



Myanmar Timber Trade and Rosewood Trade Policies



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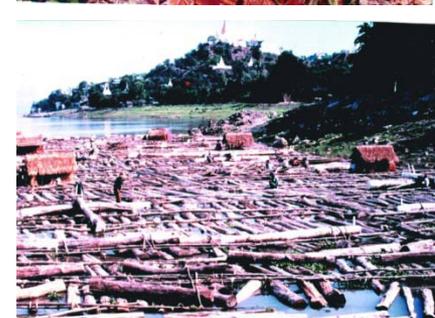
25 March 2014
Shanghai, China

Forest Management System

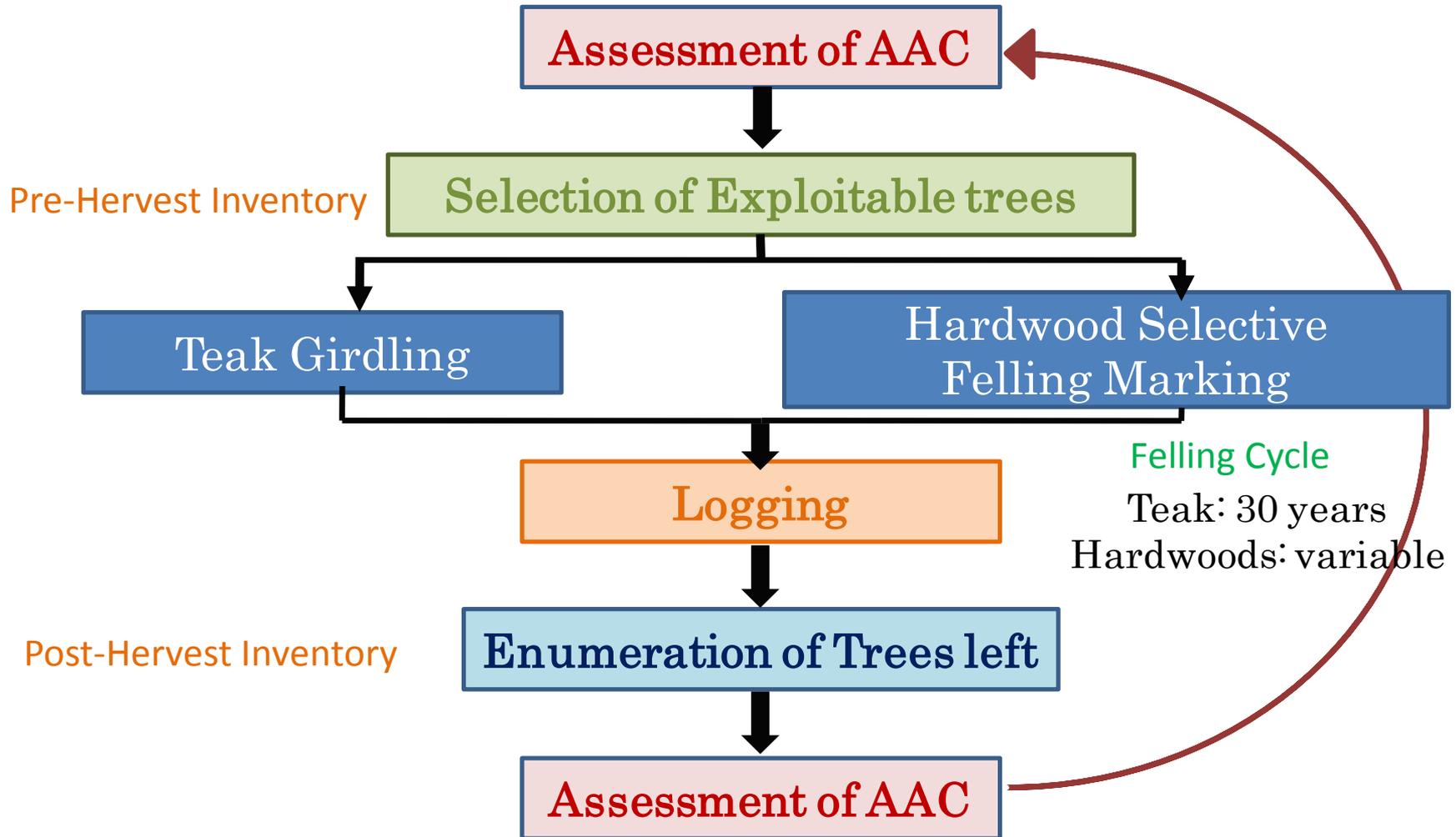
Myanmar Selection System - MSS

- Systematic forest management started in 1856.
- Exploitation-cum-Regeneration System.
- Felling cycle of **30 years**.
- Felling is regulated by area and exploitable size of trees (**DBH \geq 63 cm**).
- **Girdling of teak**, Marking for selection felling of other hardwood
- **Removal** of inferior trees interfering with the growth of teak and other valuable species.
- **Thinning** of congested teak stands
- **Enumeration** of future yield trees down to fixed sizes
- Leaving high quality teak tree as seed tree (**mother tree**)
- **Monitoring** forest for Fixing of **AAC** for teak and hardwood

Species	Annual allowable cuts (AAC)	
	No. of trees	Volume (m ³)
Teak	124,213	409,062
Other hardwood	1,795,424	3,236,071



