



Vietnam's Imports of Cambodian Logs and Sawnwood from Natural Forests: 2013-2015



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Introduction

Vietnam and Cambodia share a common border of over 1,100 km and a sizeable bilateral trade reaching US\$3.4 billion, with an annual growth of 5.8 percent since the beginning of the 2000s.¹ Stretching across 10 provinces of Vietnam and nine provinces of Cambodia, it is estimated that the trade has the potential to reach US\$5 billion in the near future.²

Vietnam's main exports to Cambodia include consumer goods, agricultural and forest products, plastic products, and construction materials. Wood products are Cambodia's number one export to Vietnam; in 2015, Cambodia provided almost 590,000 m³ roundwood equivalent (RWE), or 12.2 percent of the total volume of Vietnam's wood product imports, valued at more than US\$300 million, or 22.8 percent of the total value of Vietnam's wood product imports. (Figure 1).³ Logs (Harmonized System [HS] 4403)⁴ and sawnwood (HS 4407)⁵ constituted more than 95 percent of the total timber imports from Cambodia to Vietnam in 2015 by both volume and value. Only a negligible amount of other timber products, such as furniture, wood chips, and veneer, are exported from Cambodia to Vietnam.

This report analyzes the trade of logs and sawnwood from natural forests imported from Cambodia to Vietnam between 2013 and 2015, publishing detailed statistics provided by the General Department of Vietnam Customs for the first time. No plantation logs or sawnwood are imported from Cambodia into Vietnam. This report focuses on logs and sawnwood because, as mentioned in the preceding paragraph, their volume and value accounts for almost all of the total volume and value of timber products imported into Vietnam from Cambodia during these years. The trade data within this report has been compiled and analyzed by a team of experts from Vietnam Timber and Forest Product Association (VIFORES), Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA), Forest Products Association of Binh Dinh (FPA Binh Dinh), and Forest Trends. The findings have been widely circulated in Vietnam, Cambodia, and Laos, reviewed by a number of government agencies and international donors/NGOs⁶ featured in Vietnamese and Cambodian media,⁷ and subsequently used to inform policy dialogues including the development of Forest Law Enforcement, Governance and Trade (EU-FLEGT) Voluntary Partnership Agreements (VPAs) in Laos and Vietnam.

¹ <http://www.vietnamembassy-turkey.org/vnemb.vn/tinkhac/ns080115094839>

² See http://congthuong.hochiminhcity.gov.vn/ttsk/-/asset_publisher/Jeo2E7hZA4Gm/content/id/361634; and <http://www.thesaigontimes.vn/137689/Vie%CC%A3t-Nam-Cambodia-nha%CC%81m-de%CC%81n-trao-doi-thuong-ma%CC%A3i-5-ti%CC%89-do-la-My%CC%83.html>.

³ See <http://vietbao.vn/Kinh-te/Trien-vong-thuong-mai-Viet-NamCambodia/55150283/88/>.

⁴ According to Vietnam's Customs, the products under HS 4403 (wood and wood commodities) include rough trees, stripped of bark or sapwood roughly squared. Future details of the products in group 4403 can be found at: <http://customs.gov.vn/SitePages/Tariff.aspx?portlet=Structure&tariff=4403&language=vi-VN>.

⁵ Products under HS 4407 include timber sawn lengthwise; sliced or peeled; planed and not planed; sanded or end-jointed with a thickness exceeding 6 mm. Details of these products can be seen on the website of Vietnam's General Department of Customs <http://customs.gov.vn/SitePages/Tariff.aspx>

⁶ These include, *inter alia*: In Vietnam: Vietnam FLEGT Standing Office, Vietnam REDD+ network, Vietnam FLEGT NGO network, and Vietnam's timber industry stakeholders. In Laos: FLEGT Standing Office, FLEGT Steering Committee, Department of Import and Export, Customs, Food and Agriculture Organization (FAO) in Laos, FERN, LaoFAB. In Cambodia: NGO network and several donor agencies such as the EU and USAID.

⁷ Including Phnom Penh Post, Cambodia Daily, Channel NewsAsia, and many Vietnamese media outlets.

Key Findings

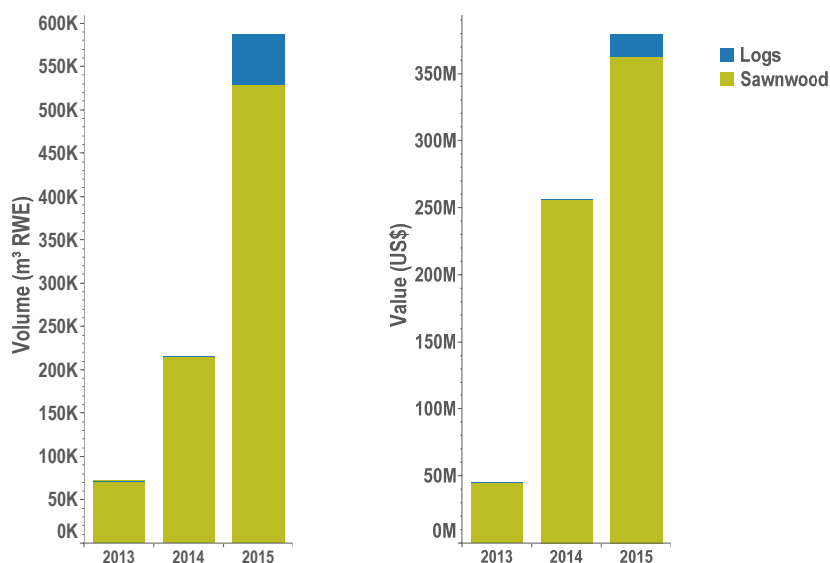
1. **Vietnamese imports of Cambodian logs and sawnwood increased 800 percent from 2013 to 2015:** Between 2013 and 2015, Vietnam's imports of Cambodian logs and sawnwood increased to nearly 590,000 m³ of roundwood equivalent (RWE).⁸ This represented a 270 percent increase over 2014 import levels alone. Import values reflect a similar trend, rising by 730 percent over 2013 levels to US\$379 million.

