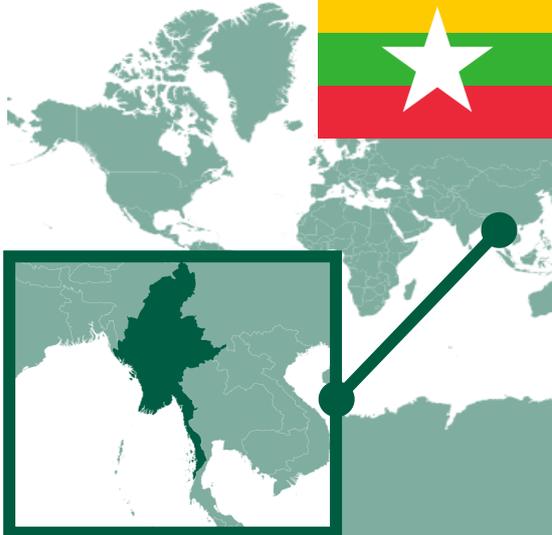


## Myanmar



### Illegal timber risk summary

#### Corruption perception index

The Corruption Perceptions Index ranks countries and territories based on how corrupt their public sector is perceived to be. A country or territory's score indicates the perceived level of public sector corruption on a scale of 0 – 100.



#### Main timber sources and risk at a glance

Plantation	<b>SPECIFIED RISK</b>
State managed forests	<b>SPECIFIED RISK</b>
Natural Forest—log concessions	<b>SPECIFIED RISK</b>
Natural forest—conversion timber	<b>SPECIFIED RISK</b>



**LOG EXPORT BAN** - Since 1 April 2014, Myanmar's has had a ban on raw log timber exports.



**VPA STATUS**— Myanmar and the EU are preparing to negotiate a VPA

### Timber legality in Myanmar

48% of Myanmar is covered by forests (FAO 2010). The majority are naturally regenerated, although Myanmar retains 10% of its primary forests. All land in Myanmar is by definition owned by the state. However, certain rights to management of forest land can be granted to communities or private companies. Commercial extraction requires a permit, but in reality all extraction is vested in the Myanmar Timber Enterprise (MTE). Myanmar has experienced a high rate of deforestation over the course of the past two decades, averaging around 1% annually (FAO 2010). Myanmar once boasted an exemplary system of forest management, particularly in its large area of teak forests, but in recent decades there has been significant deforestation and forest degradation. Timber production almost doubled in the ten years to 2003, and the Forest Department lacks sufficient resources to fully implement the silvicultural system or enforce regulations, particularly in remote border areas. Community forestry faces a number of challenges, such as the lack of decentralization in forestry administration. Illegal logging is a significant problem in Myanmar, with poor governance and weak law enforcement hindering efforts to curb illegal production (WWF-Greater Mekong 2013). Much of Myanmar's illegal produced timber is thought to be exported to Thailand, Vietnam and China (Global Witness 2009, WWF-Greater Mekong 2013), and the country is largest exporter of timber in Indochina (Eurasia Review 2013). In 2012, the EU lifted its sanctions against Myanmar which had included the prohibition on direct trade in timber or wood products to the EU (EIA 2012).

### Forest statistics

	Area	% forest area	% total area
Permanent Forest Estate	22.9 mill ha	72.2%	34.8%
Production Forest (incl. plantations)	19.6 mill ha	54.4%	25.3%
Protection Forest	3.3 mill ha	10.4%	5.0%
Multiple use forest	8.7 mill ha	28.0%	13.2%
Total forest area	31.7 mill ha		48.3%
Total land area	65.7 mill ha		

Source: FAO Country Report Myanmar: <http://www.fao.org/docrep/013/a1576E/a1576E.pdf>



### Myanmar's trade in timber

	Product	Unit	2010	2011	2012	2013
<b>Exports Value</b>	Ind. roundwood	Mill US\$	814.1	940.1	1060.1	1268.8
	Sawnwood	Mill US\$	96.3	87.8	94.1	94.0
	Veneer	Mill US\$	11.9	11.7	9.3	8.1
	Plywood	Mill US\$	11.1	11.3	11.4	7.1
<b>Imports Value</b>	Ind. roundwood	Mill US\$	0	0	0	0
	Sawnwood	Mill US\$	1.3	.3	0	0.9
	Veneer	Mill US\$	0.02	0.9	3.3	1.0
	Plywood	Mill US\$	1.2	2.3	3.1	0.7

Source: ITTO Annual Review Statistics Database [http://www.itto.int/annual\\_review\\_output/](http://www.itto.int/annual_review_output/)

### More information

For more information, references, examples of documentation and other Forestry Risk Profiles visit our website:



