



Questionable Timber Exports from Cambodia to Vietnam Skyrocket 800 Percent in Two Years

23 November 2016 | Washington, D.C. | Surging exports of Cambodian wood into neighboring Vietnam in recent years are raising new concerns over illegal logging of Cambodia's dwindling natural forests according to [a new report](#) released jointly by international nonprofit Forest Trends with the Vietnam Timber and Forest Products Association, the Handicraft and Wood Industry Association of HCMC, and the Forest Products Association of Binh Dinh.

Imports of both logs and semi-processed sawnwood from Cambodia increased 800 percent in volume from 2013 to 2015 according to monthly provincial trade data obtained from Vietnam's Ministry of Industry and Trade. This wood, valued at a staggering \$681 million (M), came entirely from Cambodia's threatened natural forests, as opposed to plantations.

Much of this timber trade is illegal according to Cambodia's own laws and regulations. Despite a log export ban instituted by the Cambodian government in 1996, the cross-border trade in logs alone grew from virtually nonexistent to a \$17M industry in two years – fueled by an astonishing 15,000 percent growth in 2015 alone, the analysis showed. It also revealed that protections for rare wood species often went ignored; For example, Cambodia exported \$35 million in Siamese rosewood during this period despite a government-issued logging ban placed on this endangered species.

The new report is the first to draw on detailed official Vietnamese customs data on imports of logs, sawnwood, and other wood products crossing the border – often illegally. It confirms that Cambodia is now the largest supplier of wood to Vietnam by value.

The report's authors attribute this trade influx in part to **increased demand as neighboring countries Laos, Myanmar, and Vietnam have started to reduce their own harvest levels or restrict log exports** – largely for environmental and/or economic development reasons. The Government of Laos has begun to seriously enforce its long-standing – but typically ignored – log export ban, while Myanmar in the past two years has instituted both a log export ban and, more recently, a total logging moratorium through March 2017.

"This dramatic surge in trade shows that declining supplies due to increased enforcement in one country can put pressure on other countries to ramp up supplies," said **Kerstin Canby**, Director of the Forest Policy, Trade, and Finance program at Forest Trends. "Unfortunately, this is squeezing demand to those countries that have proven unable or unwilling to control illegal logging – and the largest impact is on vulnerable forest ecosystems and indigenous communities who live in them."

The report notes that log and sawnwood exports bound for Vietnam were frequently sourced from either protected areas or Economic Land Concessions – land cleared for agriculture and other economic uses but often treated as *de facto* logging concessions. Forest Trends has found in previous [research](#) that these Economic Land Concessions often violate not only national laws, but also the rights of local communities and indigenous peoples.

Moreover, the percentage of imports classified as rosewood and other high-value, rare, and threatened species nearly doubled between 2013 and 2015, according to the Vietnamese customs data, which are able to disaggregate imported wood by species. **These high-value woods made up just 45 percent of Vietnam's sawnwood imports from Cambodia in 2013, but comprised 82 percent by 2015.** Many of the prized woods were [recently classified](#) by the UN's endangered species body, CITES, as among the most threatened in Southeast Asia, but they remain in desperate need of protection. After shipment to Vietnam, most of the high-value Cambodian sawnwood is simply directly re-exported to China, Hong Kong, and India, or processed into semi-finished products bound for global markets, with China, Japan, Taiwan, and Australia as the leading destinations.

Despite a highly publicized campaign by the Cambodian government to eradicate illegal logging and trade – including a blanket ban on exports to Vietnam announced in February 2016 – **recent research by Forest Trends confirms that wood continues to flow across the border**. An unpublished analysis of Vietnamese customs data revealed that [\\$121M in imported wood](#) entered Vietnam in the first nine months of 2016.

“These findings raise serious concerns about the legality of wood products moving from Cambodian forests to Vietnam and beyond,” Canby said. “More broadly, the report underscores that illegal logging and wood trade shifts fluidly and opportunistically in order to satisfy global consumer demand. It is important to remember that decisions on policy and regulation can have far-reaching consequences for forests beyond any one nation’s borders.”

The report has major implications for the ongoing negotiation of a Forest Law Enforcement, Governance and Trade Voluntary Partnership Agreement (VPA) between Vietnam and the European Union, which aims to ensure that all wood products exported from Vietnam are legally sourced, whether they were grown in Vietnam itself or other countries such as Cambodia. Given that much of this high-risk wood is destined for China, the report also highlights the urgent need for China’s government to take action to ensure only legal sourced wood enters its market.

To learn more, download [the full report](#) and download [the press release](#).

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