Myanmar Selection System - MSS



Criteria and Indicator for Sustainable Forest Management

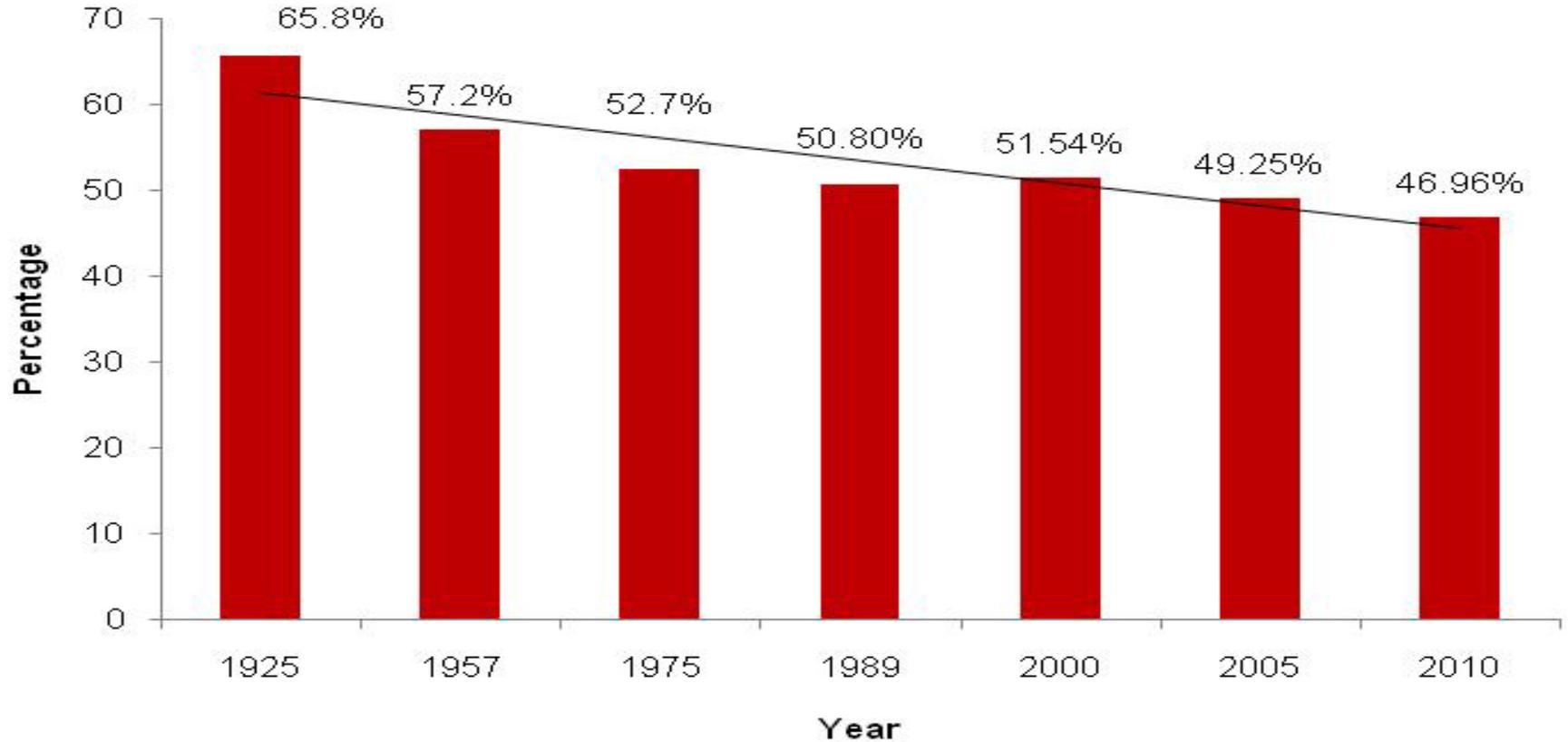
- Myanmar became a member of ITTO in 1995 and committed to achieve SFM.
- Myanmar drafted C&Is for SFM in 1996 and revised its C&Is in 1998 based on ITTO's revised set of C&I.
- It was revised again in line with the latest ITTO C&Is in 2005.
- **7 criteria and 50 indicators in the Myanmar C&Is at the FMU levels.**
- **C&Is are being tested for adequacy and applicability.**

Challenges for Sustainable Forest Management

- lack of recognizing the multiple values of forests and valuation of ecosystem services
- lack of decent markets despite the increasing global demand on timber and forest products as a result of trade embargo and economic sanctions in the past
- less consideration on Corporate Social Responsibility
- no decent job opportunity for local communities
- Lack of integration of forestry policies and planning into other sectoral policies as well as national development plans though NSDS and NBSAP were initially developed
- Forests vs. other landuses
- less attention to rights, interests and traditional knowledge of indigenous people and local communities
- Rapid development of irresponsible extractive industry (eg. Mining, energy sector) on forest land

Challenges for Sustainable Forest Management

Forest cover status (% of total land area)



Challenges for Sustainable Forest Management



Illegal logging



Slash & burn agriculture



Land use changes



High Fuelwood consumption



Land use changes (Conversion into oil palm plantation)