Table 1: Logs and Sawnwood Imported from Cambodia into Vietnam (2013-2015)⁹

Year	Logs		Sawnwood		Total	
	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)	Volume (m ³ RWE)	Value (Million US\$)
2013	405	0.70	51,100	45.00	71,945	45.70
2014	383	0.02	153,500	256.50	215,283	256.52
2015	57,700	16.90	377,900	362.10	586,760	379
Total	58,488	17.62	582,500	663.60	873,988	681.22

2. **Sawnwood and log imports, all of which come from natural forests as opposed to plantations, constituted more than 95 percent of the total Cambodian timber imports to Vietnam in 2015:** Only a negligible amount of other products, such as furniture, wood chips, and veneer were exported from Cambodia to Vietnam.
3. **Sawnwood imports exceeded log imports by volume, but log imports increased by more than 15,000 percent between 2013 and 2015:** The volume of imported sawnwood from Cambodia in 2015 reached 377,900 m³, equivalent to about 530,000 m³ RWE of logs. While the volume of log imports has remained comparatively small compared to that of sawnwood, the rate of growth has been astonishing: from a negligible level of 383 m³ in 2014,

Figure 1: Cambodian Log and Sawnwood Imports to Vietnam, by Volume and Value (2013-2015)



⁸ For this report, 1 m³ of sawnwood equals 1.4 m³ roundwood equivalent (RWE).

⁹ All logs and sawnwood imported from Cambodia to Vietnam are sourced from natural forests. No plantation logs or sawnwood are imported. All other figures and tables in this report therefore reflect logs and sawnwood sourced from natural forests only

the volume of imported logs exploded in 2015 to 57,700 m³ – a nearly 15,000 percent increase in just one year. The value of sawnwood imports from Cambodia exceeded US\$362 million in 2015, with log imports valued at a comparatively smaller figure of US\$16.9 million (Table 1). Figure 1 shows the volume and value of imported logs and sawnwood.

4. **Eighty-two percent of sawnwood imports are classified as high-value species, and the volume and value of these high-value imports are rapidly expanding:** Eighty-two percent of the sawnwood imported from Cambodia to Vietnam in 2015 were high value species (95 percent by value). The majority of these species are classified as rosewood. In 2013, high-value species comprised only 45 percent of the total volume, and 86 percent of total value. These high-value sawnwood species are mainly re-exported to China, Hong Kong, and India, or processed into semi-finished products for global markets including Japan, Taiwan, and Australia in addition to China, Hong Kong, and India.
5. **Cambodian logs and sawnwood imported to Vietnam have a high risk of being illegally sourced and/or traded:** Most timber materials imported to Vietnam from Cambodia are sourced from land cleared for other economic land use and/or protected areas. Studies have highlighted the substantial legality risks associated with conversion timber, particularly rosewood species derived from concession areas and protected areas. These studies have also revealed underlying problems of weak forest governance, with corruption and collusion facilitating the illegal harvest and trade in timber (ibid.; Singh 2013). Despite the Government of Cambodia's log export ban, first issued in 1996, the volume of logs imported into Vietnam from Cambodia has continued to rise through 2015; therefore these imports can be considered to be violating Cambodian national law.
6. **The surge in Vietnamese imports of Cambodian logs and, in particular, sawnwood over the past three years can be attributed in part to policy developments in Vietnam and in other countries in the Mekong Region.** These include:
 - a. **Vietnamese import licensing deregulation:** In January 2014, the Government of Vietnam's Ministry of Trade and Industry deregulated import licensing of timber products (Circular No 1/2014/TT-BCT). Circular 01, which replaced Circular 04 of 2006, not only simplified import procedures, but also allowed for timber to be imported at all border gates between Vietnam and Cambodia -- whereas previously, timber trade had only been allowed at a small number of specified gates.¹⁰
 - b. **Laos log export ban and moratorium:** In August 2015, the Government of Lao PDR banned the export of logs in order to help meet the raw material needs of Laos' domestic woodworking industry. This Notice (2015 No. 1360) further requires that all timber must be processed prior to export (Vientiane Times 2015). In May 2016, the new Lao government issued a complete moratorium on logging in production forests and export of any timber other than "finished products" (Radio Free Asia 2016).¹¹

¹⁰ The objective of Circular 01 is: "to annul the regulations on the import licensing, temporary import for re-export from Cambodia, " in which "the enterprises importing timber materials from Cambodia make procedures at the customs office in accordance with current regulations and do not have to apply for permits from the Ministry of Industry and Trade."

Previously, the import of timber materials from Cambodia had been governed by Circular No. 4/2006/TT-BTM issued by the Ministry of Industry and Trade. Circular 04 stated: "Traders who have an import contract or contracts for temporary import for re-exporting timber, or merchants who sign with Cambodia traders who are issued the export permit of timber materials by Cambodia Ministry of Trade, must send their documents and attached contract to Vietnam's Ministry of Trade and Industry permitting import license or temporary import for re-export of timber. The Ministry of Trade and Industry will permit temporary import for re-export after receiving timber export permits from Cambodia Ministry of Commerce via Vietnam Embassy or Vietnamese Trade Office in Cambodia." In addition, Circular 04 only allowed the transport of timber materials imported from Cambodia via 13 land border gates and the main and international border gates by sea.

¹¹ Lao wood products now banned from export include sawn timber, stumps, and branches. The May 2016 Prime Ministerial order also requires all ministries, provincial governors, and mayors to implement strict measures to control and inspect timber harvesting and transport.

- c. **Myanmar log export ban:** In April 2014, the Government of Myanmar also instituted a log export ban to assist in the development of value-added processing within Myanmar as well as to allow for the regrowth of its overharvested forest production zones (Ferrie 2014).

