Myanmar

Last updated: August 2016

Forest Management

Myanmar's formal forest management system, originally established during the British colonial era to manage its vast teak forests, has been undermined in recent decades as Myanmar's forest resources were exploited to finance the country's development and government. Lack of enforcement and adherence to Myanmar's forestry laws have resulted in significant deforestation and degradation of the country's forests.

Formal forest management has been documented in Myanmar since 1856, and the foundation of its current forest system is based on the policies designed by British colonists in the late 1800s. As a result, Myanmar became world renowned for its systems, especially its scientific forestry management method - the Myanmar Selection System (MSS) (formerly Burma (BSS). The MSS is the main system practiced in the management of natural teak-bearing forests in Myanmar today. However, despite relatively strong laws and regulations for harvesting and transporting forest products, the application of the MSS scientific forestry method broke down in the 1970s for political-economic reasons. Myanmar has established a Myanmar Forest Certification Committee (MFCC) and Myanmar Timber Certification Programme (MTCP); however, these domestic standards do not differentiate between timber extracted from plantations, land conversion or natural forests. Myanmar does not currently have any areas of forest certified to internationally recognized certification standard (Forest Trends 2013).

Transparency

According to the Corruption Perception Index 2015 from Transparency International, which measures perceived levels of public sector corruption in countries around the world using a score of 0-100 (where 0 is highly corrupt and 100 is completely clean) Myanmar is ranked 147th out of 168 countries assessed. It has scored a corruption index of 22, meaning it has a perception of very high corruption. Myanmar has performed consistently poorly on Transparency International's Corruption Perception Index, although there is hope for improvement with recent political reforms, greater education about corruption, and creation of an anti-corruption commission (Myanmar Times 2016). Forestry has been one of the most affected sectors by corruption with illegal logging and cross-border trade accounting being a major driver for deforestation in the country. The perception of corruption has improved slightly from 2012 where Myanmar was ranked 172nd out of 176 countries with a corruption index of 15.

U4 Anti-Corruption Resource Centre provides relevant anti-corruption material on other countries. Its web-based resource center is a useful tool for assessing a country's degree of corruption. View overview report of corruption and anti-corruption measures currently taking place in Myanmar.

World Bank Worldwide Governance Indicators (WGI) compiles a set of six aggregate governance indicators for all world economies. These indicators are important barometer in terms of risk assessment. According to data from 1996-2014, in recent years Myanmar has made improvements in the categories: Control of Corruption, Regulatory Quality, and Government

Effectiveness, and Voice and Accountability. Scores decline in the category of Political Stability and Absence of Violence and Rule of Law. Countries are ranked (percentile rank model) for each of the six governance indicators on a scale from 0 to 100 where 0 corresponds to lowest rank and 100 corresponds to highest rank (better governance). Access the 1996-2016 Worldwide Governance Indicator for Myanmar.

The 2013 Anti-Corruption Law established an anti-corruption commission to address Myanmar's transparency and illegality issues. The commission is an independent body of respected staff, separate from the legislative, administrative and judicial branches of the government. Similarly, the commission members cannot be affiliated with state-owned companies, anyone who has declared bankruptcy or those who have been previously charged with corruption. According to the current law, a finding of corruption will result in a maximum 15 year sentence for politicians. Other authorities can serve up to 10 years for a violation, and others can serve up to seven years.

Laws and Regulations

Forestry Laws

Myanmar's evolving governance structures combined with a weak rule of law have allowed significant deforestation and degradation of the country's forests to go unchecked. However, Myanmar does have two key forestry laws and policies in place: (1) the 1992 Forest Law, and (2) the 1995 Forest Policy. The 1992 Forest Law supports conservation initiatives, sustainable forestry practices, and socio-economic benefits, and encourages private sector and community participation in forest management. Both laws also enabled the development of the 1995 Community Forestry Instructions (CFI), which give legal backing to rural communities to co-manage forests. In addition to the Forest Law and Forest Policy, Myanmar has several other environmental, conservation and trade related laws. View English copies of Myanmar's laws and regulations. Many are difficult to access online, but, where possible, they are included below.