Challenges for Sustainable Forest Management

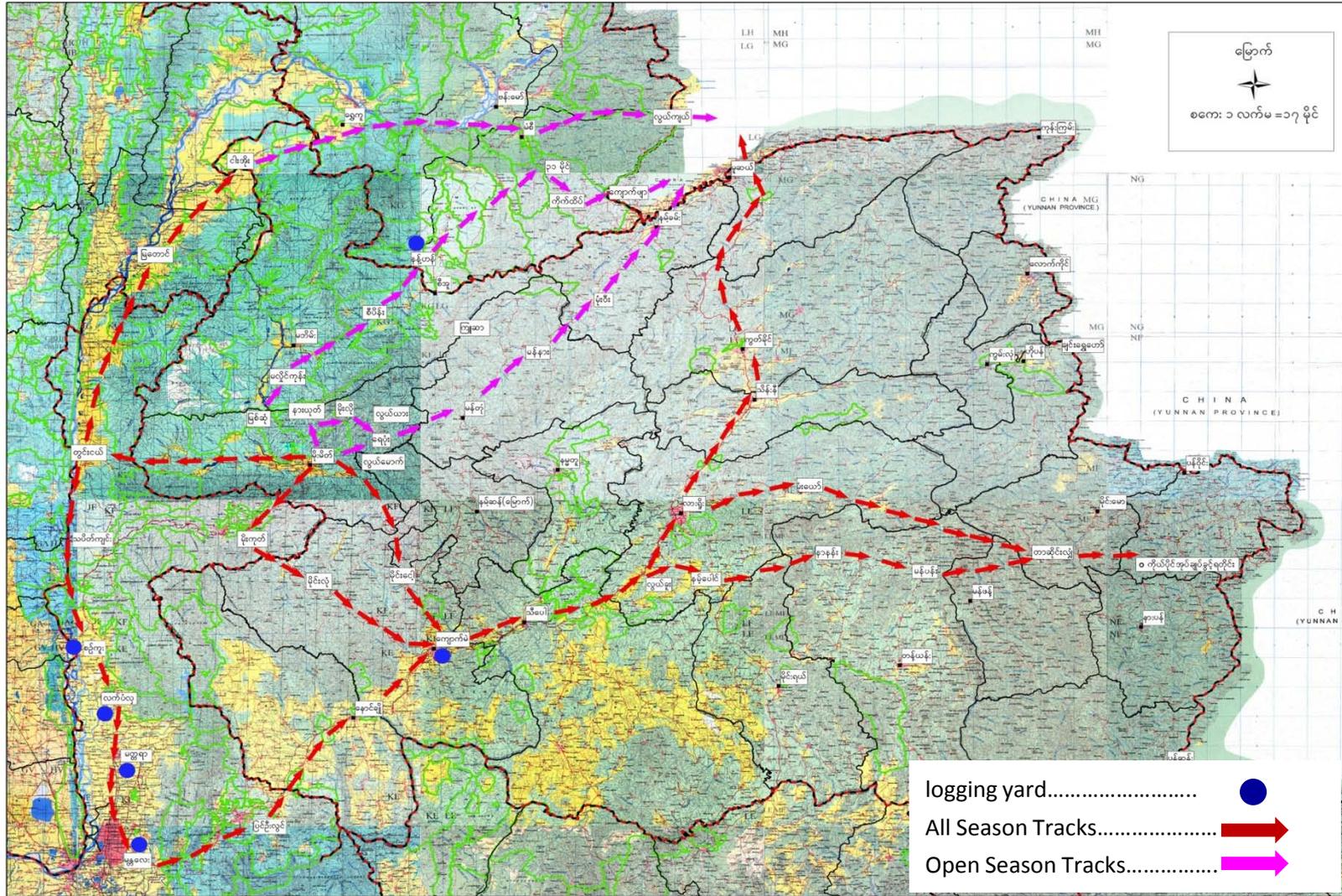
Illegal Logging

- weakness in policy and legal provision to cope with changes in illegal logging pattern
- Inefficient mechanism (well equipped with advanced facilities) to combat illegal logging activities
- inadequate and weak cooperation among the enforcement agencies
- Insufficient data and information about the forest resources and illegal operations;
- security constraints and inaccessibility (esp. border areas and ethnic armed conflict areas)

Combating Illegal Logging

- Myanmar Forest Department, in collaboration with Army, Police Forces and local authorities, is seriously paying attention to combat illegal wildlife trade as well as illegal timber trade that leads to the deforestation, forest degradation and loss of biodiversity.
- Those involved in illegal activities against the laws were taken actions according with existing law and regulation.
- Cooperation of Neighbouring countries will be more effective to combat illegal logging so as to promote legal timber trade.

Map showing tracks of illegal timbers transported into neighbouring countries



Challenges for Sustainable Forest Management



illegal logging activities in border areas

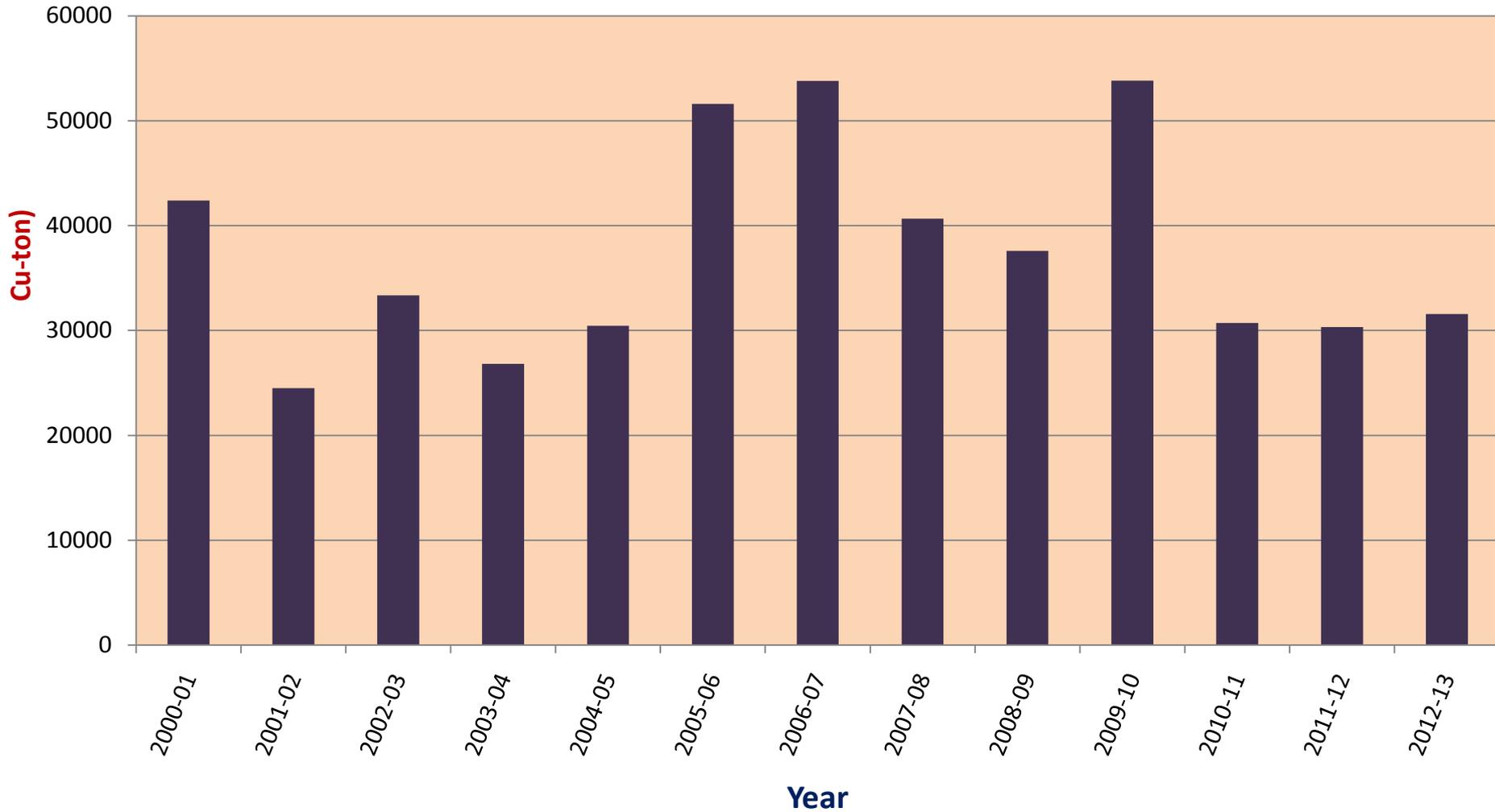
Challenges for Sustainable Forest Management



Illegal logs transport in border areas

Challenges for Sustainable Forest Management

Confiscated illegal timber



Export Procedure in Timber Trade

Myanmar

Export Procedure in Timber Trade

- Timber export contributed over 20% of the national income in early 1990s.
- Nowadays, the average contribution of Forestry sector to GDP is 10-15% annually.
- Myanmar joined WTO in 1995 and Trade Policy Review of Myanmar was done on 11th March 2014 by the WTO meeting in Geneva.
- The importance of timber trade changed due to the global awareness of environmental conservation.

