

Vietnam



Illegal timber risk summary

Corruption perception index

Transparency International's Corruption Perception Index ranks countries/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 risks at a glance

Domestic harvesting	All species from natural forest are considered high risk.	SPECIFIED RISK
Imported timber	Vietnam imports large volumes of timber from countries such as Myanmar, Laos and Cambodia. Imports from these countries are considered high risk.	SPECIFIED RISK



LOGGING AND EXPORT BAN - Ban covers logs and sawn wood from domestic natural forests.



VPA STATUS - In negotiation of a Voluntary Partnership Agreement with the EU.

Timber legality in Vietnam

The natural forests of Vietnam have been highly degraded. A logging ban is currently in place for natural forest, protected forest and special purpose forest. Households are allowed to conduct non-commercial harvesting activities. An export ban is also in place covering logs and sawn wood from domestic natural forests (not plantations). Vietnam is a net importer of timber, the domestic supply of timber only covers 20-30% of the raw material demand for the Vietnamese timber industry (EFI, 2011). The major sources of timber imports are: Laos, China, USA, Malaysia, Thailand, New Zealand, Myanmar, Cambodia, Cameroon and Brazil. Up to 18% of these timber imports are thought to be illegal (Chatham House 2014), and much of the illegal timber flowing into Vietnam is produced in Laos (EIA 2012, EIA 2011). Vietnam does not have the necessary legislative measures to block illegal imports (Chatham House 2010).

Forest statistics (FAO 2010)

	Area	% forest area	% total area
Primary forest	0.8 mill ha	0.5%	0.2%
Other naturally regenerated forest	10.2 mill ha	73.9%	31.8%
Planted forest	3.5 mill ha	25.4 %	10.6%
Total forest area	13.7 mill ha		41.6%
Total land area	32.9 mill ha		

Vietnam's trade in timber

	Product	Unit	2010	2011	2012	2013
Imports Value	Ind. roundwood	Mill US\$	22.3	16.4	13.3	13.6
	Sawnwood	Mill US\$	95.3	111.4	103.9	79.6
	Veneer	Mill US\$	24.4	33.5	35.5	36.7
	Plywood	Mill US\$	61.1	66.9	70.5	57.1
Exports Value	Ind. roundwood	Mill US\$	7.4	17.9	17.1	7.9
	Sawnwood	Mill US\$	313.4	456.2	416.7	267.4
	Veneer	Mill US\$	26.2	34.9	33.9	31.4
	Plywood	Mill US\$	1,635.3	1,783.0	1,728.3	1,769.3

Source: ITTO Annual Review Statistics Database 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/>

High Risk Species

All species from natural forest and many imported species can be considered high risk. Among these:

- | | |
|--|---|
| <i>Agathis</i> spp (Kauri) | <i>Gnetum montanum</i> |
| <i>Aquilaria</i> spp (Agarwood) Trâm / Gió Bầu | <i>Madhuca pasquieri</i> Sến mật |
| <i>Dalbergia cochinchinensis</i> (Thai Rosewood) Cẩm lai | <i>Magnolia liliifera</i> Vàng tâm |
| <i>Diospyros vera</i> Mun | <i>Rauvolfia</i> Serpentina (Serpentine wood) Ba gạc |
| <i>Diospyros mun</i> (Ebony) Mun Sừng | <i>Taxus</i> spp. (Chinese yew, Himalayan yew) Thông đỏ |
| <i>Dipterocarpus</i> spp (Keruing). | <i>Tectona Grandis</i> (Teak) Tếch/ Giá tỵ/ Giá tị |
| <i>Fokienia hodginsii</i> (Fujian Cypress) Dầu lông | <i>Vitex</i> spp. Bình linh |

Illegal logging in Vietnam

Domestic Material

The logging ban on commercial logging for a great part of the natural forest area (4.8 mill ha) (UNOCD 2012; Xuan & Silkor 2006) has resulted in a rise in illegal activities. Reports and articles continue to claim uncontrolled illegal logging from natural forest areas, including national parks and protected areas (Hardwood Floors 2012; TalkVietnam 2013).

Risks of illegality have been specified in the following areas of law in Vietnam in 2015 (NEPCon CNRA 2015, Forest Trends 2013 and Xuan and Canby, 2011):

- **Land tenure and management rights** - Including a lack of formal land-use rights issued to local people living in or near the forest.
- **Value added taxes and other sales taxes** - Corruption and weak enforcement of the VAT requirements.
- **Income and profit taxes** - Avoidance and mis-reporting of incomes.
- **Health and safety requirements** - Widespread and systemic non-compliance, including the use of Personal Protective Equipment and training requirements.
- **Legal Employment** - Frequent breaches, including a lack of employment contracts and a disparity between written contracts and the situation in practice.
- **Land Conversion** - Corruption and bribery associated with issuing permits for land conversion to rubber plantations.
- **Transport** - A high number of recorded violations of the legal requirements, large volumes of timber confiscated.
- **Customs regulations**—Customs is a sector with reportedly one of the highest corruption risks in Vietnam. Cases often involve high level officials so they are frequently ignored
- **CITES** - Reports of smuggling of endangered wood brought into use or re-export of Vietnam.

Imported material

- Estimates of the percentage of Vietnam's timber imports thought to be illegal have ranged from 18% (Chatham House 2014) to as high as 50% (Forest Trends 2012; Meyfroidt and Lambin 2009).
- Much of the supposedly illegal timber flowing into Vietnam is produced in Laos PDR (predominantly sawnwood and logs) (EIA 2012, EIA 2011, Chatham House 2014) .
- There are substantial volumes of high-risk imports from China - including plywood, sawnwood and veneer (Chatham House 2014). Many of Vietnam's key trading partners are sources of high risk material.

Vietnam lacks a legislative framework by which to block imports of timber suspected as illegal ([Chatham House 2010](#)). In addition organised crime and state-owned enterprises are claimed to play, or have played, leading roles in the supply of illegal timber from Laos and Cambodia respectively (EIA 2011; Forest Trends 2008).

Options to mitigate risk

The timber produced in plantations may be lower risk than other sources in some legal categories since the control of plantation land is better defined and enforced. However, there are still specified risks in many areas.

Options to mitigate risk

An option is to purchase timber from Vietnam that is accompanied by full FSC CoC certification. If the timber is uncertified, the high level of risk will mean that extensive risk mitigation will be necessary. This may include supply chain verification de-

CITES and protected species

Vietnam ratified the Convention in 1994. There are two commercially traded timber species now listed on CITES Appendix II from Vietnam:

Aquilaria spp (Agar wood)

Dalbergia cochinchinensis (Thailand rosewood)

Legally required documents

Harvesting

For enterprises

1. Management plan
2. Harvesting design outline
3. Harvesting product table
4. Harvesting permits
5. Report of hammering of tree to be harvested
6. Report of harvesting result

Transport

1. VAT Invoice if timber is purchased from organisation
2. Packing list for transportation
3. For some round timber and sawn timber minutes of placing forest hammer marks

Import

Numerous, including:

1. Timber trade wood sales contract
2. Commercial Invoice
3. Bill of lading
4. Export permit (if any, depending on export country)
5. Log list / Packing list

Export

1. Declaration for imported timber products validated by Customs. (original)
2. Sale contract
3. Export invoice (Packing list)
4. Legal document package - Includes harvesting permits (forest company) or harvesting registration (household farmer), minutes of endorsing the timber have been placed with hammer marks and the packing list.