Forest Law, N. 8/92 (1992)

This Law sets the rules governing exploitation of Myanmar's forests and replaces the 1902 Forest Act. With this new law, Myanmar made a shift away from treating its forests as a purely commercial resource. It emphasizes the importance of forests' contributions toward the food, clothing, and shelter needs of the public, and for the perpetual enjoyment benefits that forests provide.

The 1992 Law highlights forest protection, environmental and biodiversity conservation. It also expands coverage of permanent forest estates and protected areas, and encourages a stronger community participation based approach toward managing natural forests and plantations. The hope is that these new policies will better satisfy the basic needs of Myanmar's rural people. Like all forest policies, the Law also provides opportunities for private sector involvement in timber trading and reforestation projects.

Basic Principles of the 1992 Forest Law:

- to implement the forestry policy of the Government;
- to implement the environmental conservation policy of the Government;
- to promote public co-operation in implementing the forestry policy and the environmental conservation policy of the Government;

- to develop Myanmar's economy, satisfy public food, clothing, and shelter needs, and ensure enjoyment of the forests
- to carry out in accordance with international agreements relating to conservation of forests and of environment;
- to prevent the dangers of forest destruction and biodiversity loss, fire outbreaks, insect infestation, and plant disease
- to simultaneously carry out natural forest conservation and forest plantations development; and
- to contribute towards the fuel requirement of the country.

The Law also stipulates that if permission is granted by the Government, then "any person or any organization has the right to carry out in accordance with the stipulation, cultivation and maintenance of forest plantations with the exception of village-owned firewood plantations cultivated by the villagers for their use." Further, it stipulates that all standing teak trees, regardless of location, are owned by the State. Similarly, the Law sets out the functions and responsibilities of the Forestry Department, and mandates that permits are required for extracting or moving forest produce and establishing wood-based industries. Finally, under the Law commercial scale harvesting permits are granted for various periods of time and holders must go through a competitive bidding process to obtain a permit. Holders are also financially responsible for any reforestation costs, either by establishing forest plantations or through natural regeneration.

The Forest Rules deal with reserved forest (forest areas reserved for the state and off-limits to development), the declaration of areas as protected public forest, the management of forest land, the establishment of forest plantations, and the procedures for obtaining permission to extract forest produce. They also cover procedures for:

- Harvesting forest produce;
- Establishing and operating timber depots;
- Establishment of wood-based industries;
- Investigation of violations;
- Administrative actions, such as imposing fines and confiscating the timber, to penalize violations; and
- Offences and penalties.

Sourcing Myanmar Timber: 5 different streams

- Myanmar Timber Enterprise (MTE) forests - Managed by the State using the MSS and Annual Allowable Cut standards
- Natural Forest Logging Concessions - limited numbers, largely allocated by/to locals
- Natural Forest Land Conversion - Timber from forest clearing operations prior to development of land concessions for other uses
- Plantations - Timber sourced from tree farms
- Community Forests - Rural communities co-manage forests with Forest Department for non-commercial timber production

Forest Policy of 1995

The implementation of the 1992 Forest Law was facilitated by the subsequent Forest Policy, approved by the Ministry of Forestry in July 1995. This policy - carefully modeled after other international policies pertaining to sustainable development and forestry - focuses on sustainable production, satisfying basic needs, institutional strengthening, and improvements in efficiency, forest and biodiversity protection, and participatory forestry. It also formalized the commitment and intent of the Government to ensure sustainable development of forest resources while conserving wildlife, plants and ecosystems.

The Forest Policy also sets specific objectives and measures addressing environmental protection and management, reforestation, forest industry and trade, forest research, institutional strengthening, and people's participation and public awareness. The 1995 Policy identified six imperatives necessary to achieve Sustainable Forest Management (SFM) certification, which the government must give the highest priority, in order to achieve broader national goals and objectives. These imperatives are:

- Protection of soil, water, wildlife, biodiversity and environment
- Sustainability of forest resources to ensure perpetual supply of both tangible and intangible forest benefits for all generations
- Basic needs of the people for fuel, shelter, food and recreation
- Efficiency to harness, in a socio-environmentally friendly manner, the full economic potential of the forest resources
- Participation of the people in the conservation and utilization of the forests
- Public awareness about the vital role of the forests in the well-being and socio-economic development of the nation.

