



*Better use of small diameter logs and lesser known timber species for high value products indicates strong intention of the government and private sector to overcome the scarcity of timber supply and improved forest governance*

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## Innovative Products Offer New Market Opportunities for Lao Wood Processing Industry

The Lao wood processing industry will soon be able to increase their profits and yield, as small diameter logs and lesser known timber species can be used for the production of high value-added wood panels. A prefeasibility study for a pilot production plant for such solid wood panels was presented during a two-day workshop on 30 and 31 May 2016 led by the Department of Industry and Handicraft (DOIH), Ministry of Industry and Commerce (MOIC), as part of the government's economic strategy to ensure that more value is added to the country's forest resources, and the government's engagement in the negotiation between Laos and the European Union on a Voluntary Partnership agreement (VPA) under the Lao EU-FLEGT process (Forest Law Enforcement, Governance and Trade).

“The Lao wood processing industry can now overcome the insufficient and inconsistent supply of round wood with the utilisation of lesser known timber species, small dimensioned logs, branches and waste wood”, said Mr. Manohack Rasachack, Director General of DOIH, MOIC. “This practice can also generate and maintain jobs especially in rural areas, increase quality and add more value to products made from locally available low value resources, enhance the efficient use of timber, and increase tax revenues for the government”, he added.

According to the results of the “Pre-feasibility study on the Production of Blockboards and 1-/3-Layer Solid Wood Panels using Lesser Known Species, Small Dimensioned Logs, Branches and Waste Wood” the products recommended for these types of resources are blockboards and one- and three-layer solid wood panels. These products are popular for interior design and are highly flexible regarding the use of different wood species, relatively simple for further processing with existing manufacturing knowhow and existing machines and tools.

“The three described high-value panel types with their wide range of applications provide excellent sales opportunities in the local and international markets, especially India, Thailand, China, Turkey and Europe”, said the author of the study Dr. Dieter Fink from Applikatio.

## Vietnam and the EU Break New Ground at Sixth VPA Negotiation Session

Vietnam and the EU reached agreement on timber export and domestic market control during the sixth Voluntary Partnership Agreement (VPA) negotiation session held in Hanoi from 12 to 13 of April 2016.

Vietnam's timber legality assurance system will cover all exports including those to the EU and other countries, as well as domestic market trade. The two parties also reached consensus on the FLEGT licensing scheme to verify the legality of timber exported to the EU.

Vietnam and the EU advanced on the issue of verification of timber imports into Vietnam. The two parties discussed different approaches to demonstrate the legal origin of timber imported in Vietnam including engagement with importers to exercise due diligence.

[Source: <http://www.euflegt.efi.int>]

## EU Punishes Importers of Illegal Timber

The Netherlands and Sweden each formally and publicly notified wood-importing companies that they may be subject to sanction for allegedly not carrying out effective due diligence required under the EU regulation prohibiting illegal timber imports (EUTR).

In Sweden, the government authority has demanded that Retlog, an importing company, take further risk mitigation measures within three months or face sanctions under the EUTR. The case concerns wooden flooring made in Thailand from timber felled in Myanmar.

In the Netherlands, the government authority has imposed a sanction on Dutch company Fibois VB Purmerend for importing wood from CCT Ltd., a supplier in Cameroon.

Fibois VB Purmerend will be required to pay a non-compliance penalty per cubic metre of timber it places on the market until it tightens up its due diligence system, unless it is able to challenge the accusation.

Dutch authorities have asked the public prosecutor to elevate the matter as a criminal case.

[Source: EU ForestWatch]



*Officer is marking timber in the field in Laos*

## FLEGT.org – Contribute and Connect to Combat Illegal Logging

The EU FLEGT Facility recently announced its new portal, [www.FLEGT.org](http://www.FLEGT.org), dedicated to sharing accurate information about the EU FLEGT Action Plan. [FLEGT.org](http://FLEGT.org) is a one-stop site where members can access and share news, research, training materials and many other resources. It is a place to network with civil society, private sector and government organisations and individuals who are working to achieve the Action Plan's goals of combatting illegal logging and fostering good forest governance.

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