

Myanmar Overview



F O R E S T
T R E N D S

Timber Regulation Enforcement Exchange: Prague

April 5, 2016

Kerstin Canby, Forest Trends

Origin of Harvest



Five different potential timber sources, each with their own issues related to legality, actors involved, land rights issues.

1. State-managed forests, largely consisting of teak
2. Logging concessions in natural forests, mostly in ethnic conflict areas
3. Land conversion in natural forests, predominately driven by agribusiness concessions, mostly (but not exclusively) in ethnic areas, and also known as “conversion timber”
4. Tree plantations, which is very limited in extent so far due to a host of political and economic factors
5. Community forests, which so far are not allowed to conduct commercial harvesting.

ACTIVE AREAS OF MYANMAR'S ETHNIC MILITANTS



Ethnic militant groups

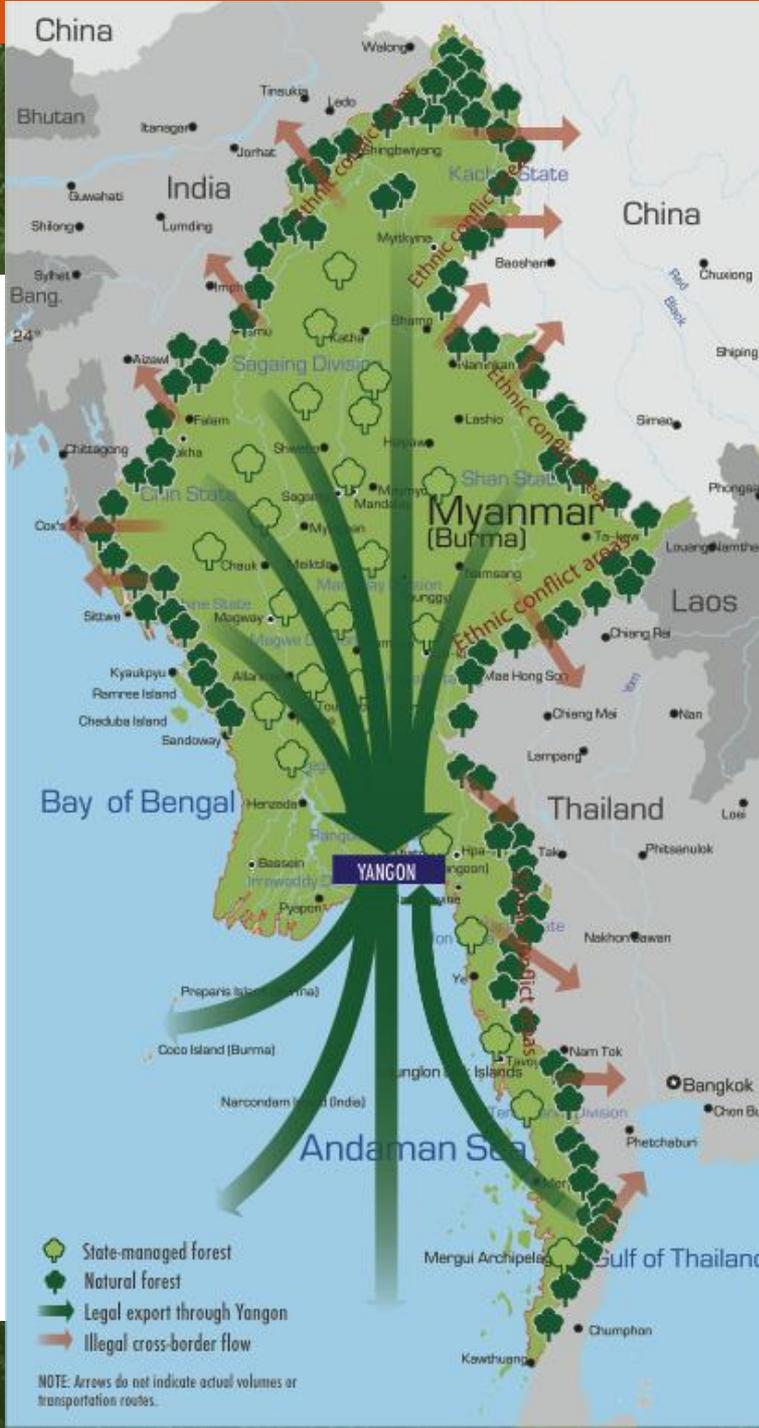
- | | |
|--|---|
|  UWSA |  NMSP |
|  KIA |  KNPP |
|  RCSS |  NSCN-K |
|  SSPP |  PNLO |
|  KNU |  CNF |
|  TNLA |  KNO-B |
|  NDAA |  KNLA-PC |
|  MNDAA |  ALP |
|  DKBA | |

Regions under Cease-Fire Group Control



Liberation Army-Peace Council):
 <200 troops

ALP (Arakan Liberation Party):