Export Procedure in Timber Trade

Policy Reform

Sustain yield: Annual timber harvest shall be reduced by the fiscal year of 2015-16

Value adding: Log Exports will be banned on 1st April 2014 by aiming at more value added wood-based products for export.

Demand-based Production: Timber production shall be targeted depending on the domestic consumption and export market demand in the manner of managing sustainable production.

Export Procedure in Timber Trade

- The legislations and regulations to manage and harvest the forest resources in Myanmar has been in place.
- Forset Department (FD) and Myanmar Timber Enterprise (MTE), both are responsible for the verification of legal timber according to the existing law.
- In line with the international developments with regard to the definition of the legal timber, the verification system for ensuring compliance with defined legality standard is being implemented in Myanmar.

Export Procedure in Timber Trade

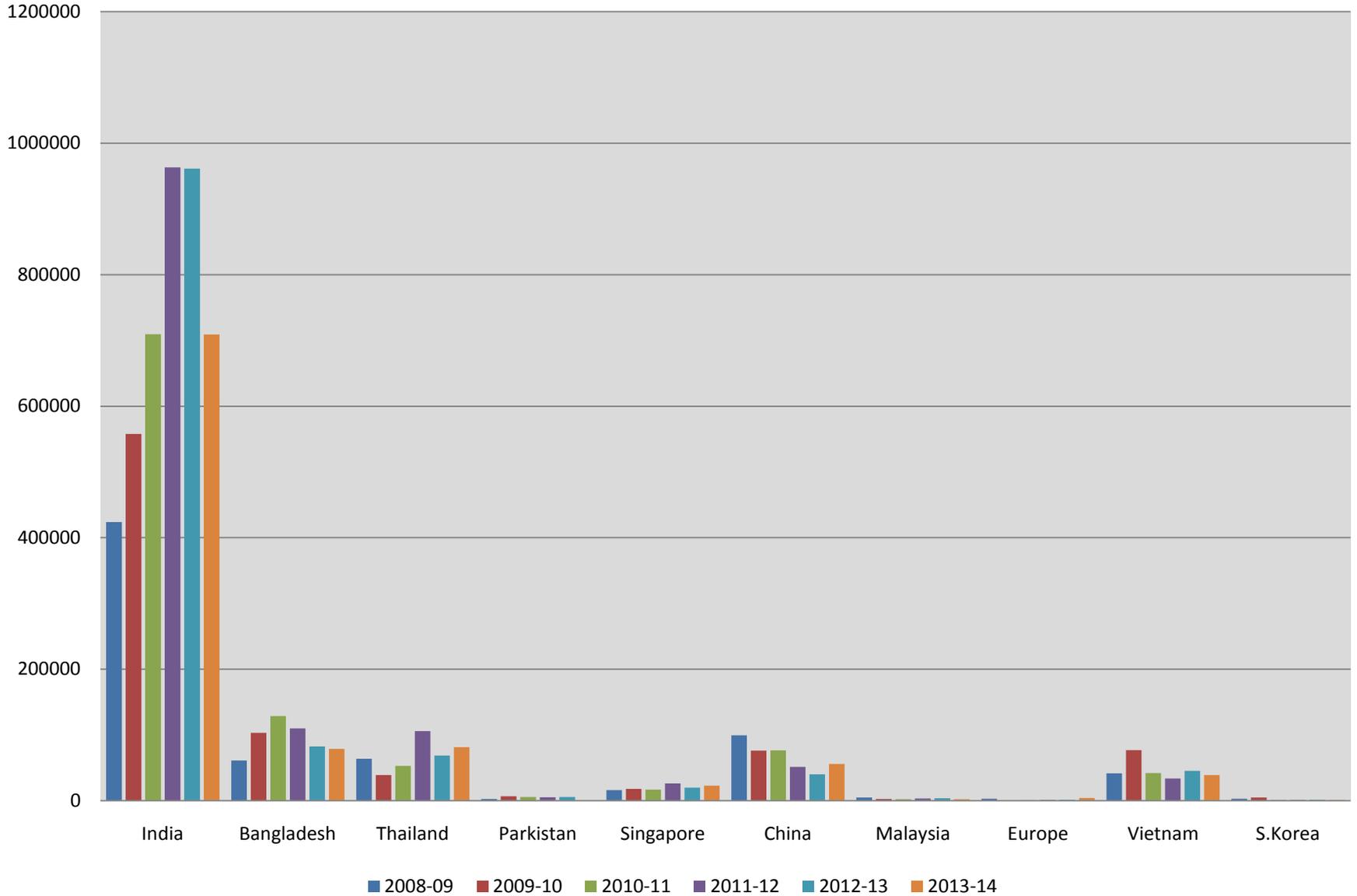
- Teak and other hardwoods are exported through tender sales made by MTE.
- Detailed and systematic inspection procedures by Forest Department are in place for the export of MTE's products.
- The private enterprises are also allowed to export value-added wood products processed from the raw materials (logs) purchased from MTE.

Export Procedure in Timber Trade

- Legal forest products to be exported shall be examined by FD and export license is to be applied at the Ministry of Commerce.
- Customs Clearance procedures should also be taken.
- Necessary documents and forest products to be exported are checked by a team consists of officers from FD, Port Authority and Customs Department before issuing bill of loading for shipment.

