



Forest Management and Timber Trade Lao PDR

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Workshop on Forest Trade and Market Reform in Mekong
Region

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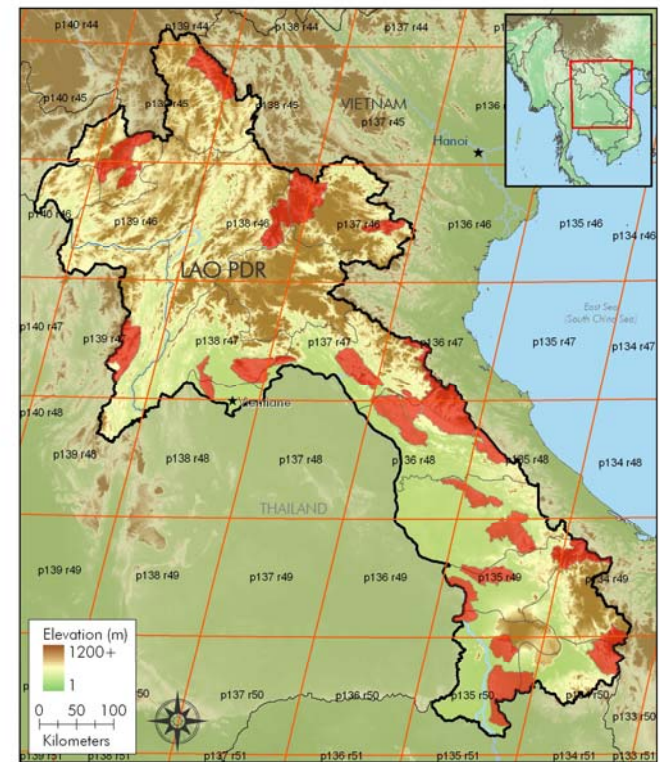
Forest Management

- Early stage managed by State Own Enterprise Companies, each own forest area of 200,000 - 300,000 ha
- Until late 80's, the lost of invaluable biodiversity was recognized and the government issued legislation for forest protection
- New Economic Mechanism in 1986, forced to reform the forest management system from the centralization to decentralization, however the logging quota has to be acknowledged from the central government

FOREST Management

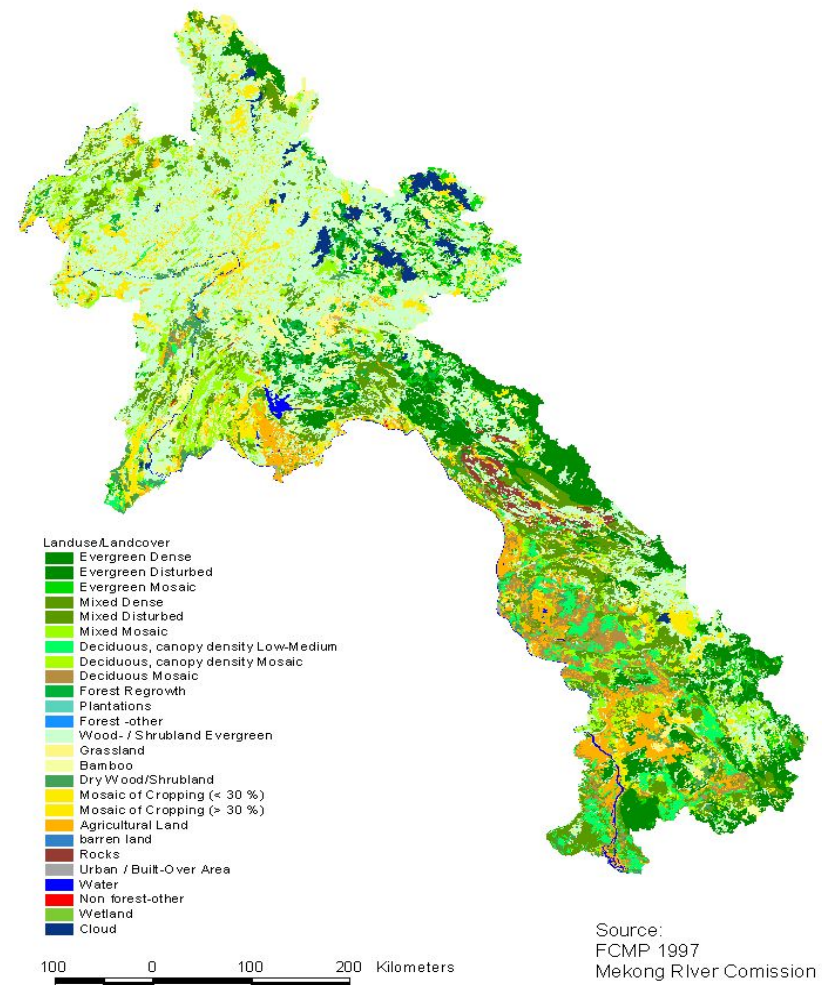
cont.