With new constraints to the timber supply from Laos and Myanmar, Vietnamese businesses have been forced to find alternative sources, and often found timber with similar properties in Cambodia.

These developments, and subsequent impacts on trade flows, indicate a strong correlation between policies regulating the timber trade among countries in the Mekong Region. This has great significance for policies related to the use and management of forest resources, including those that control legality, as well as deregulation of trade regimes both regionally and internationally.

Imports of Cambodian Sawnwood

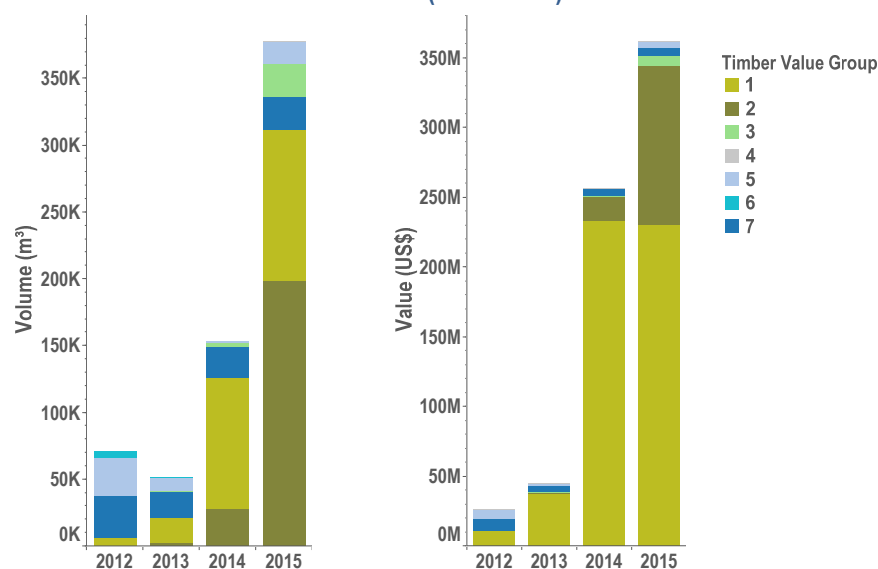
Overview

In 2015, Cambodia was the third largest supplier of sawnwood to Vietnam, behind Laos and the United States. Import volumes of sawnwood from Cambodia into Vietnam have sharply increased to nearly 378,000 m³, equivalent to nearly 530,000 m³ of roundwood, up nearly 640 percent from 51,100 m³ (71,500 m³ RWE) in 2013. In 2015, the import value of sawnwood from Cambodia was over US\$362 million, a 704 percent increase from US\$45 million in 2013.

Imported Species of Sawnwood

Thirty different species of Cambodian timber were imported in sawnwood form in 2015 (in comparison, 60 different species were imported from Laos in sawnwood form). The Government of Vietnam classifies these species into eight different groups¹² according to their value, with Groups 1 and 2 being high-value, luxury species. Figure 2 shows the volume and value of the sawnwood imported into Vietnam by group. Annex 1 shows the value and volume of each group in detail. Annex 2 show the names of the species imported.

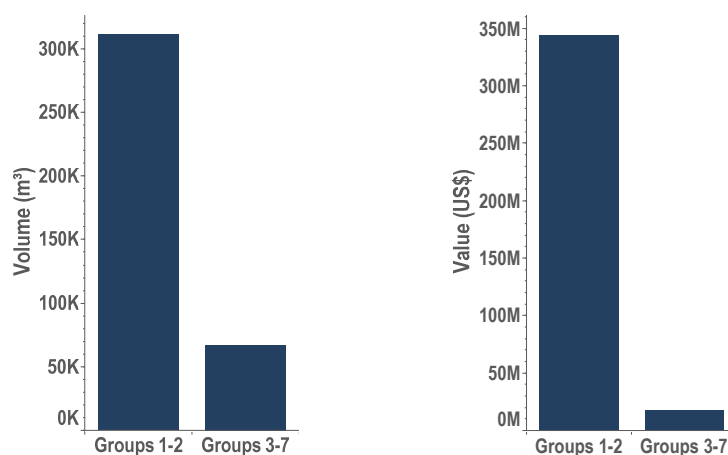
Figure 2: Cambodian Sawnwood Imported into Vietnam by Value Category, by Volume and Value (2012-2015)



¹² Details on lumber species in the eight classified groups can be found at: <http://thuvienphapluat.vn/van-ban/Tai-nguyen-Moi-truong/Quy-et-dinh-2198-CNR-bang-phan-loai-tam-thoi-go-su-dung-thong-nhat-trong-ca-nuoc-42178.aspx>.

In 2015, about 82 percent by volume (95 percent by value) of the sawnwood imported from Cambodia to Vietnam was classified as either Group 1 or 2. This was a sharp increase from 42 percent by volume (86 percent of the value) of 2013 imports classified as either Group 1 or 2.

Figure 3: Cambodian Sawnwood Species in Value Groups 1-2 Imported into Vietnam, by Volume and Value (2015)



These high-value sawnwood species are mainly destined for re-export to China, Hong Kong, and India, or as semi-finished products for global markets.

The top 10 species imported in sawnwood form are listed in Table 2. A detailed look at the species declarations in 2015 shows that:

- The value and volume of sawnwood imports from Cambodia to Vietnam increased rapidly between 2013 and 2015.
- The majority (77 percent by volume and 93 percent by value) of sawnwood imported from Cambodia was of high-value species such as pyinkado (*Xylia xylocarpa*) and Burma padauk (*Pterocarpus macrocarpus*).
- The import volume of pyinkado sawnwood rose more than 80 times between 2013 and 2015, from 2,200 to 176,600 m³. The import value of pyinkado rose over 500 percent, from US\$16 million to \$106 million between 2014 and 2015. The import volume for Burma padauk also increased sharply, by over 1000 percent by both volume and value (from 8,400 m³ to 100,700 m³ between 2013 and 2015, and from US\$16 million to US\$216 million during the same time frame).
- Pyinkado and Burma padauk imported to Vietnam are mainly re-exported to China, Hong Kong, and India, or used in Vietnamese domestic markets for various purposes such as flooring, door frames, stairs, and kitchen cabinets.
- The import volume of other timber species in Table 2 grew at a smaller rate than Pyinkado and Burma padauk, but the growth in imports of these species was still relatively large.