Timber Export Statistics (2008 to 2013)

Cubic Tons

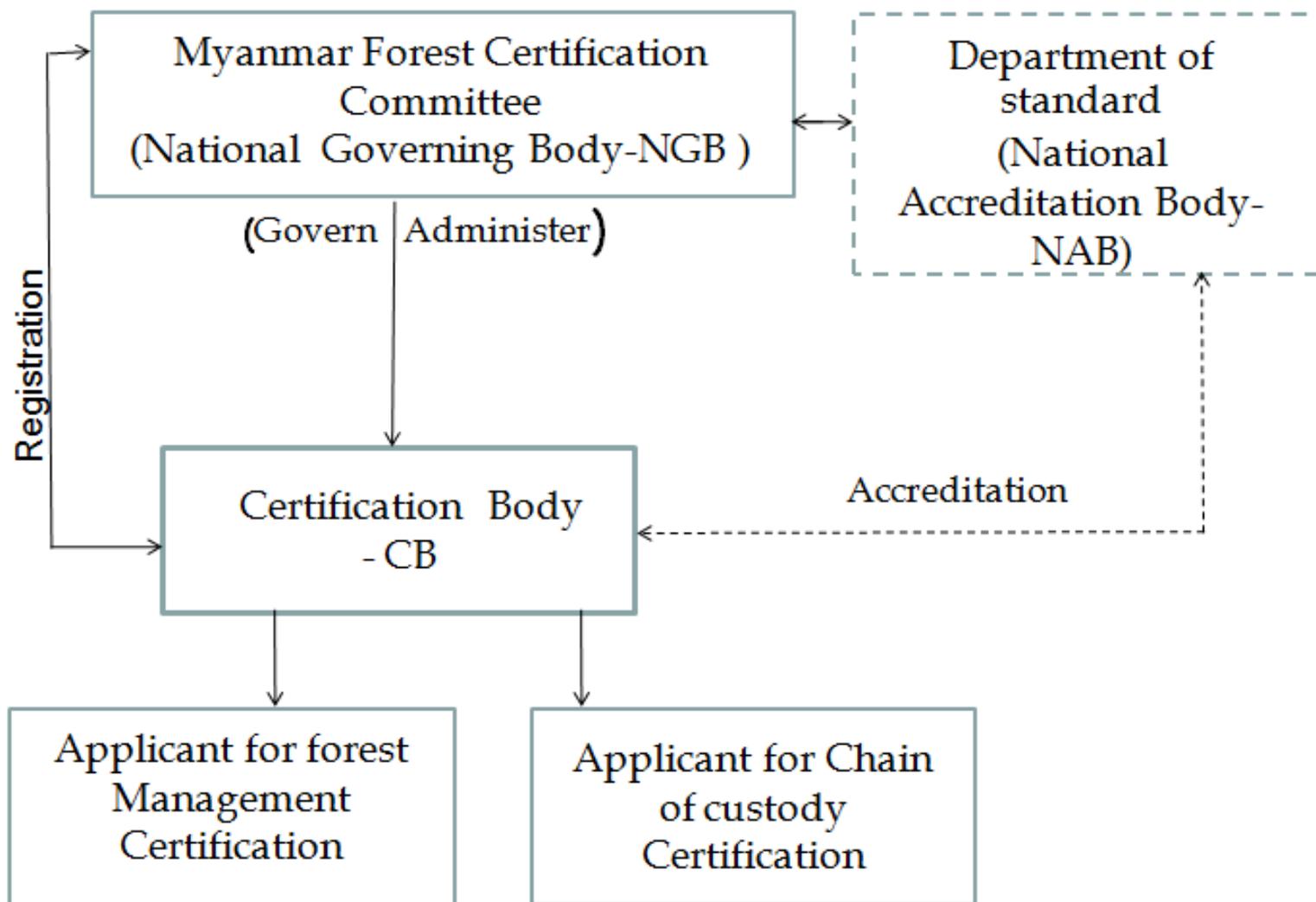


Forest Certification in Myanmar

Implementation of Timber Certification and Legality Assurance System in Myanmar

- As a member of the ASEAN, Myanmar participates in the Working Group on a Pan-ASEAN Timber Certification Initiative.
- Myanmar Timber Certification Programme (MTCP) was prepared based on the "ASEAN Guidelines on Phased Approach to Forest Certification" and being implemented at FMU level.
- In line with the international initiatives the Timber Certification Committee of Myanmar (TCCM) was established in 1998 in order to support SFM and get access of Myanmar timber to the international market.
- TCCM is a non-profit, non-political and impartial organization.
- To cover all aspects of timber certification process, TCCM was reformed to Myanmar Forest Certification Committee (MFCC) in 2012.

Institutional structure of MFCC



National Governing Body- NGB

- **MFCC** is the NGB of forest/timber certification in Myanmar.
- Established by the decree of MOECAAF with the approval of the government.
- Constituted with the representatives from NGOs, research and academic institutions, private enterprises, government organisations and individuals .

Certification Body - CB

- Forest management and CoC certifications under MFCS shall be carried out by impartial, competent third parties (CBs).
- The CB shall have a good understanding of MFCS.

Certification Standards

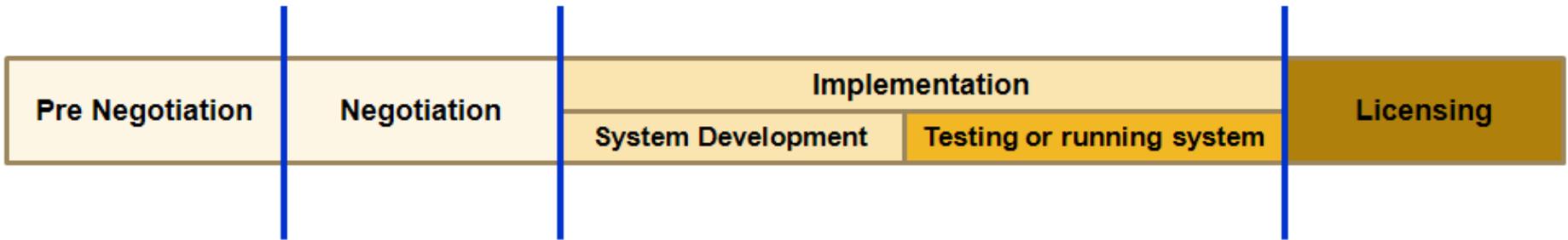
- The standard for the certification of natural forests is "The Myanmar Criteria and Indicators for Forest Management Certification (2007)"
- The standard for the CoC certification is the requirements for CoC certification for sustainable/ legal timber.
- For forest plantations, the standard is being developed and set through a multi- stakeholder process.

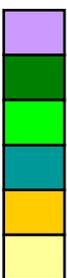
Timber Trade to EU Market

Preparation of FLEGT – VPA Process

- According to EU FLEGT Action Plan, Myanmar is now moving forward to involve **Voluntary Partnership Agreements** –VPA's Partner Country to export Myanmar's timber to EU market since July 2013.
- initiated the VPA process starting from “Request for a dialogue on a FLEGT VPA approach” which is **a preparation phase** in country consensus building.
- In accordance with the bilateral trade agreements between the EU and Myanmar, MOECAAF is now implementing the information dissemination about VPA to multi-stakeholders for consensus building.

