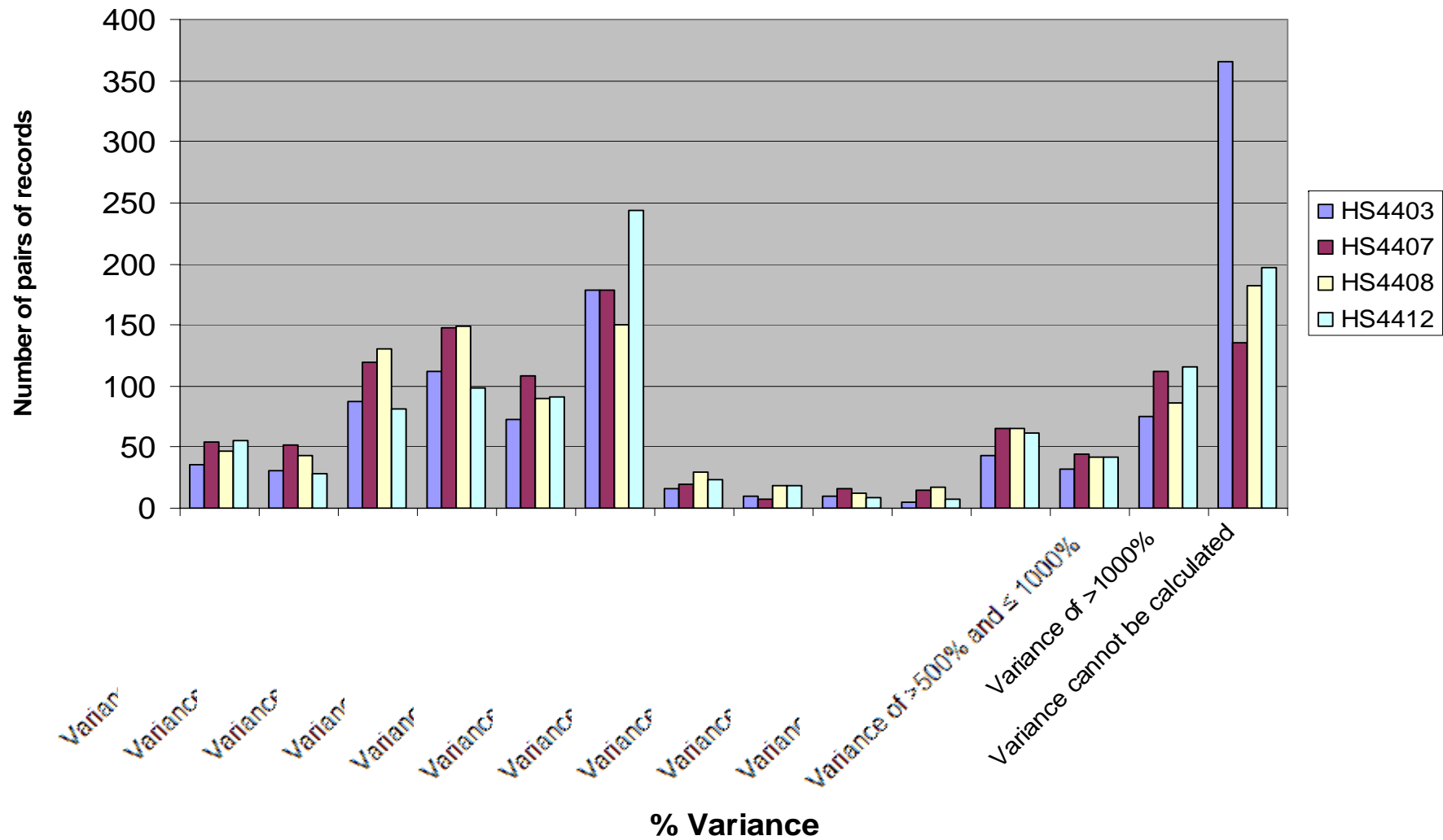
	HS4403	m3		
Year	Country		Difference	% Variance
	Export	Import		
	Indonesia	Japan		
2000	30,774	46,330	-15,556	-51
2001	219,252	167,615	51,637	24
2002	1,506	8,067	-6,561	-436
2003	440	110	330	75
2004	67	27	40	60
2005	17	57	-40	-237
2006	25	82	-57	-229

Source: Central Bureau of Statistics BPS, Indonesia, and Statistics Department, Japan

**A comparison of the export volumes for HS4403 lumber
between INDONESIA and trading partners with huge
discrepancies (m3)**

Year	Country		Difference	% Variance
	Export	Import		
2003	534	116087 (CN)	-115553	-21639
2004	99	92518 (CN)	-92419	-93353
2005	0	49897 (CN)	-49897	#DIV/0!
2006	25	35806 (CN)	-35781	-143124
2003	53	1849 (KR)	-1796	-3389
2005	207	4369 (MY)	-4162	-2011
2004	1	28571 (SG)	-28570	-2857000
2005	25	35836 (SG)	-35811	-143244
2006	42	13647 (SG)	-13605	-32393
2003	13	51960 (USA)	-51947	-399592