Figure 4: Top Cambodian Sawwood Species Imported into Vietnam, by Volume and Value (2013-2015)

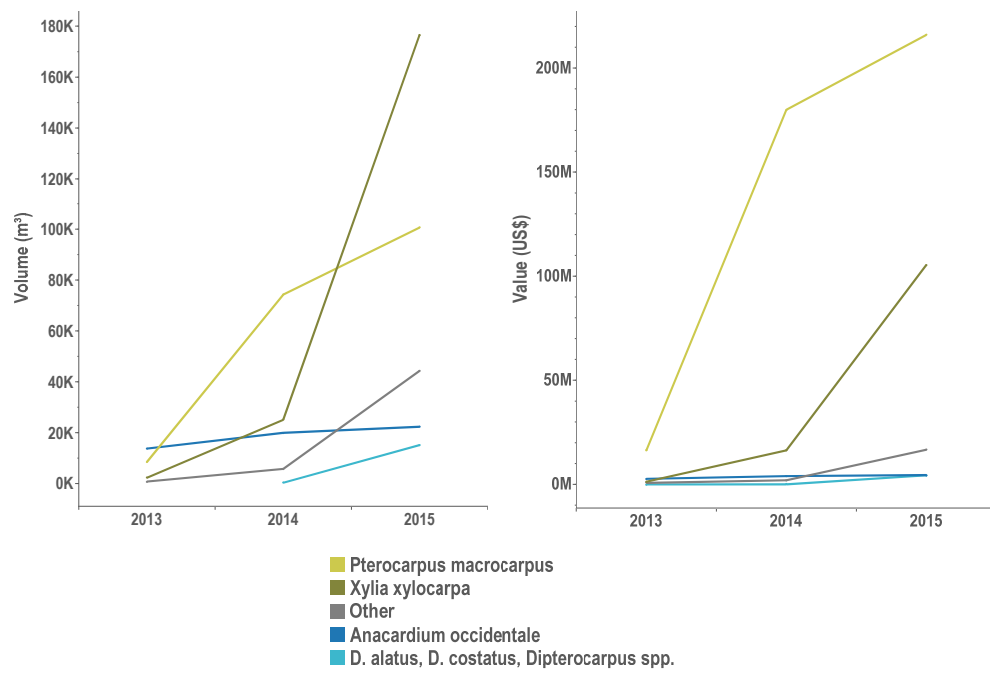


Table 2: Top 10 Cambodian Sawnwood Species with the Greatest Import Volume Imported into Vietnam (2013-2015)

Vietnamese name	English/local name	Scientific name	Family	Value group	2013		2014		2015	
					Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)
Cẩm xe	Batal, Pyinkado	Xylia xylocarpa	Leguminosae	2	2,200	1.3	25,000	16.4	176,600	105.5
Hương	Burma Padauk, Burmese rosewood ¹³ , Narra, Sena	Pterocarpus macrocarpus	Leguminosae	1	8,400	16.3	74,300	180.0	100,700	216
Điều	Cashew wood, Caju	Anacardium occidentale	Anacardiaceae	7	13,700	2.7	19,900	4.0	22,300	4.5
Dầu	Keruing	Dipterocarpus alatus, D, costatus, Dipterocarpus spp,	Dipterocarpaceae	5			241	0.07	15,100	4.4
Cà chắc	Balau, Burma Sal, Siamese Sal, Thitya	Shorea obtusa	Dipterocarpaceae	2	22	0.006	2,200	0.7	12,500	3.6
Bằng lăng	Crape myrtle, Bungor (Malay), Tabek (Thai), Banglang	Lagerstroemia paniculata	Lythraceae	3	39	0.001	1,700	0.5	12,300	3.6
Chiêu liêu xanh	Ketapang, Terminalia Chebula	Terminalia tomentose	Combretaceae	3	54	0.05	1,100	0.4	6,200	2.2
Gỗ đỏ	Ipil	Afzelia xylocarpa	Leguminosae	1	336	0.5	67	0.1	4,500	3.1
Sao xanh	Giam, Malut; Chengal Batu	Hopea ferrea	Dipterocarpaceae	2	269	0.2	506	0.3	4,500	2.5
Sến	White Meranti	Shorea roxburghii	Dipterocarpaceae	3			101	0.03	4,300	1.7

¹³ Both *Pterocarpus marcorarpus* and *Dalbergia oliveri* are known to Vietnamese traders as “Burmese rosewood.” (There are 33 recognized species of *hongmu*, or “red wood,” under a 2000 Chinese standard, and even more species under the broad category of “rosewood.”)

Table 3: Cambodian Sawnwood Species in Value Group 1 Imported into Vietnam (2013-2015)

Vietnamese name	English/ local name	Scientific name	Family	2013		2014		2015	
				Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)
Cẩm	Burmese Rosewood, Palisander	Dalbergia oliveri	Leguminosae	1,100	2.3	14,100	34.1	3,919	7.9
Gỗ đỏ	Ipil	Afzelia xylocarpa	Leguminosae	336	0.7	67	0.1	4,500	3.1
Gụ mật	Sepetir, Memperas	Sindora siamen	Leguminosae	70	0.06	3,800	2.8	3,500	2.4
Hương	Burma padauk, Burmese rosewood, Narra, Sena (Malay)	Pterocarpus macrocarpus	Leguminosae	8,400	16.3	74,300	180.0	100,706	216.0
Trắc	Siamese Rosewood	Dalbergia cochinchinensis	Leguminosae	8,700	17.5	5,700	15.8	419	1.2
Others				281	0.6				