VPA Landscape



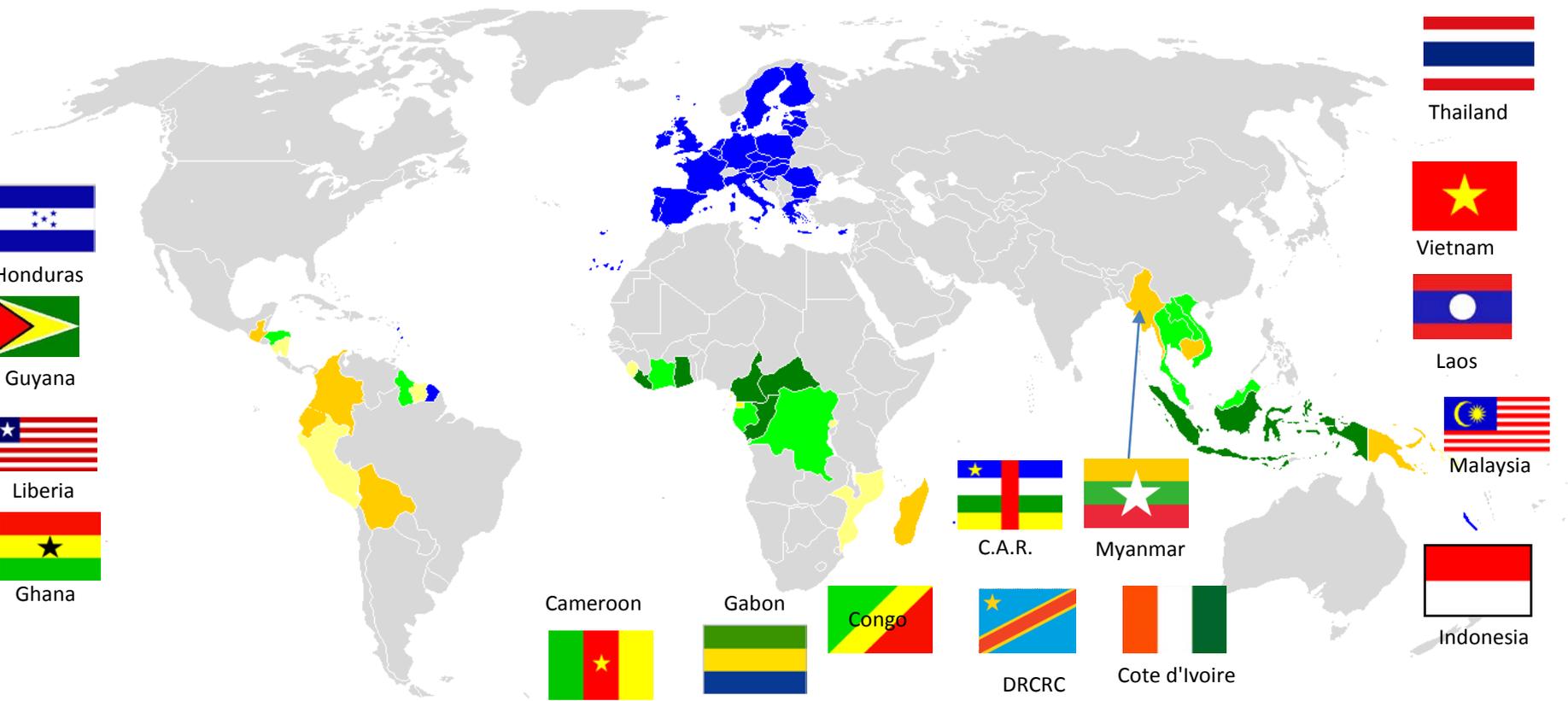


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Malaysia
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Indonesia



Rosewood Trade Policy

Rosewood Species of Myanmar

(1) Species: *Dalbergia oliveri* Gamble (IUCN Red List; **Endangered**)

Local Name: Tamalan

Global Distribution: Myanmar, Thailand, Laos, Cambodia and Vietnam

Local Distribution: - Mostly occurs in Upper Myanmar
- Found scattered in mixed deciduous forests of dry type
- Also extends to dry zone area with small dimension
- Associated with Teak and Bamboo



(2) Species: *Pterocarpus macrocarpus* Kurz

Local Name: Padauk

Global Distribution: Myanmar, India, Thailand and Laos.

Local Distribution: - Typically found in the drier type of upper mixed deciduous forest, scatterly found in association with Teak.
- only 10-15 trees can be found in 100 ha