**Comparison between numbers of pairs of records of timber trade discrepancies
for a range of % variance between import and export data for HS4403, HS4407,
HS4408, HS4412**



Factors influencing discrepancy at export:

1. Change in fiscal year
2. Production valuation
3. Time lag between export and import
4. Data entry errors
5. Units and conversion factors
6. Log scaling methods
7. Mixed products in shipment
8. HS code classification
9. Under invoicing
10. Mis-speciation and grading
11. Smuggling

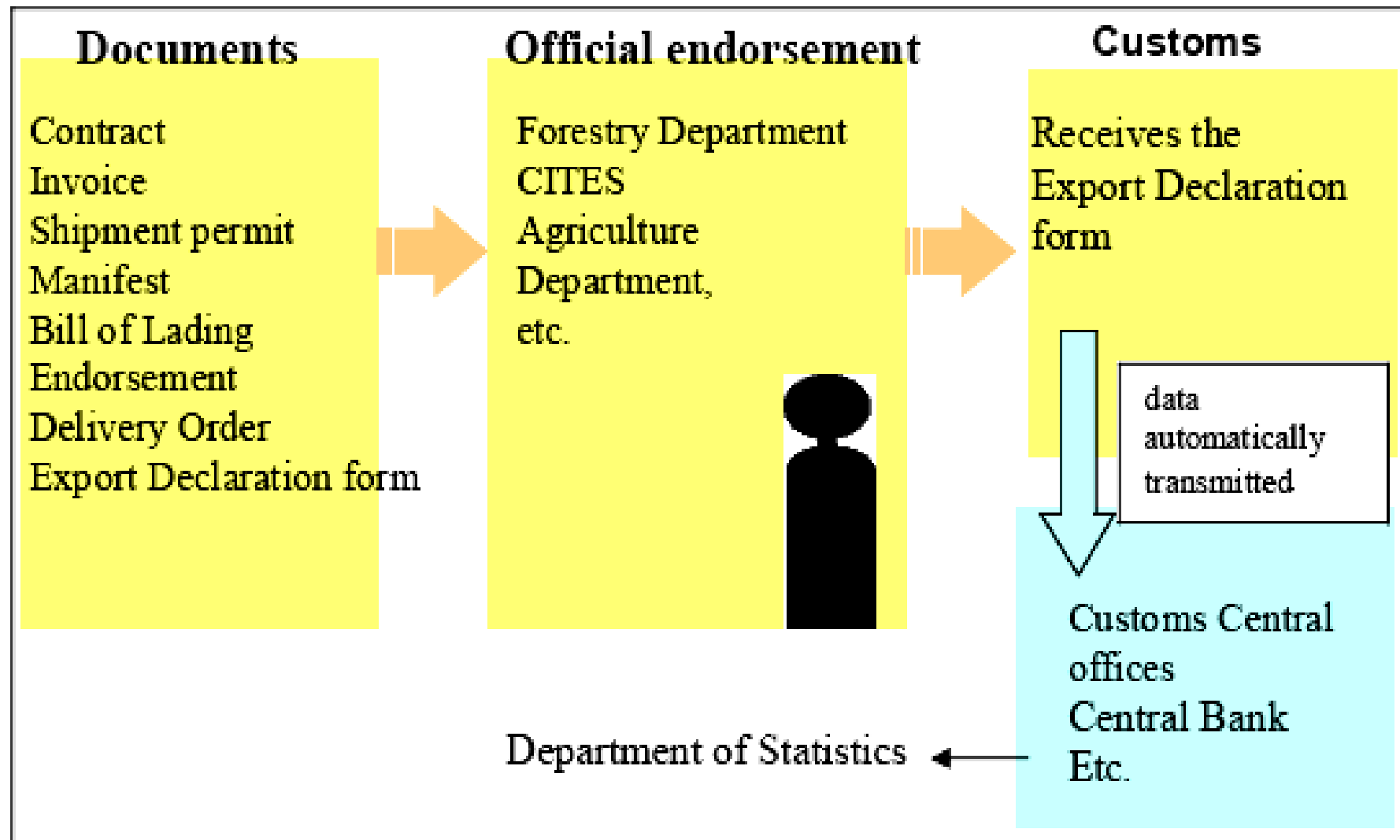
Customs

Factors influencing discrepancy at import:

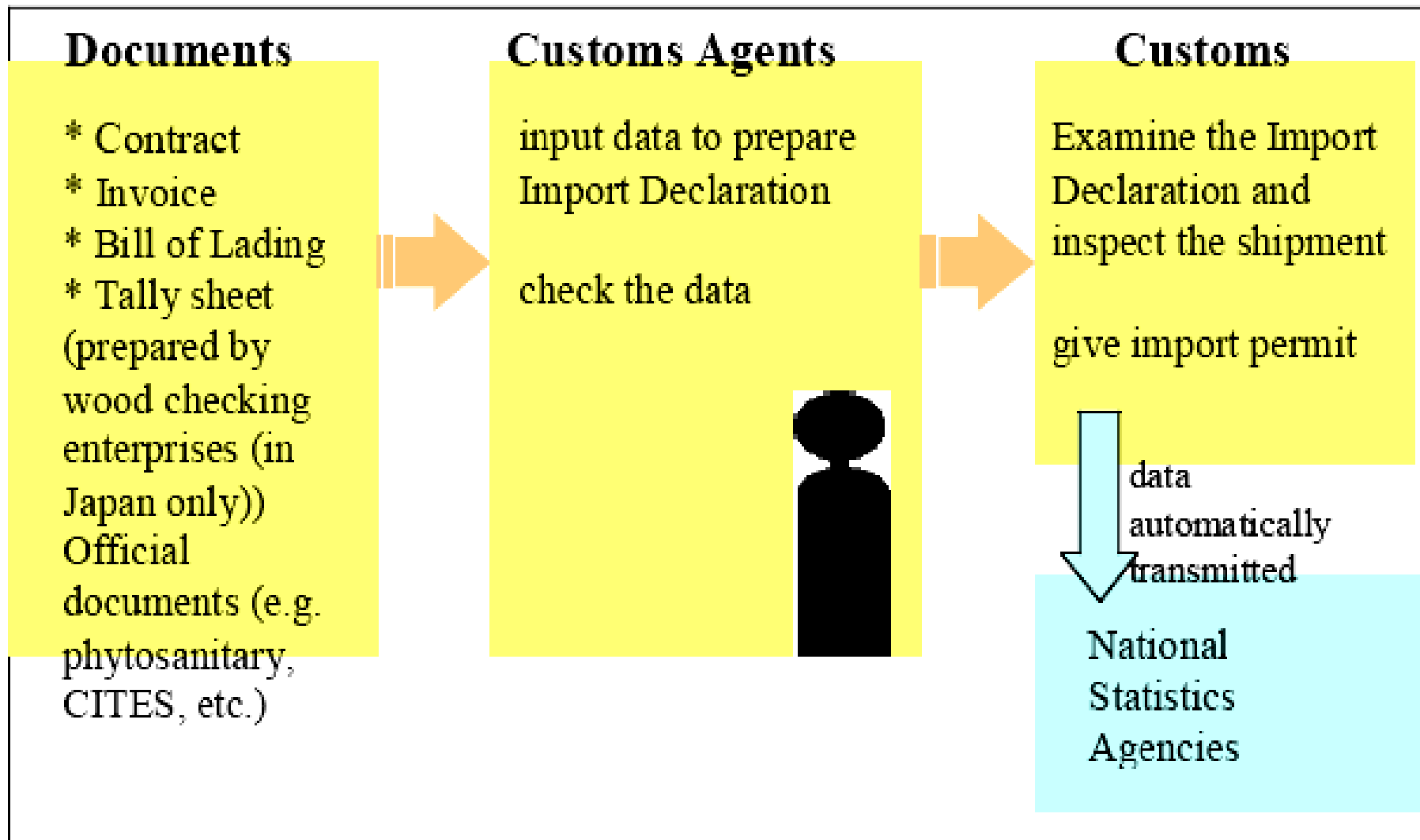
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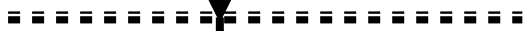
Export procedures and how statistics are derived



Import procedures and how statistics are derived



EXPORT



CUSTOMS

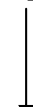


STATISTICS

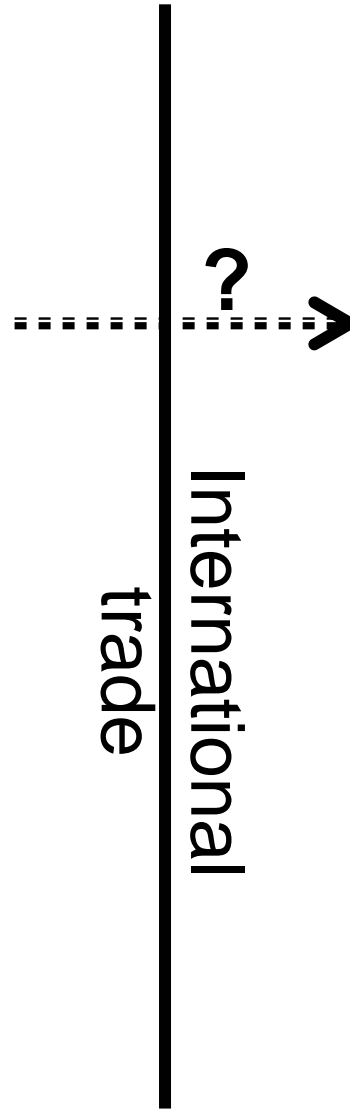
IMPORT



CUSTOMS



STATISTICS



Recommendations

- Customs export declaration form to submit to Customs during imports
- Customs export-validated documentation
- Capacity building and training on proper use of HS codes, measurement techniques
- Evaluate possible prior notification for timber trade
- Regular dialogue between government agencies to promote reciprocal policies
- Regular Customs bodies meeting

Recommendations (cont.)

- Conversion factors standardised by ITTO
- Cross reference unit measurements with weights
- Study influence and impact of Free Trade Zones, and warehousing

Thank you

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