Table 4: Cambodian Sawnwood Species in Value Group 2 Imported into Vietnam (2013-2015)

Vietnamese Name	English/local name	Scientific name	Family	2013		2014		2015	
				Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)
Cà chắc	Balau, Burma Sal, Siamese Sal, Thitya	Shorea obtusa	Dipterocarpaceae	22	0.006	2,200	0.7	12,500	3.6
Cẩm xe	Batal, Pyinkado	Xylia xylocarpa	Leguminosae	2,200	1.3	25,000	16.4	176,600	105.5
Kiên kiên	Merawan	Hopea pierrei	Dipterocarpaceae			36	0.01	2,400	0.7
Lim xanh	Indochina ironwood	Erythrophloeum fordii	Leguminosae	370	0.3	29	0.02	1,900	1.3
Sao xanh	Giam, Malut, Chengal Batu	Hopea ferrea	Dipterocarpaceae	269	0.2	506	0.3	4,500	2.5

Among the species in Groups 1 and 2 imported from Cambodia into Vietnam, Burma padauk dominates by volume. Other species in Group 1 such as ipil (*Afzelia xylocarpa*) and sepetir (*Sindora siamen*), were imported in smaller volumes, with about 3,000 to 4,000 m³ for each species. The import volume of ipil is notable for having increased over 1,200 percent since 2013.

Imports of Burmese rosewood (*Dalbergia oliveri*) and Siamese rosewood (*Dalbergia cochinchinesis*) decreased from 14,100 m³ to just over 3,900 m³ and 5,700 m³ to 419 m³ respectively between 2014 and 2015, likely due to (a) a **decline in demand**, especially in the Chinese market, for these species and (b) **tighter control by Vietnamese authorities of the trade of these species** in the wake of Circular No. 37 (October 24, 2014) – which temporarily suspends the trading or re-export of logs and sawnwood imported from Laos and Cambodia – and a new CITES rule suspending imports of Siamese rosewood from Cambodia since January 2015.^{14,15}

Among the species classified as Group 2 imported into Vietnam from Cambodia, pyinkado dominated imports by volume. Balau (*Shorea obtusa*) was also imported in relatively large volumes –approximately 12,500 m³ in 2015, up from 2,200 m³ in 2014. Smaller volumes of other species, such as giam (*Hopea ferrea*), merawan (*Hopea pierrei*), and Indochina ironwood (*Erythrophloeum fordii*) were imported, ranging from 2,000 to 4,000 m³ in 2015, an increase from 2013 and 2014. Most Group 2 species are used for Vietnam's domestic markets, mainly as housing materials. Some batal species are re-exported to India (approximately 28,400 m³ in 2015) and a smaller amount (1,800 m³ in 2015) is exported to China.

Imports of Cambodian Logs

The Government of Cambodia has issued a ban on the export of logs since 1996. However, logs continue to be exported to countries such as Vietnam (Singh 2013). Experts will point out an inconsistency of Cambodian policies relating to the harvesting, transport, and trade of logs. This makes the legal status of the Cambodian log exports, including those imported to Vietnam, unclear.

In 2015, Vietnam imported 31 different species of logs from Cambodia. However, only 6 were imported with volumes over 1,000 m³ each, and only 17 were imported by over 100 m³ per species. There are five high-value timber species belonging to Groups 1 and 2 imported from Cambodia into Vietnam.

Pyinkado and keruing (*Dipterocarpus spp.*) comprised 76 percent of log imports from Cambodia into Vietnam by volume, and 87 percent by value, in 2015. These are typically re-exported by Vietnam to India and to some degree to China, and also used in Vietnam's domestic markets.

¹⁴ Detailed information on Circular No.37 of the Ministry of Trade and Industry can be found at <http://www.customs.gov.vn/Lists/VanBanPhapLuat/ViewDetails.aspx?ID=7903>.

¹⁵ Detailed information on new CITES regulations related to importing Siamese rosewood from Laos can be found at <http://baochinhphu.vn/Thi-truong/Tam-dung-cap-giay-phep-CITES-nhap-khau-go-Trac/217843.vgp>.

Figure 5: Top 10 Cambodian Log Species Imported into Vietnam, by Volume and Value (2015)

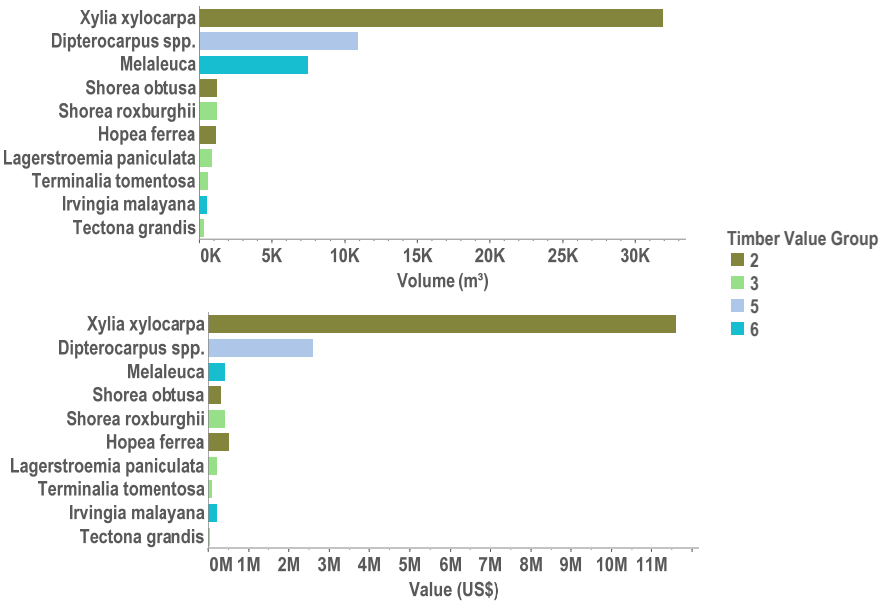


Table 5: Top 10 Cambodian Log Species Imported into Vietnam (2015)