Origin of Harvest: state managed forest



1. State-managed forests, largely consisting of teak
 - Under central government control: managed by the Forest Department, harvested by the Myanmar Timber Enterprise (MTE)
 - Local residents departed more 80+ years ago
 - Myanmar Selection System (MSS) based on British colonial system – technically competent and sustainable system *if implemented*
 - Under military rule, widely acknowledged was not managed sustainably according to MSS. Now overharvested. Professional foresters not as powerful as the MTE
 - MTE subcontracted out harvesting operations to “friends of the military” – corruption and bribery widespread
 - Likely the first forests to be assessed for compliance with Myanmar laws, or internationally recognized standards
 - Role of MTE – how gov’t documents are issued
 - Transparency harvesting data
 - Mixing with other sources

Origin of Harvest: Natural forests in ethnic areas



2. Logging concessions in natural forests, mostly in ethnic areas

- Who is in charge?
 - Government is actually quite fragmented: state and divisions dominated by military regional commanders
 - Local Peace & Development Councils
 - Ethnic groups determine their own forest policies depending on the degree of their autonomy
 - Each have incentives to use local resources and may ignore the central government Ministry.

Origin of Harvest: Natural forests in ethnic areas



2. Logging concessions in natural forests, mostly in ethnic areas
 - Who is in charge?
 - national regional Myanmar military
 - the MTE
 - paramilitaries
 - non-state armed groups
 - FD or MTE has difficulties to administer & monitor logging concessions in non-state areas (ethnic border zones)
 - Timber in “territorial zone of influence of non-state armed actors” are managed by non-state actors
 - In all areas, logging concessions allocated to local elites (bribery).
 - Even in ethnic areas, MTE can be involved. Much of this timber has MTE stamp despite harvesting location very unclear.

Origin of Harvest: land conversion



- 3. Land conversion in natural forests (typical for agriculture)
 - Mostly in ethnic areas
 - Also known as “conversion timber”
 - Likely the most significant source of timber now being harvested – although lack of government statistics
 - Land concessions allocated increased dramatically each year – usually in ethnic areas
 - Not marked and recorded in normal way
 - Even more groups involved: National and regional Myanmar military - Ministry of Agriculture & Irrigation - MTE - National Burmese Military - Para-militaries - Non-state armed groups

Corruption

1. Military-era abuse of power for personal enrichment and patronage to friends and business partners
2. Corruption within MTE, esp for allocating extraction permits
3. Pressure to generate revenues above all other concerns, forcing MTE to hire subcontractors which had the logging capacity and working capital
4. Marginalization of Forest Department enforcement authority – unable to challenge either MTE or subcontractors with senior military patronage
5. Low salaries
6. Wider lack of rule of law in Myanmar, with military undermining the judicial or police independence

Corruption

1. Kick-backs for logging subcontracts, land conversion leases
2. Unmonitored logging > illicit harvesting
3. Irregularities in the gazetting of forest zones to conversion (agricultural zones)
4. Illegal harvesting in conflict zones
5. Mixing of unaccounted and accounted timbers
6. Laundering of impounded timber
7. Under-invoicing of export consignments
8. Un-accounted border flows
9. Transit bribes