- Forest conservation were enhanced, 20 NBCAs have been declared in 1990 as well as the provincial and district conservation were established
- Early 1990 forest plantation for timber exports have been encouraged and implemented widely through the country
- Since 1990's the legal stuff in Laos has been rules by laws, in 1996, the first forest law was issued and had been updated in 2005 and 2008
- Forest protection have been enhanced through the implementation of land use



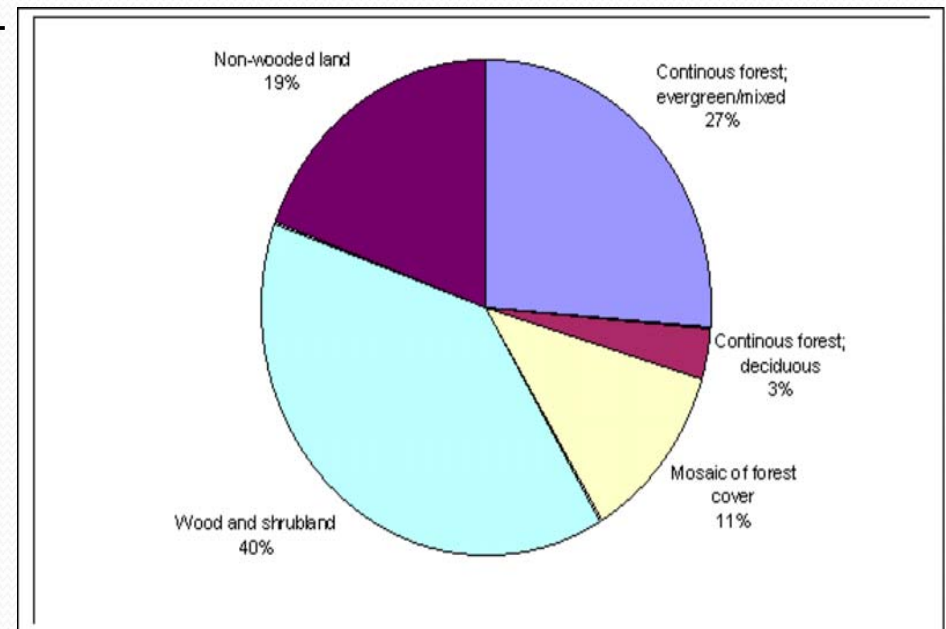
Forest Management cont.

- In 2007 the forest classification system has been revised and the institution arrangement have been updated
- Forest development strategy to increase forest cover until 2020
- Pilot project for sustainable use of forest and rural development have been established in 2004 (FOMACOP 1999-2002), and currently extent to all provinces



Forest Management cont.

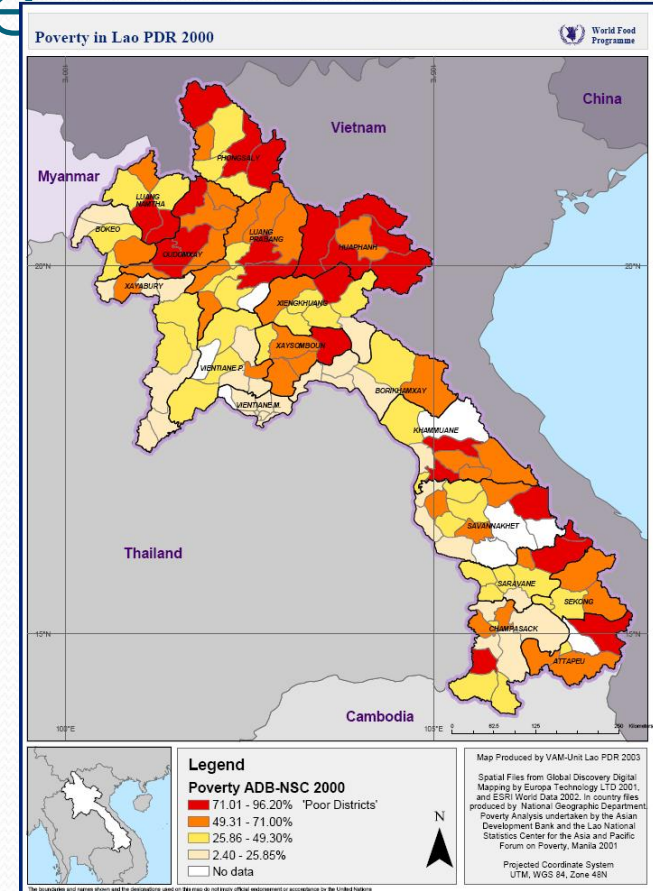
- Enrolment in many international convention such as UNCCD, CITES, REDD, etc.