Vietnamese name	English/local name	Scientific name	Family	Value Group	Volume (m³)	Value (Million US\$)
Cắm xe	Batal, Pyinkado	Xylia xylocarpa	Leguminosae	2	31,900	11.6
Dầu	Keruing, apitong	Dipterocarpus alatus, D. costatus, Dipterocarpus spp.	Dipterocarpaceae	5	10,900	2.6
Tràm	Acacia	Melaleuca	Myrtaceae	6	7,500	0.4
Cà chắc	Balau, Burma Sal, Siamese Sal, Thitya	Shorea obtusa	Dipterocarpaceae	2	1,200	0.3
Sến	White Meranti	Shorea roxburghii	Dipterocarpaceae	3	1,200	0.4
Sao xanh	Giam, Malut, Chengal Batu	Hopea ferrea	Dipterocarpaceae	2	1,100	0.5
Bằng lăng	crape myrtle, Bungor (Malay), Tabek (Thai), Banglang	Lagerstroemia paniculata	Lythraceae	3	848	0.2
Chiêu liêu xanh	Ketapang, Terminalia Chebula	Terminalia tomentosa	Combretaceae	3	601	0.1
Cây	Pau kijang, Bush mango, Wild almond	Irvingia malayana	Irvingiaceae	6	517	0.2
Tếch	Teak	Tectona grandis	Verbenaceae	3	293	0.05

Common Border Gates for Cambodian Logs and Sawnwood

The Government of Vietnam defines three main types of inland border gates that are used for trading goods between Vietnam and other countries:¹⁶

- **International border gates** are used for the movement of people, and the movement of transport vehicles and goods between Vietnam, neighboring countries (sharing borders with Vietnam), and all other countries;
- **Main border gates** are opened for the movement of people, and the movement of transport vehicles and goods between Vietnam and neighboring countries;
- **Supplemental border gates** are used for the movement of people and goods within the border areas (e.g., provinces that share a common border between two countries).

In 2015, 21 border gates were used to import timber materials, including four international, 16 main, and 1 supplementary gate.

¹⁶ The details of regulations for each type of border gate are explained in Decree 32, issued by the Government of Vietnam and dated March 14, 2005 (http://www.moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view_detail.aspx?itemid=18472).

Table 6 shows the volume and value of logs and sawnwood imported into Vietnam from 2013 to 2015 through international border gates. Imports of both products across these gates increased substantially between 2014 and 2015.

Table 6: Cambodian Logs and Sawnwood Imported into Vietnam across International Border Gates (2013-2015)

Year	Logs		Sawnwood	
	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)
2013	71	0.06	32,200	11.7
2014	0	0	28,500	11.9
2015	17,500	4.8	104,200	68.3

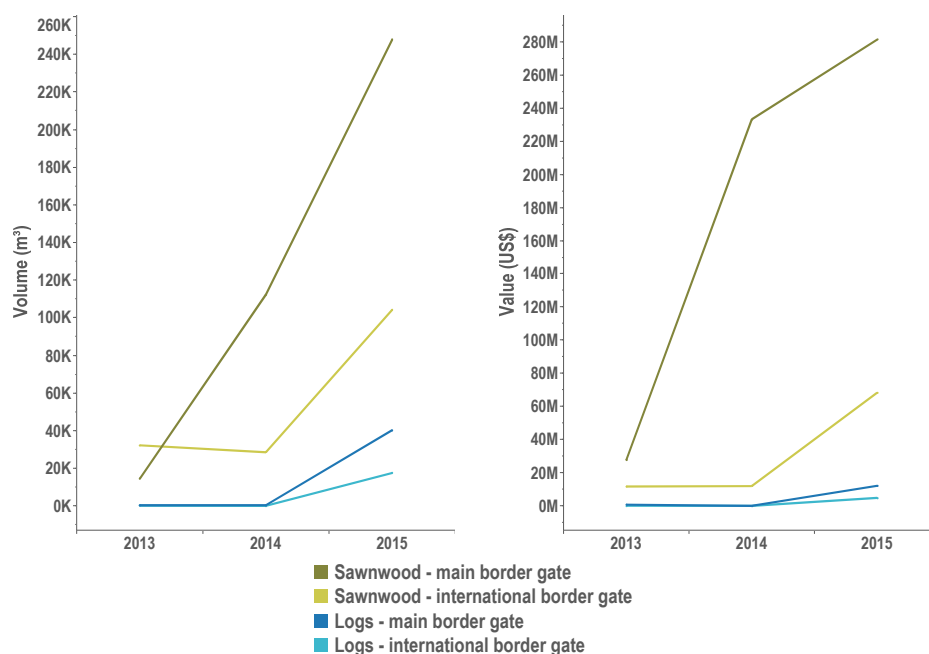
Table 7 shows the volume and value of logs and sawnwood imported into Vietnam from 2013 to 2015 through main border gates. Imports via the main gates, of both logs and sawnwood and by both volume and value, are much larger than imports via international gates.

Table 7: Cambodian Logs and Sawnwood Imported to Vietnam across Main Gates (2013-2015)

Year	Logs		Sawnwood	
	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)
2013	334	0.7	14,400	27.6
2014	383	0.02	112,300	233.2
2015	40,200	12.1	247,800	281.3

Figure 6 illustrates the volume of logs and sawnwood imported through the international and main gates.

Figure 6: Cambodian Logs and Sawnwood Imported into Vietnam across Main and International Border Gates, by Volume and Value (2013-2015)



Most Cambodian logs and sawnwood cross into Vietnam via main border gates, as opposed to international border gates, which is also common practice for imports from Laos (To et al. forthcoming). In 2015, the import volume of sawnwood crossing at main border gates was twice the amount crossing through international gates, and imports by value were four times larger at main gates than international gates. This means there are many precious wood species with high market value that are imported across main border gates.