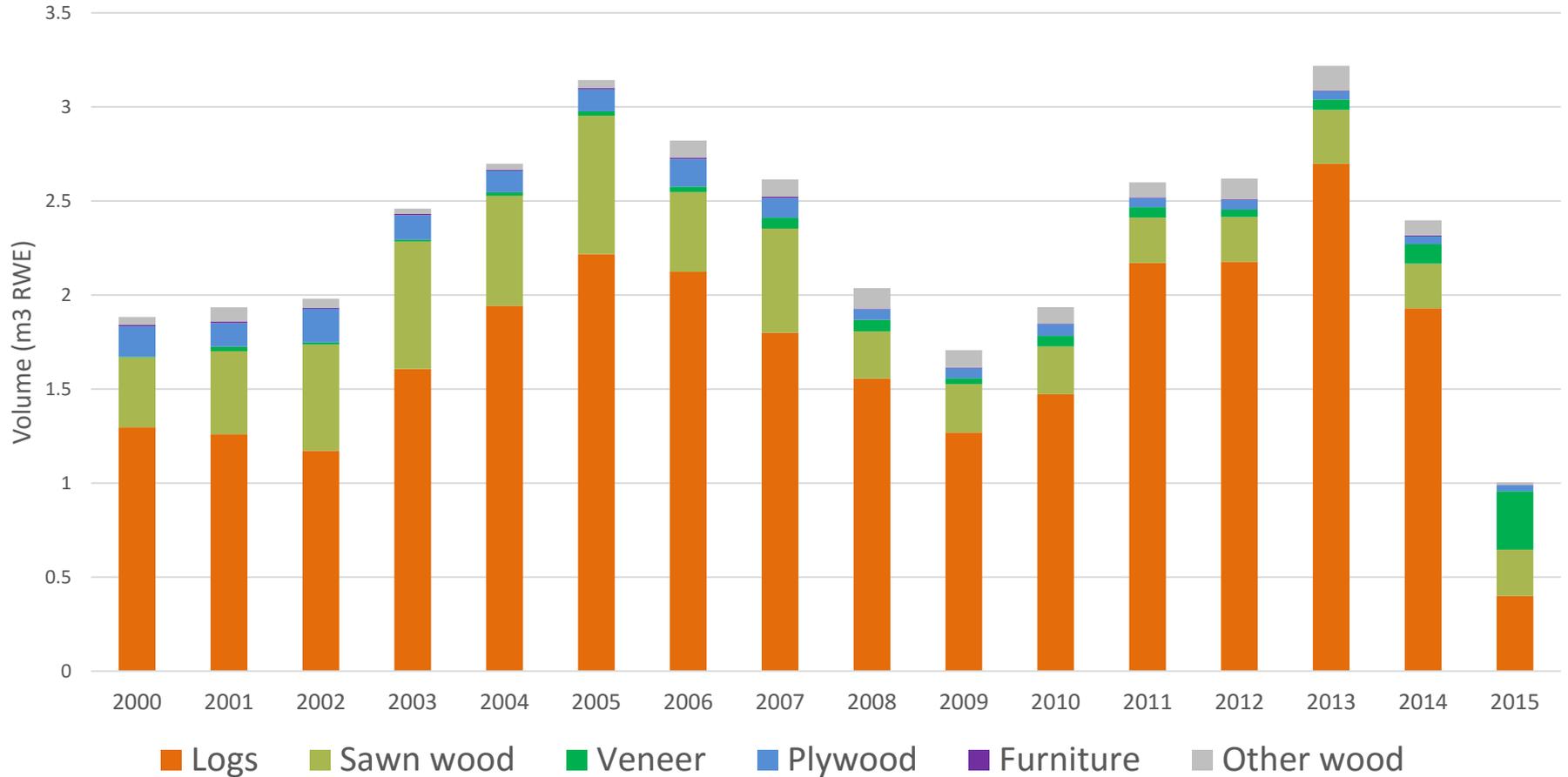
and a demoralized, underpaid, under-resourced Forest Department with low enforcement powers

New Era



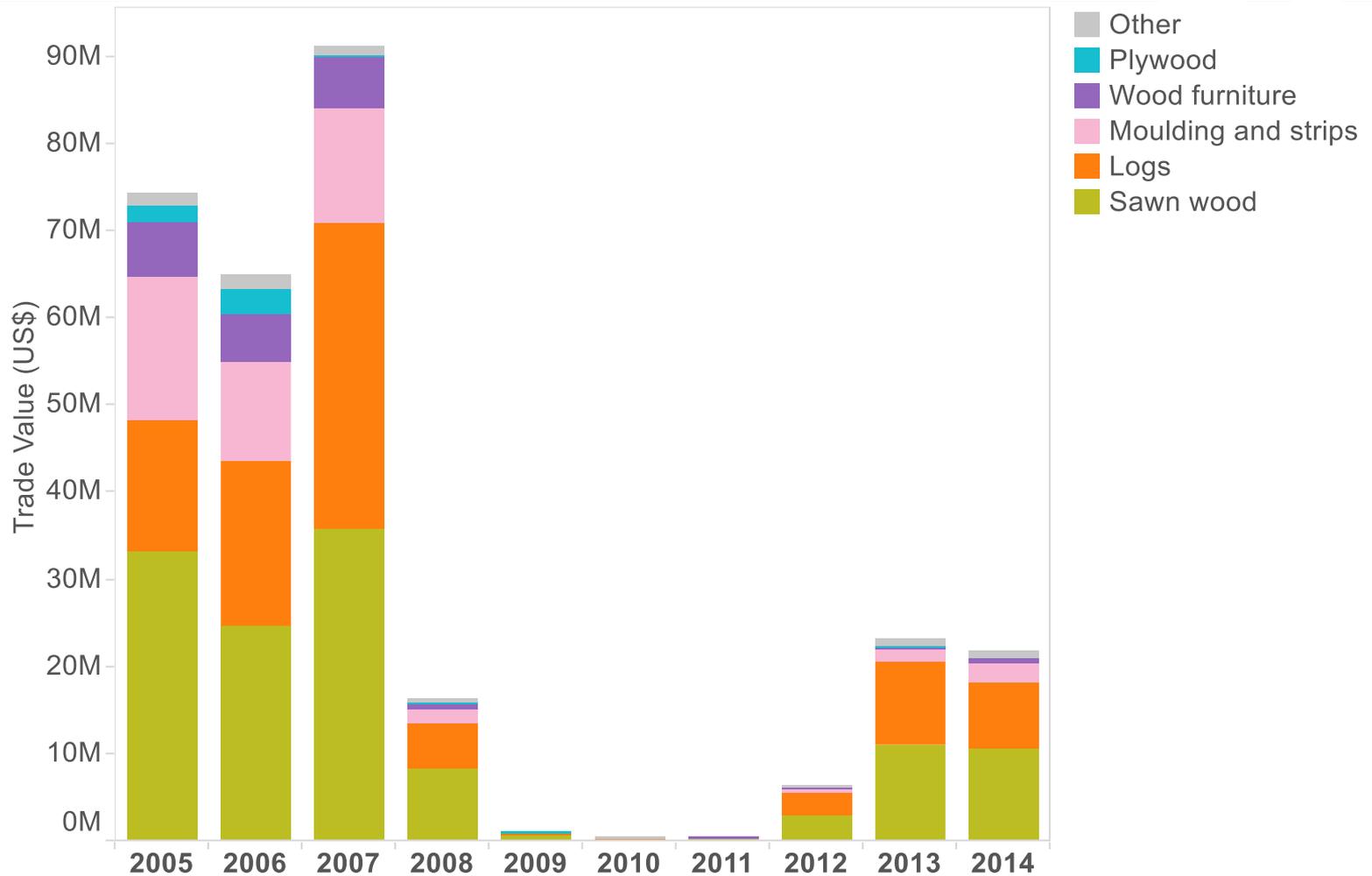
1. New government
 - New ministers
 - Reform of the MTE is being discussed (but meeting resistance from the military)
2. Log Export Ban (LEB) starting April 2014
3. Starting FLEGT VPA process