Source: GTZ-MRC Forest Cover Monitoring Project 1997

Challenge and issue

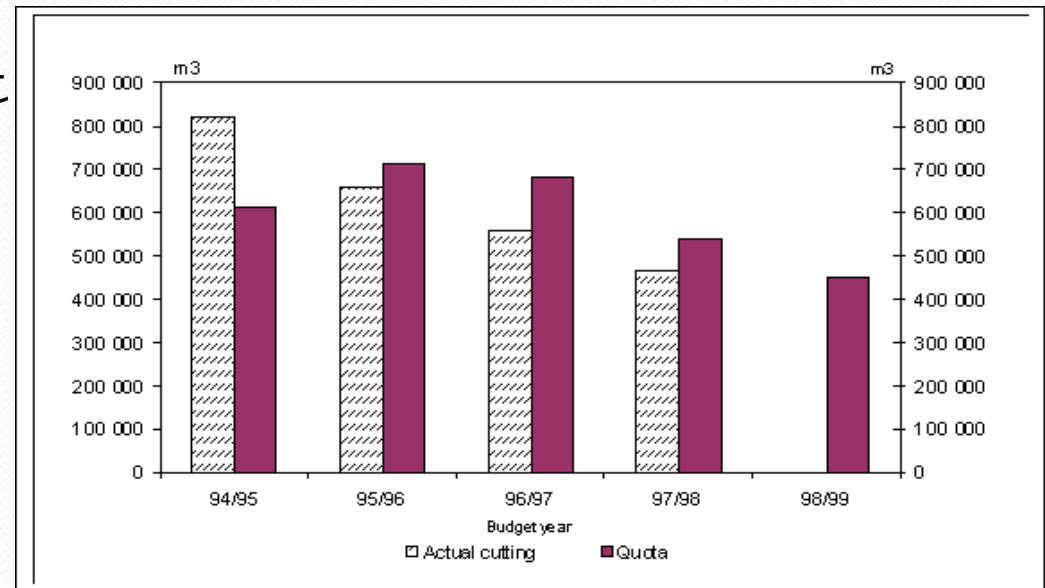
- Land investment policy for agri-business
- Infrastructure development impacts on land use and forest cover
- Transparency on Timber trade
- Community involment in Forest Mgt.