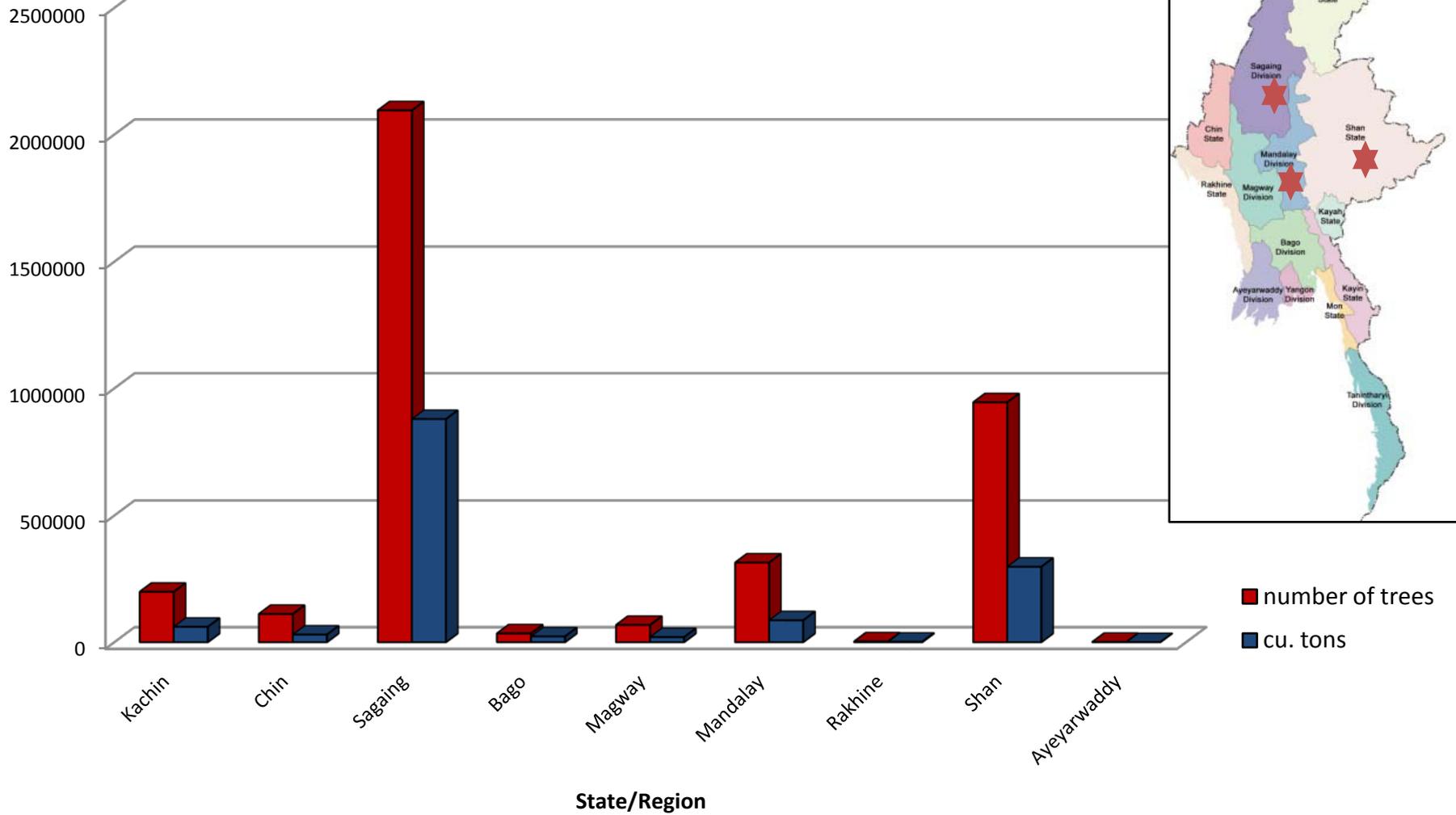


Management of Rosewood species

- According to Forest Act, Teak(*Tectona grandis* Linn) is the State Owned and Reserved.
- Other than Teak, tree species are categorized into 5 groups according to their timber quality and market value.
- Myanmar Rosewood species are in the list of group 1 and are already declared as reserved tree species.
- Extraction and trade of Rosewood species are allowed only with the permission of MOECAAF.

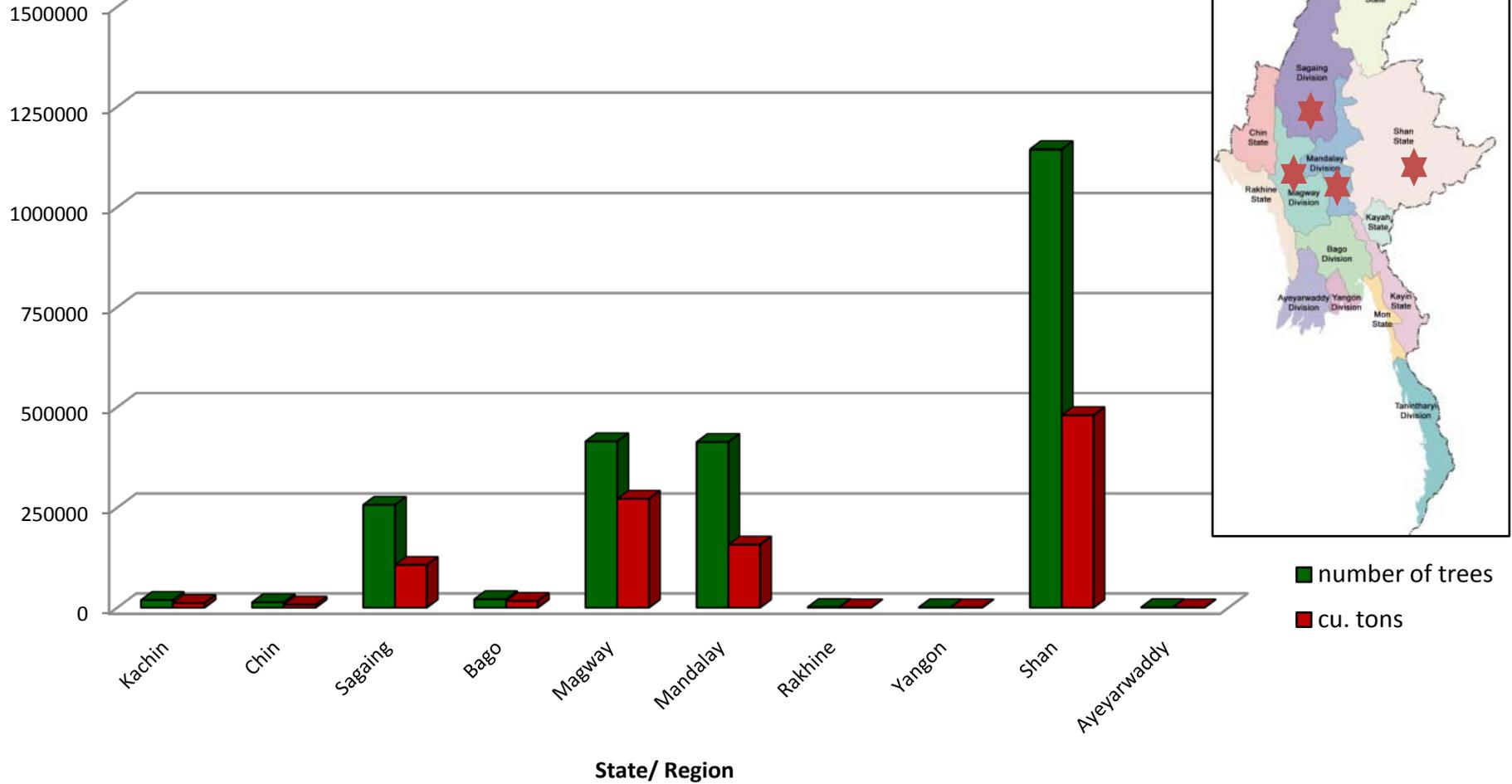
No.	Group	Local Name	Scientific Name	Remark
1.	-	Kyun	<i>Tectona grandis</i>	State Owned
2.	1	Tamalan	<i>Dalbergia oliveri</i>	Reserved
3.	1	Pyinkado	<i>Xylia dolabriformis</i>	Reserved
4.	1	Padauk	<i>Pterocarpus macrocarpus</i>	Reserved
5.	1	Thingan	<i>Hopea odorata</i>	Reserved
6.	1	Thingan-magale	<i>Hopea minutiflora</i>	Reserved
7.	1	Thitya	<i>Shorea oblongifolia</i>	Reserved