Myanmar Exports, by volume



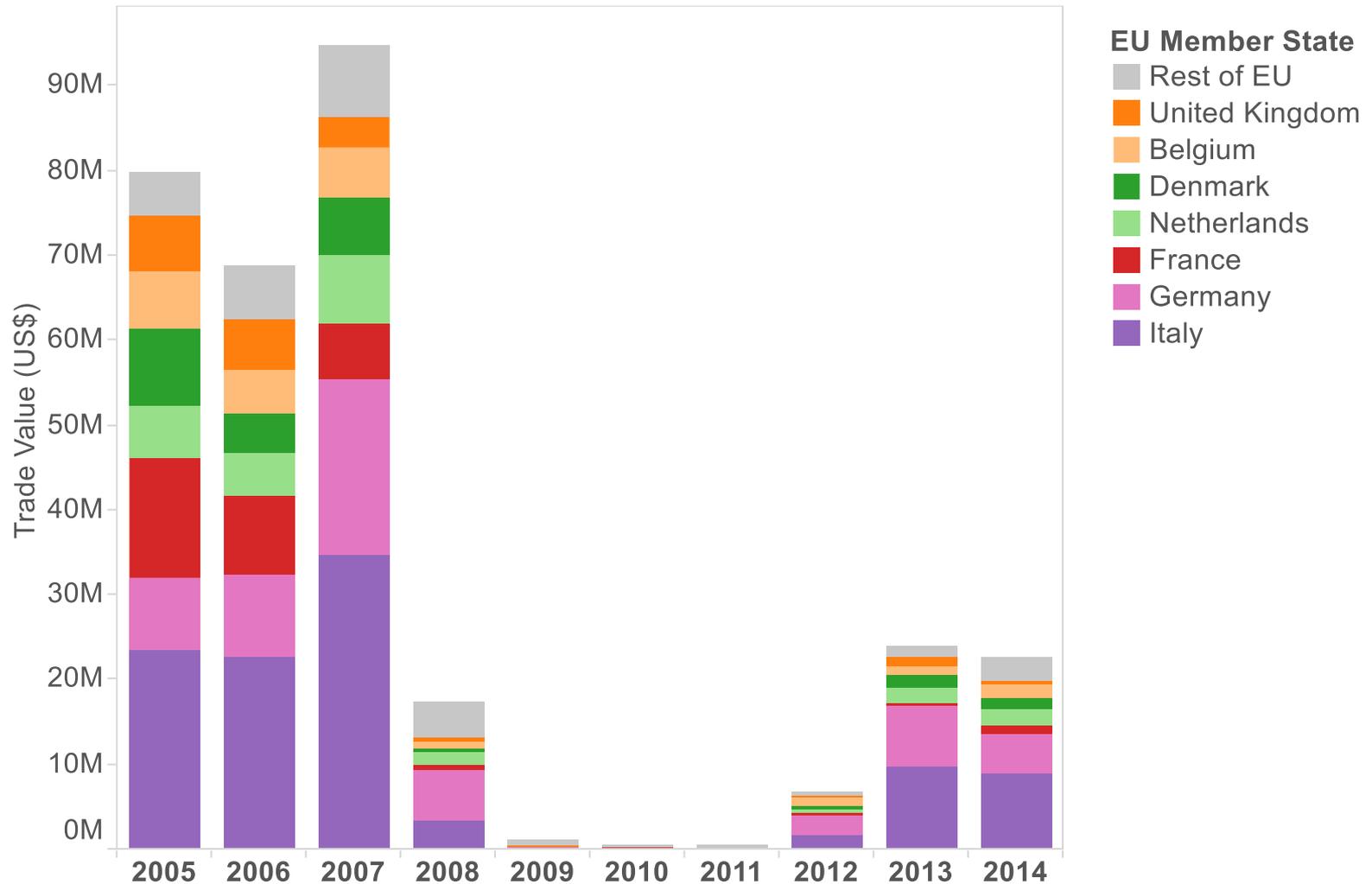
Source: US import data from UN Comtrade, compiled by Forest Trends.

