Some Notes on the Mekong Timber Trade (Lao-Vietnam Border)

Keith Barney
Crawford School of Public Policy
Australian National University
26 October, 2016
Over last decade, Lao timber harvesting & trade closely linked to infrastructure development (esp. hydropower), sometimes in protected areas.
Not all of the cross-border trade is associated with large-scale/elite actors

Lao-Vietnam Charcoal Trade

Cross-Border Luxury Hardwood Trade
Late 2015 and early 2016
(note the January Party Congress, and announcement of new PM Thongloun Sisoulith):

Dec. 15, 2015

Convoy of Lao Trucks Transports Logs to Vietnam, Despite Ban on Timber Exports

June 2, 2016

Bus explosion kills eight Vietnamese passengers

An explosion wrecked a bus loaded with an illegal shipment of timber and carrying 14 Vietnamese passengers in Khammuan province yesterday, killing eight people instantly, according to a provincial official.
By many accounts, Laos PMO/15 having a significant effect, with provincial governors falling into line.

Lao People’s Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister

No. 15/PM
Vientiane Capital, date 13.05.2016

Order
On Strengthening Strictness of Timber Harvest Management and Inspection, Timber Transport and Business

Govt orders forests closed to logging

Prime Minister Thongloun Sisoulith has instructed that all types of forest be closed to logging by June 1, with all parties prohibited from collecting or removing logs from forest fields known locally as Sanam I.

The instruction was issued at the government’s monthly meeting for May held on May 24-25 at the Prime Minister’s Office and chaired by Mr Thongloun.
Some implications…

• ‘Closure’ of border to all timber exports has affected commercial plantation operators

• To my knowledge sawmills have ceased operations even in remote border areas (Ta Oy)

• District authorities registering villager’s chainsaws, enforcement of permit requirements
  – A village of 47 HH, 9 chainsaws registered

• Given the demand and incentives, & the nature of the border area, (rivers, minor roads and trails), people will soon be looking for new ways of transporting high value timber across the border

• The high profile nature of this crackdown appears different from previous efforts. PM Sisoulith staking a personal legitimacy to PMO/15?

• Even charcoal reportedly being held up at the Lao-China border (is charcoal not a processed product?)
Innovations?

Note yesterday from the Savannakhet - Quang Tri border area:

- “A family I observed had paid 120 million kip (US$14,400) for the wood. I don’t know the volume. But they explained that they had attempted to pass logs 3 times over the border using just 2 Hyundai minivans. Someone at the border must have known, because officials were asking them 6 million (US$715) in bribes to let it pass. So they are trying a new route, which includes transport over the Xepon River.”