Figure 7 shows the key border gates through which Cambodian sawnwood crosses into Vietnam. Detailed figures of import volume and value for sawnwood through these gates are found in Annex 3. Figure 7 and Annex 3 demonstrate that:

- The volumes of sawnwood imported through each border gate were very large, especially for some gates in the Tay Ninh and Gia Lai provinces of Vietnam (bordering Svay Rieng and Rattanakiri provinces of Cambodia, respectively).
- Since 2014, the import volumes from some supplementary border gates such as Vac Xa (Tay Ninh province) and 751 (Dak Lak province) have sharply risen from historically marginal volumes, as these gates have become major gateways.

Figure 7: Cambodian Sawnwood Imported into Vietnam by Top Border Gates, by Volume and Value (2013-2015)

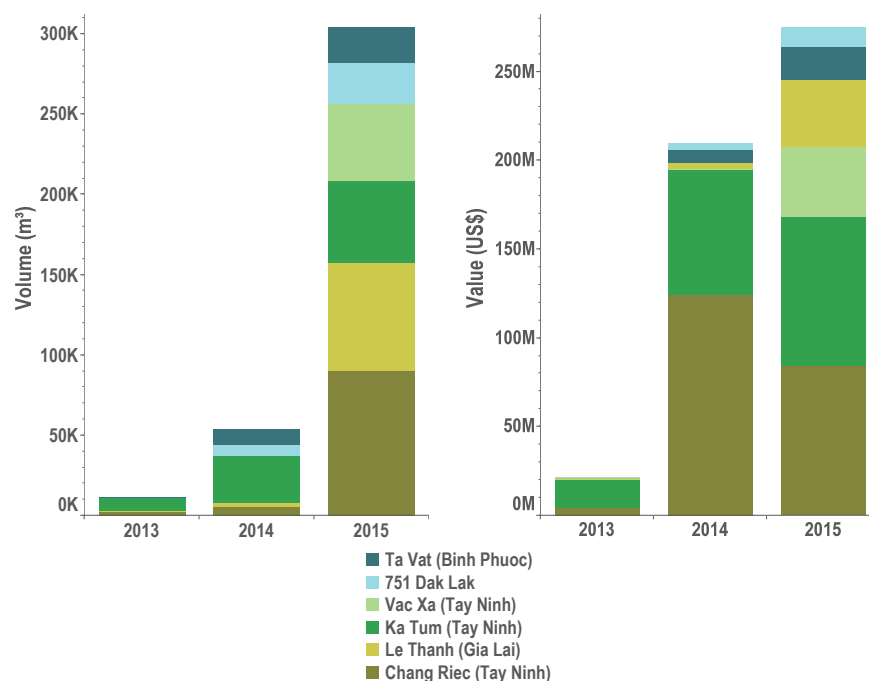
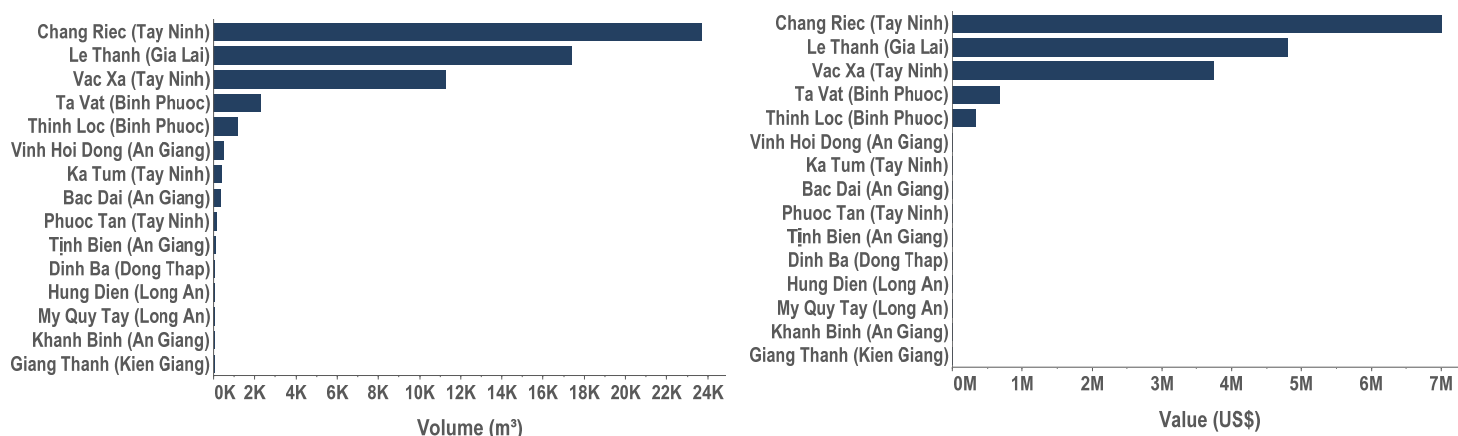


Figure 8 and Annex 4 illustrate the volume of logs imported via border gates from Cambodia into Vietnam in 2015.

In 2015, Vietnam imported nearly 57,700 m³ of logs from Cambodia. This volume was spread across 15 different border gates (see Annex 4). Among these gates, Chang Riec, Vac Xa (in Tay Ninh province), Le Thanh (Gia Lai) and Ta Vat (Binh Phuoc) saw the largest volumes of log imports.

Among 15 border gates which are used to import logs, only Le Thanh is an international gate. The rest are main and supplementary gates.

Figure 8: Cambodian Logs imported to Vietnam by Top Border Gates, by Volume and Value (2015)



Conclusion

Timber materials from the natural forests of Cambodia, especially sawnwood, are important sources for Vietnam's domestic and export markets. From 2014 to 2015, the import volume of Cambodian logs and sawnwood into Vietnam increased sharply - all of it sourced from natural forests and none from plantations. Cambodia now ranks third among Vietnam's largest timber suppliers, and leads in terms of import value.