Myanmar Timber Product Exports to EU



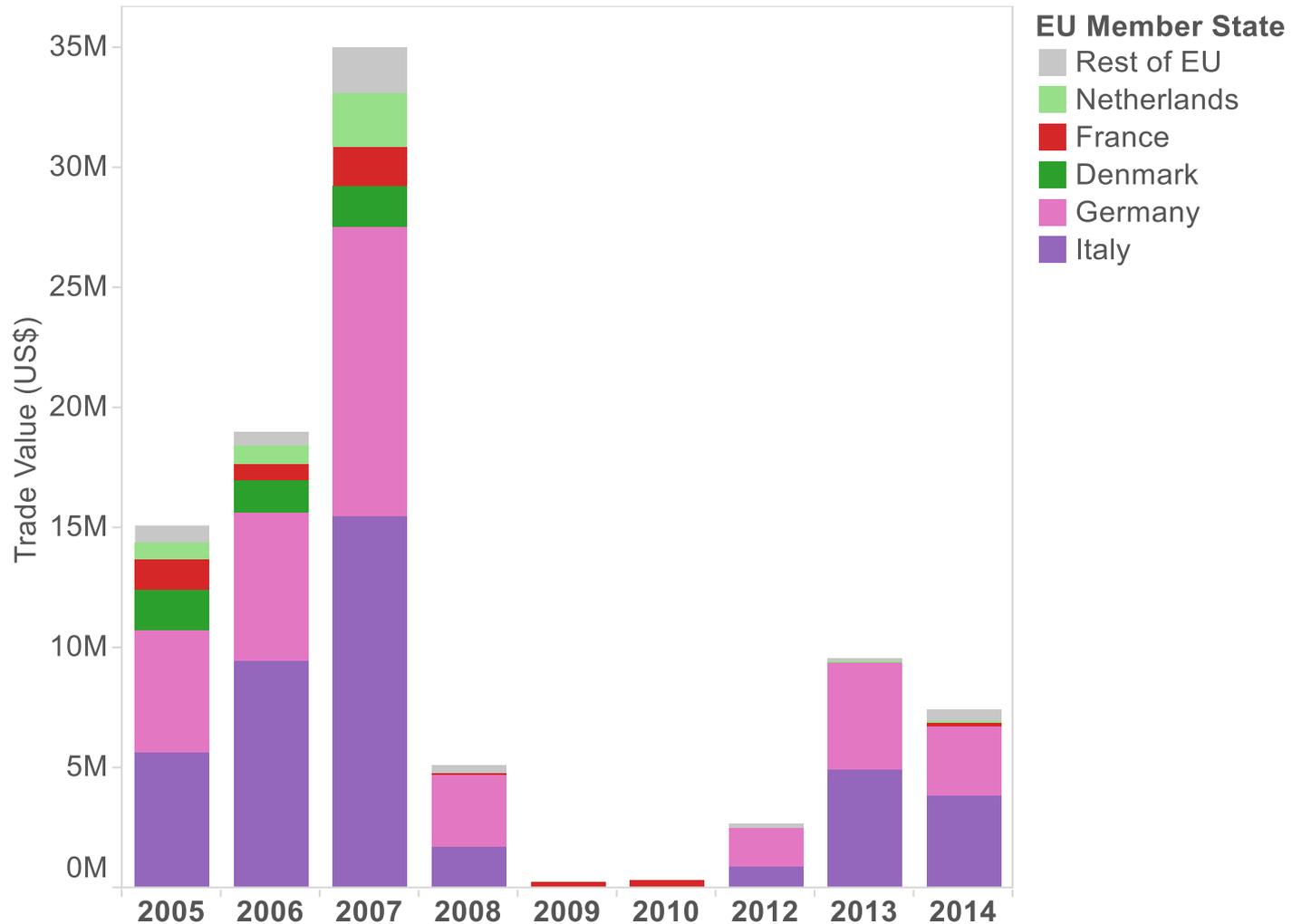
Source: EU import data from UN Comtrade, compiled by Forest Trends.