Timber Trade and flow

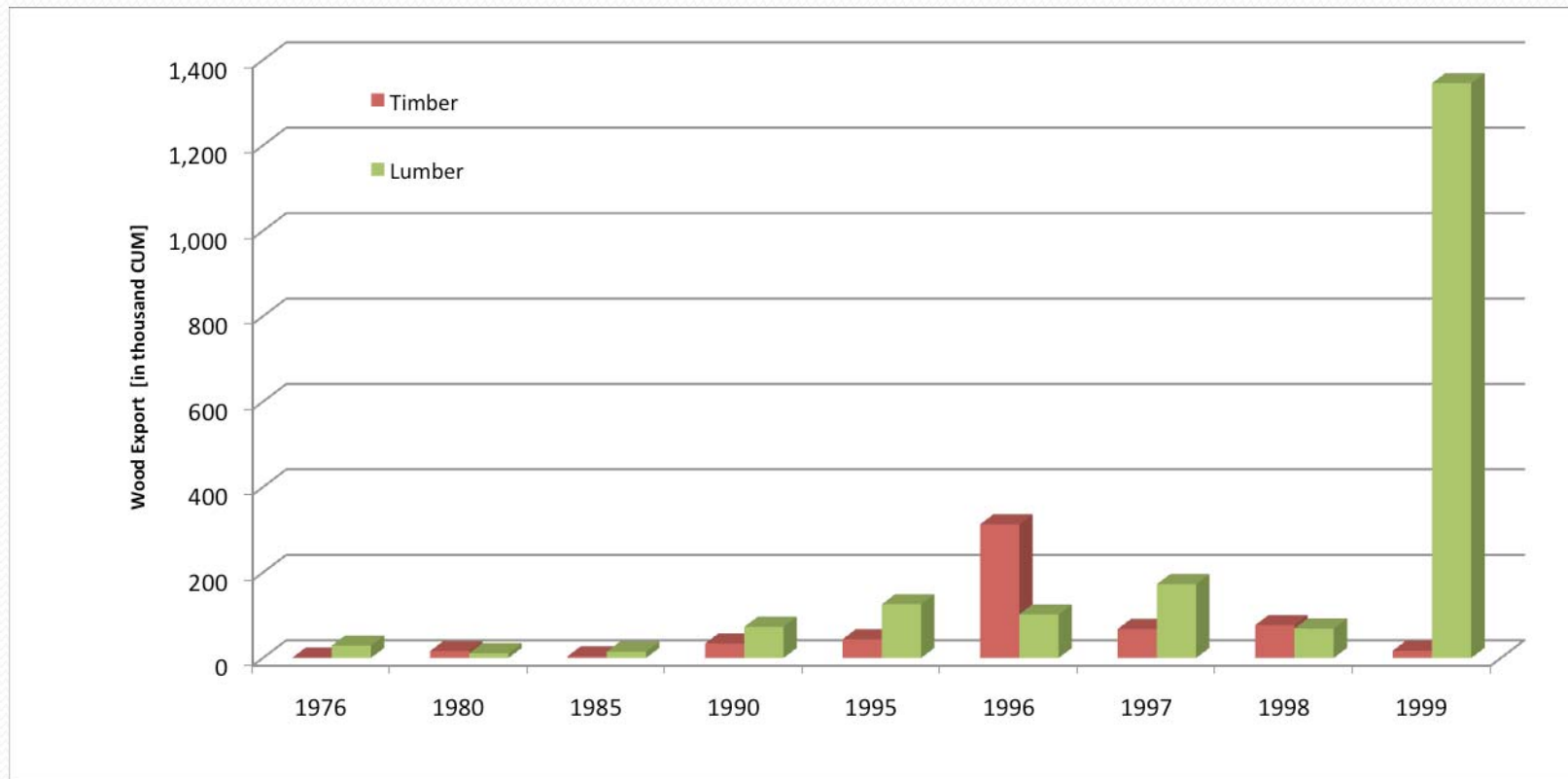
Types of Timber Quota

- Exported loggings quota managed by central government
- Infrastructure development (Hydropower, road construction, resettlement etc.)
- Timber for domestic consumption



Source: MAF

Wood Products Export



Source: National Statistic Center

Rank of Timber Export Value [in 2007]

Rank	Country	Amount (USD)	percent
1	Thailand	34,713,080	47.82
2	Vietnam	33,478,479	46.12
3	China	2,155,855	2.97
4	Japan	1,174,278	1.62
5	Korea	398,124	0.55
6	Australia	202,259	0.28
7	Taiwan	191,918	0.26
8	America	124,002	0.17
9	France	49,697	0.07
10	Malaysia	40,710	0.06
11	Cambodia	26,820	0.04
12	Singapore	18,036	0.02
13	Germany	8,205	0.01
14	Russia	4,702	0.01
15	Canada	3,176	0.00

Source: Data source: statistic and planning division, office of MIC

Major Sources of Timber

- Infrastructure/Hydropower/Resettlement
- Production forest
- Plantation (teak in the north)



Issues of timber extraction

- Harvesting quota
 - Quota vs Actual cut
- Illegal logging
- Timber grading
 - Flat price or grading?
- Marketing
 - Market network/commodity chain
 - Value added products (certified)





Other Related Issues

- Inaccuracy of official statistics
- Much of wood consumption is largely unrecorded
- Decentralization of forest management
- Quality of wood processing industries



Research?

- Decision making process on logging/quota
- How to involve REDD in current forest mgt.
- The Indigenous knowledge on forest mgt.
(pushing into legal framework, including tenure scheme on communal forest land)