This sharp increase in imports is due largely to the Vietnamese government's deregulation of the trade in logs and sawnwood from Cambodia in 2014. In addition, it may be attributed in part to recent policy restrictions on the export of timber materials by the Government of Laos and the Government of Myanmar, which have led to greater demand for materials from other countries. This change shows that declining supplies from one country can lead to pressure to increase supplies from other countries in the region. This strong connection between regional timber trade flows within the Mekong region has great significance for resource use and management policies in each individual country, and at the regional level.

The majority of the volume of logs and sawnwood imported into Vietnam from Cambodia consists of rosewood species. These species are imported for use Vietnam's domestic market and for export to China, Hong Kong, and India.

A large volume of Cambodian timber is derived from forest conversion areas— particularly the forest areas allocated for large-scale agricultural projects (creating so-called “conversion timber”). These concessions have often been shown to violate the rights of local communities and indigenous peoples (which may or may not be officially recognized under statutory law) through the allocation or conversion process, or violate national legal frameworks in other ways, raising questions about the legality of the wood harvested from these areas. Earlier studies also show that most of the valuable timber species imported from Cambodia to Vietnam are harvested from forest protection areas (Banks et al. 2014; Technical Working Group on Forestry Reform 2014).

The data presented above shed light on timber trade relations between Vietnam and Cambodia. However, several important questions remain. For instance, of the timber imported into Vietnam from Cambodia, what portion is then exported to other countries? Is Cambodian wood imported into Vietnam processed and later exported to environmentally sensitive markets such as the United States, Australia, and the EU? How much is Cambodian wood used for Vietnam's domestic market? Future research should focus on these questions.

As regional and global markets become more open, governments are removing regulations related to commodity markets and trade. It is important to note, however, that in the the context of weak governance over valuable natural resources in many countries like Cambodia, the Vietnamese wood processing industry will run increasing risks of importing wood materials associated with illegality. Unfortunately, to date there has been no effective mechanism for mitigating risks associated with Cambodian timber imported into Vietnam.

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Annex 1: Cambodian Sawnwood Imported to Vietnam by Value Group (2012-2015)

Timber Group	2012		2013		2014		2015	
	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)	Volume (m ³)	Value (Million US\$)
1	6,100	10.9	18,900	37.1	98,000	232.9	113,100	230.6
2	250	0.1	2,800	1.7	27,800	17.4	197,900	113.6
3			93	0.06	2,900	0.9	24,600	7.7
4							23	0.005
5	28,100	6.2	10,000	2.0	1,700	0.4	16,300	4.7
6	4,900	0.9	3	0.005			806	0.2
7	31,100	8.2	19,300	4.1	23,100	4.8	25,300	5.3
Total	70,450	26.3	51,096	45.0	153,500	256.4	378,029	362.1

Annex 2: Cambodian Sawnwood Species Imported to Vietnam (2013-2015)

Species	2013		2014		2015	
	Volume (m³)	Value (US\$)	Volume (m³)	Value (US\$)	Volume (m³)	Value (US\$)
Total	51,125	45,023,773	153,219	256,506,384	374,943	362,148,693
Trắc	8,714	17,505,166	5,675	15,769,513	419	1,217,579
Hương	8,397	16,262,533	74,323	180,038,388	100,706	215,979,602
Đều	13,701	2,668,645	19,890	4,038,000	22,275	4,534,800
Cẩm	1,116	2,286,191	14,098	34,120,579	3,919	7,884,549
Xoài	9,980	1,967,250	1,500	330,000	1,210	274,000
Cao su	5,587	1,448,520	3,067	763,218	1,800	452,270
Cắm xe	2,187	1,299,648	24,964	16,391,093	176,631	105,524,577
Gỗ đỏ	336	469,648	67	147,163	4,484	3,114,089
Lim xanh	370	262,566	29	20,750	1,870	1,260,051
Sao xanh	269	162,451	506	315,805	4,474	2,453,144
Gỗ khác	468	691,155	9,100	4,571,875	57,155	19,454,032

Annex 3: Border Gates with the Largest Cambodian Sawnwood Volume Imported to Vietnam (2013-2015)

Border Gate	2013		2014		2015	
	Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)	Volume (m³)	Value (Million US\$)
Le Thanh (Gia Lai)	542	0.9	3,000	3.6	67,400	37.9
Chang Riec (Tay Ninh)	2,200	4.0	50,00	123.8	89,900	84.3
Ka Tum (Tay Ninh)	8,400	16.6	29,000	71.1	51,000	83.8
Ta Vat (Binh Phuoc)	0	0	9,800	7.3	21,900	18.6
Vac Xa (Tay Ninh)	0	0	0	0	48,400	39.2
751 Dak Lak	0	0	6,800	3.6	25,400	11.0

Annex 4: Border Gates Used to Import Cambodian Logs to Vietnam (2015)

Border Gate	Volume (m³)	Value (US\$)
Chang Riec (Tay Ninh)	23,700	7,014,636
Le Thanh (Gia Lai)	17,400	4,799,289
Vac Xa (Tay Ninh)	11,300	3,744,246
Ta Vat (Binh Phuoc)	2,300	675,771
Thinh Loc (Binh Phuoc)	1,200	322,997
Vinh Hoi Dong (An Giang)	500	19,500
Ka Tum (Tay Ninh)	409	124,230
Bac Dai (An Giang)	343	34,760
Phuoc Tan (Tay Ninh)	154	8,700
Tinh Bien (An Giang)	100	3,800
Dinh Ba (Dong Thap)	98	14,678
Hung Dien (Long An)	91	145,530
My Quy Tay (Long An)	74	2,952
Khanh Binh (An Giang)	39	7,456
Giang Thanh (Kien Giang)	20	1,280
Total	57,728	16,919,825



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