Myanmar Timber Product Exports to EU



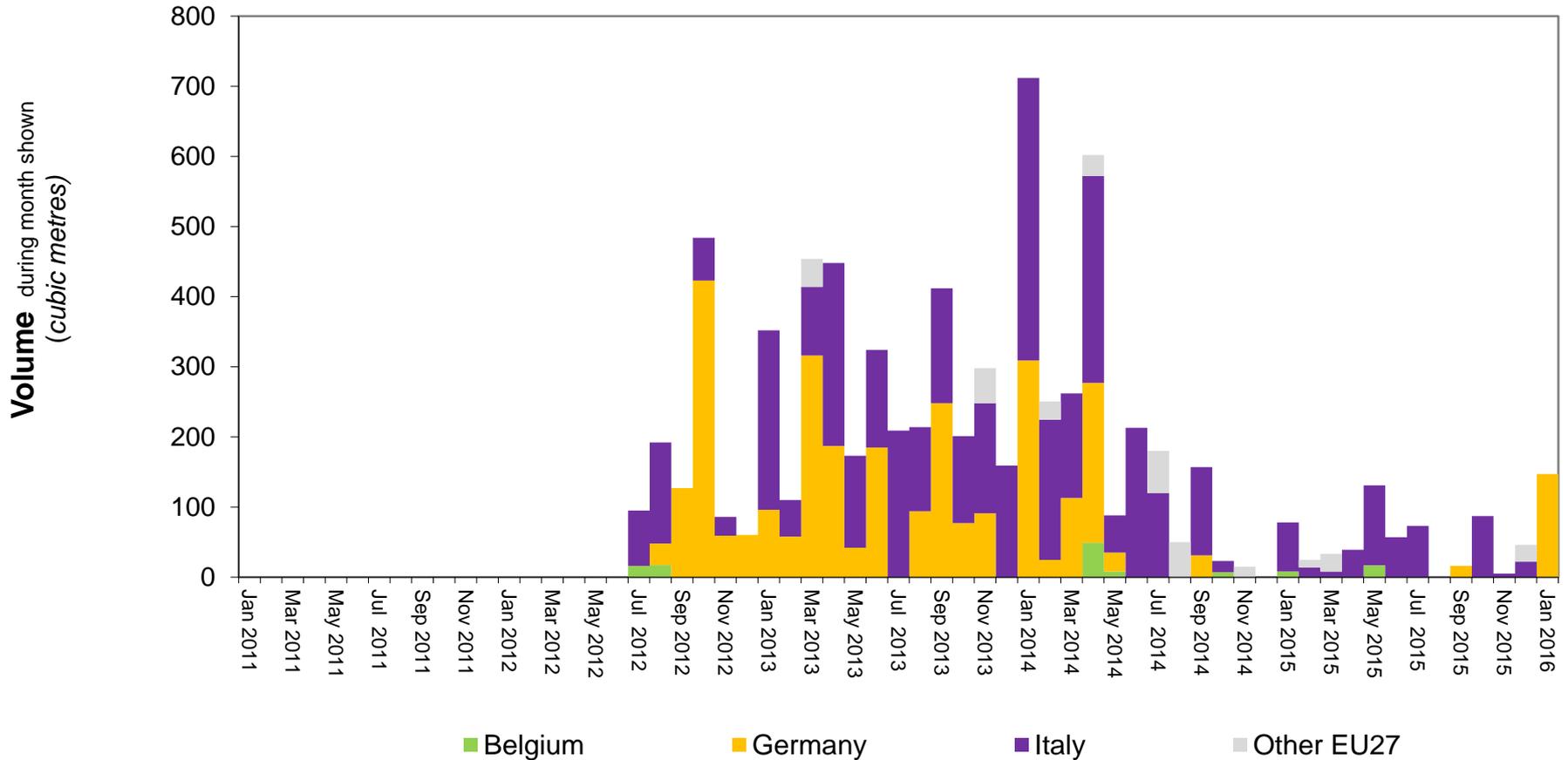
Source: EU import data from UN Comtrade, compiled by Forest Trends.