<http://flegt-tools.org/toolkit-and-training-centre/>

#### Principal Native species

- *Tectona grandis* (teak)
- *Xylia dolabriformis*, *X. kerri* (pyinkado)
- *Pterocarpus macrocarpus* (padauk)
- *Terminalia tomentosa* (htauk kyant)

#### Principal plantation species

- *Tectona grandis* (teak)
- *Hevea brasiliensis*
- *Xylia kerri* (pyinkado), *Gmelina arborea*
- *Pterocarpus macrocarpus* (padauk),

## Illegal Logging in Myanmar

Despite official government claims, it is highly likely that a significant percentage of Myanmar's wood exports are sourced illegally from natural forests through land conversion and logging concessions (Woods 2013).

The 2015 NEPCon National Risk Assessment for Myanmar identified specified risks in 20 of the 22 legal criteria and sub-criteria (2 were n/a), in summary:

**Legal Rights to harvest**—there are areas where the state has limited control of forest and other land (such as Kachin and Shan states) due to the security situation, areas where overlapping land classifications mean the legal classification of land category and legal use of the land is conflicting (e.g. Conversion for infrastructure, plantation, pipelines, agriculture etc...) and areas of unofficial land claims and shifting cultivation. 50% of all harvest activities are carried out by sub-contractors to MTE, and there is limited transparency in the allocation of contracts.

**Taxes and fees**—corruption at all levels in the forest sector means that tax/royalty avoidance is a significant risk, in some cases logs are harvested illegally and the royalty hammer marks re-used for other logs that has been illegally harvested, the royalty payment system does not function in conflict areas, and illegal conversion timber may not have been subject to royalty payments.

**Timber Harvesting activities**—Even in relatively well managed forests, that harvest restrictions and regulations are not followed, there are significant threats to protected areas and species, and reports of environmental destruction and unsustainable harvest practices.

**Third parties' rights**—unclear regulations and procedures on the classification and re-classification of land in favour of households and communities, ethnic conflict is commonplace and although indigenous peoples rights are not well protected by law, there is still a significant risk for armed conflict or violations of human rights.

**Trade and transport**—significant risk of corruption in the approval of transport/import/export documentation as regulations are complex and involve multiple transactions and controls, reports of illegal transfer pricing with offshore companies, especially in Singapore, significant risk of illegal cross border trade with China and other neighbouring countries.

## Supply chain risks

Recently, the Myanmar government has made significant attempts to ensure that timber is transported to and exported out of Yangon's ports to deprive timber revenues away from non-state ethnic armed groups in the border regions. Despite this, timber is still being smuggled across the Chinese and Thai borders, especially from logging concessions in natural forests in ethnic areas, which is illegal in both Myanmar and importing border countries. Mixing of timber in supply chains (e.g. From natural, plantation, managed forests) is common because the government does not differentiate these varied sources of commercial wood destined for export.

## Options to mitigate risk

Very little forest governance information is in the public domain – so many control measures are unrealistic until 3<sup>rd</sup> parties can confirm or deny legality. This would require access to maps of land administration jurisdictional boundaries forest management plans and so on. There are virtually no maps or management plans in the public domain, outside of 'demonstration areas' like Bago.

## Low risk timber in Myanmar?

Although some sources, for example plantation timber may prove lower risk in some categories (forest management) the overall high level of risk of corruption and issues with timber throughout the supply chain means sourcing low risk timber from Myanmar is basically impossible.

## CITES and protected species

The following tree species are found in natural forest in Country and covered by CITES (Appendix I, II or III):

- Taxus wallichiana (Himalayan yew)
- Rauwolfia serpentin (Serpentine Root, Snakewood, Snake-root Devil-pepper, Rauwolfia Root, Serpentine Wood or Sarpaganda)

There is evidence of a thriving illegal wildlife trade between Myanmar and China, Thailand and India. reports of trade in species of plants and animals listed on CITES appendices are frequent in Myanmar. Mong La town, Eastern Shan is a notorious illegal wildlife trade centre.

## Legally required documents

### Harvesting



1. Community/Plantation forests: Forest Department permit
2. State managed forest: MTE Permit

### Transport



1. Removal pass
2. Trucking slips (Form -D)
3. Depart registers (Form-AT/AU, Form AO)
4. Specification list/ Measurement/packing list

### Export

1. Stamps of the state-owned Myanmar Timber Enterprise (MTE) under the Ministry of Environmental Conservation and Forests (MOECAF) and is exported via Yangon.
2. Export Licence
3. Certified letter from the FD for exporting wood products
4. Export declaration from Customs
5. Certificate of Myanmar Origin
6. Fumigation Report
7. Phytosanitary Certificate