Distribution of Tamalan(*Dalbergia oliveri*)



Source: Planning and Statistics Division, FD, MOECAP

Distribution of Padauk(*Pterocarpus Macrocarpus*)

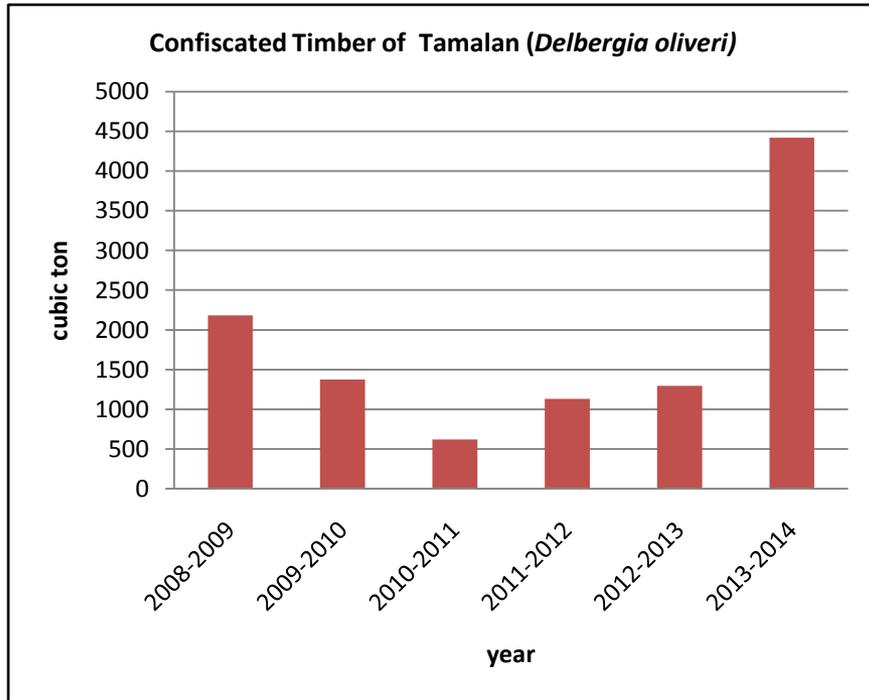


Source: Planning and Statistics Division, FD, MOECAP

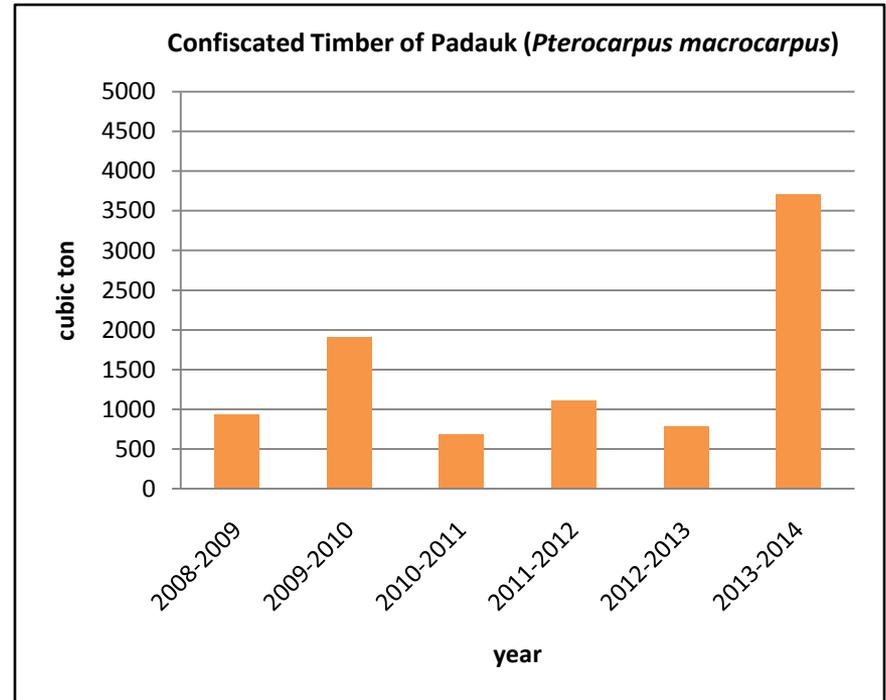
Tender Price of Rosewood species

No.	Species	Log/Square	Grade	2013-2014 Open Tender Price (US\$)	Price Fixed by MTE(US\$)
1.	Padauk (<i>Pterocarpus macrocarpus</i>)	Log	Second	-	4390
			Third	-	4000
			Fourth	4388	3065
				4745 (Ex-Site)	-
			Assorted	4283	2630
				4398 (Ex-Site)	-
			ER	3714	-
				3656 (Ex-Site)	2080 (Ex-Site)
2.	Padauk (<i>Pterocarpus macrocarpus</i>)	Square	Export	4031 (Ex-Site)	
			ER	-	-
			Market	2400 (Ex-Site)	
			Fitches	4999 (Ex-Site)	-
3.	Tamalan (<i>Delbagia oliveri</i>)	Log	Export	4108 (Ex-Site)	1829 (Ex-Site) Nett
			ER	2400	-
				7300 (Ex-Site)	1593 (Ex-Site)
4.	Tamalan (<i>Delbagia oliveri</i>)	Square	Export	6226 (Ex-Site)	-
			ER	-	-
			Market	2677 (Ex-Site)	-

Control of Illegal Rosewood trade



Tamalan (*Delbergia oliveri*)



Padauk (*Pterocarpus macrocarpus*)

Measures to restore the sustainability of Rosewood species in natural forest

- Specieswise inventory at the FMU level
- Enrichment planting
- Research and Development
- International cooperation for the conservation of endangered species
- Awareness raising for local communities on conservation
- Technical cooperation
- Law enforcement
- Anti-corruption
- Control of illegal trade

Illegal Rosewood confiscated



Way forward

- More collaboration with International/ Regional Partners for SFM
- Development of Forest Certification System and Legality of timber in international trade
- Review Policy & legal framework for SFM
- Institutional strengthening
- Decentralization & Devolution
- Corporatization of MTE
- Log Export Ban & Promotion of Value added Products
- Privatization/ Joint venture in Forest Management

Thanks for your kind attention!