Myanmar's Log Exports to EU

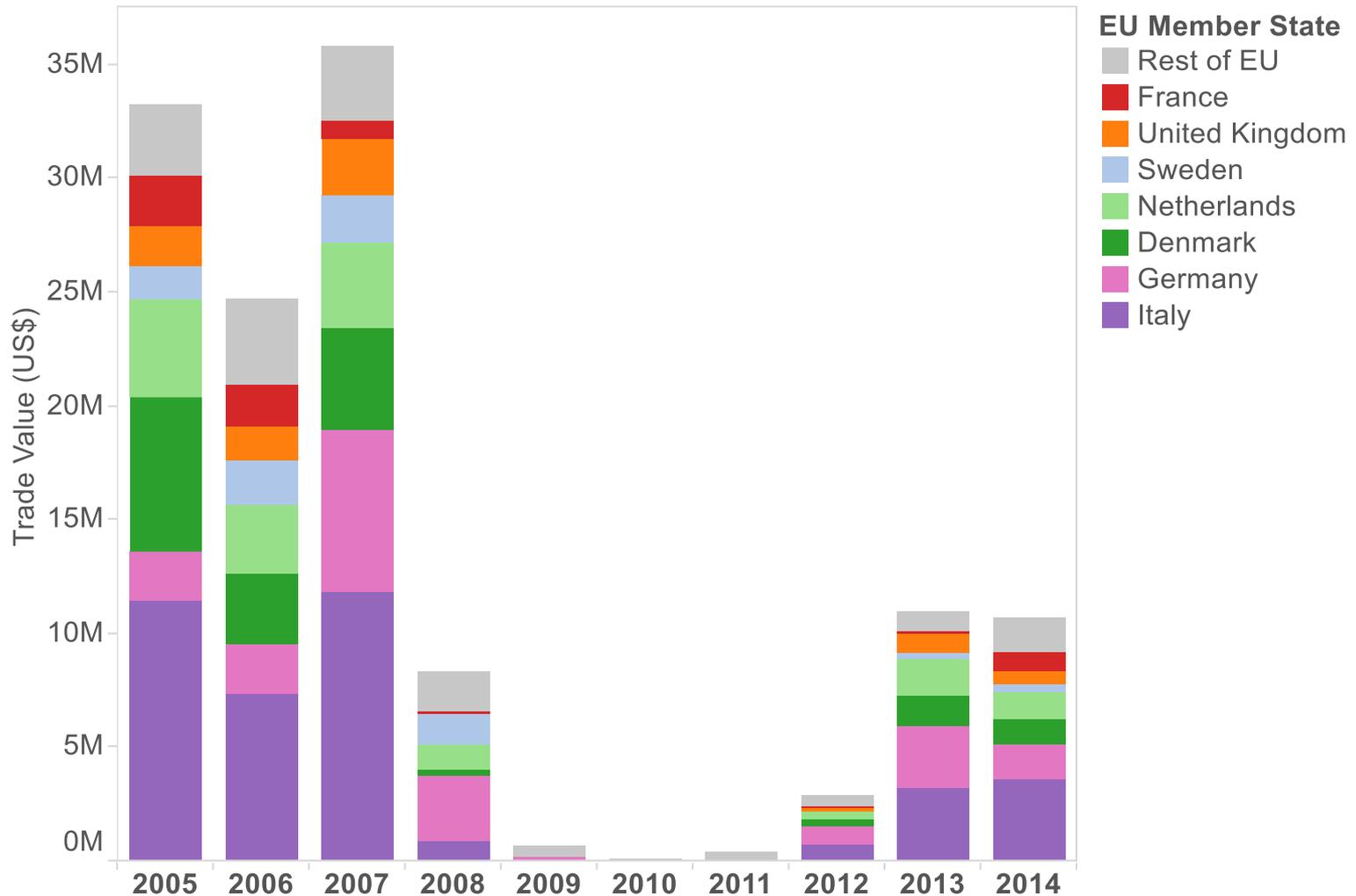


Source: EU import data from UN Comtrade, compiled by Forest Trends.

EU monthly LOG imports from Myanmar

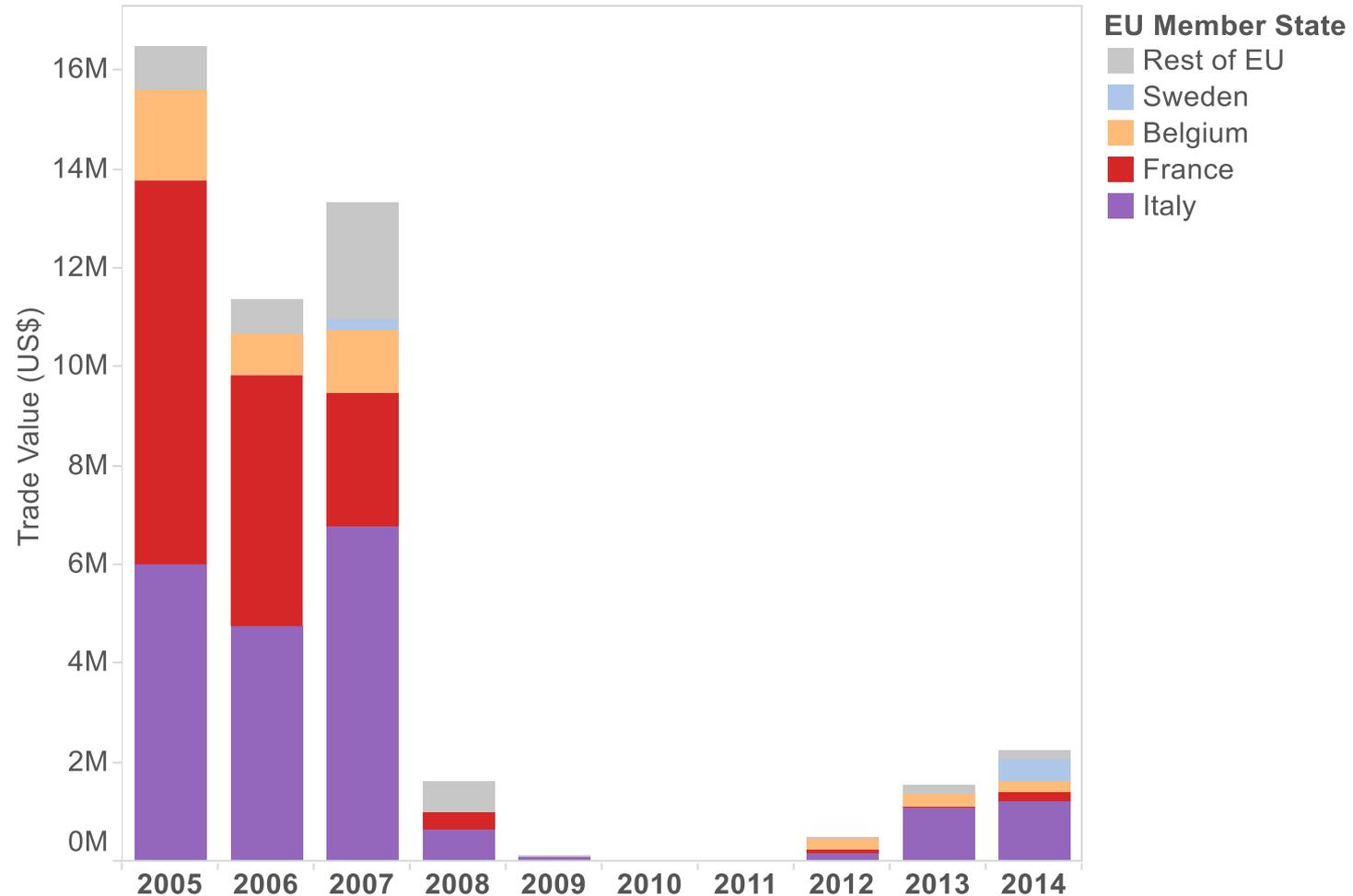


Myanmar's Sawn Wood Exports to EU



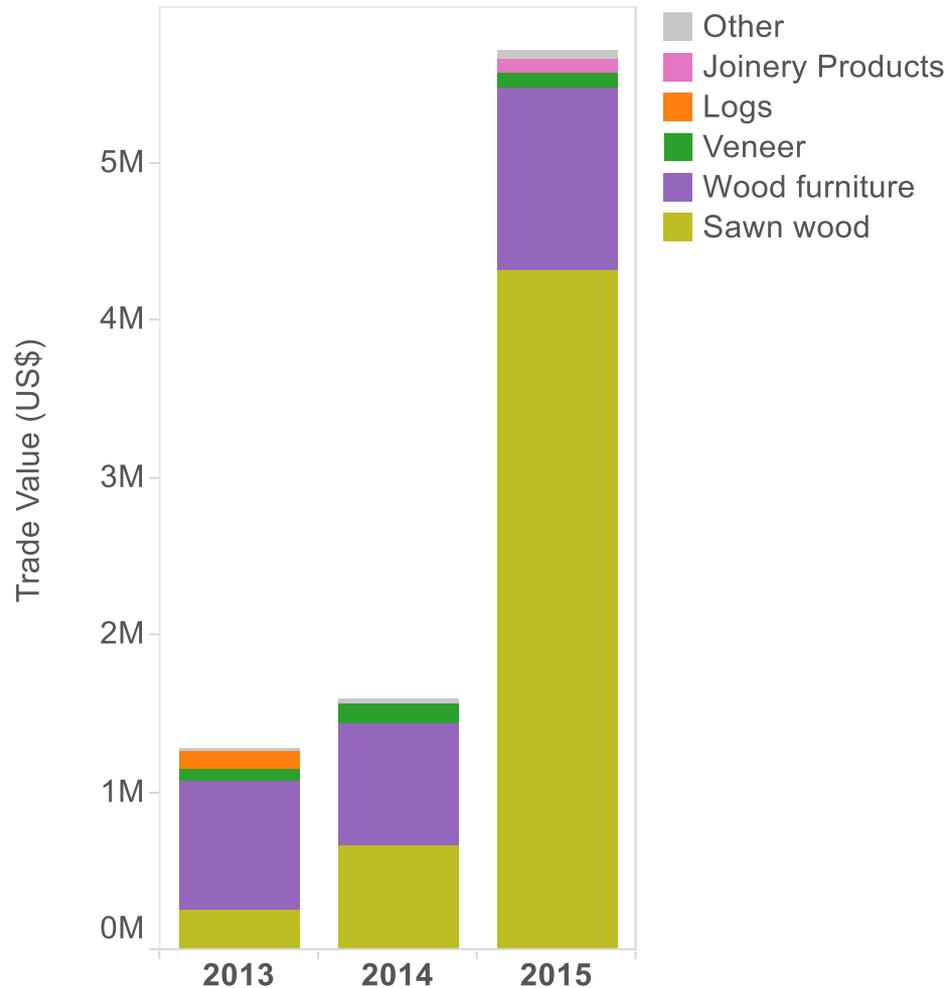
Source: EU import data from UN Comtrade, compiled by Forest Trends.

Myanmar's Moulding Exports to EU



Source: EU import data from UN Comtrade, compiled by Forest Trends.

Myanmar's Timber Product Exports to USA



Source: US import data from UN Comtrade, compiled by Forest Trends.

A scenic landscape of rolling green hills and a dense forest under a cloudy sky. The foreground is filled with lush green trees, while the background shows layers of hills fading into the distance under a bright, overcast sky.

Thank you

Kerstin Canby
kcanby@forest-trends.org

www.forest-trends.org