Finally, the Forest Policy states that Myanmar's protected area must cover at least 5% of the total land area of the country. This was revised in 2000, creating a thirty-year target of protecting 10% of total land area instead of only 5%. Data reported to the FAO indicates that 4.46 million ha of forest (~6.8% of its land area) are located within protect areas (FAO 2015). According to government data, there are currently 46 established and proposed terrestrial protected areas, ranging from bird to wildlife sanctuaries and national parks and reserves.

National Biodiversity Strategy and Action Plan (NBSAP)

The first National Biodiversity Strategy and Action Plan (NBSAP) of Myanmar, adopted on 3 May 2012, contains 10 strategic directions on the following themes: (i) strengthening conservation of priority sites; (ii) mainstreaming biodiversity into other policy sectors; (iii) implementing focused conservation actions for priority species; (iv) supporting local NGOs and academic institutions; (v) creating capacity to coordinate conservation investment in Myanmar; (vi) scaling up the implementation of in situ and ex situ conservation of agriculture, livestock and fisheries biodiversity and genetic resource management; (vii) expediting the process of implementing the national biosafety framework; (viii) promoting the initiative to manage IAS; (ix) facilitating the legislative process of environmental protection and environmental impact assessment; (x) enhancing communication, education and public awareness on biodiversity conservation.

Priority actions have been established for each strategic direction, as have the major agencies responsible for implementation. In addition, a set of 9 action plans, based on the above strategic directions, has been established for five-year periods toward the sustainable management of the

following sectors: forests; wildlife conservation and protected areas; freshwater resources; coastal, marine and island ecosystems; land resources; agriculture, livestock and fisheries; ecotourism; environmental quality and biosafety; mineral resource utilization. The NBSAP has been aligned with the National Environmental Policy, Myanmar Agenda 21, and the National Sustainable Development Strategy.

Myanmar Agenda 21

Agenda 21 was developed in 1997 and was a collaborative effort made by various government agencies including the National Commission for Environmental Affairs in order to form the National Land Commission to steer a process of sustainable land use management. It is divided into 4 Parts and 19 Chapters, and it reviews policies to be undertaken for improving environmental protection in Myanmar. It also creating a national framework legislation on the environment to improve coordination and cooperation between ministries on issues related to the environment; and creating legislation that requires environmental impact assessments to be done before any development project is undertaken. The Agenda 21 Framework is as follows:

- Strengthening protected area management
- Promoting international cooperation
- Developing a national database of biodiversity
- Strengthening laws and legislation for biodiversity conservation management
- Protecting threatened and endangered species of plants and animals
- Strengthening sustainable use of natural resources
- Enhancing institutional capacity for biodiversity conservation and management
- Promoting education awareness and involvement of local communities in biodiversity conservation and management
- Studying the economic issues related to biodiversity

Environmental Conservation Law No 9/12 (2012)

The Environmental Conservation Law, also known as the Pyidaungsu Hluttaw Law No. 9/2012, implements the Myanmar National Environmental Policy. The Law is designed “to reclaim ecosystems as may be possible which are starting to degenerate and disappear” and to ensure that “The relevant Government departments and Government organizations shall, in accord with the guidance of the Union Government and the Committee, carry out the conservation, management, beneficial use, sustainable use and enhancement of regional cooperation of…forest resources.”

National Environmental Policy (1994)

This Policy was drafted by the National Commission for Environmental Affairs (NCEA) in 1994 to establish sound environment policies, utilization of water, land, forests, mineral, marine resources and other natural resources, in order to conserve the environment and prevent its degradation.

Additional objectives of Myanmar’s National Environmental Policy include achieving harmony and balance between its people, their cultural heritage, the environment and its natural resources. The Government of Myanmar is obligated to take environmental considerations into account when developing anything that may enhance the quality of the life of all its citizens. The Policy also stresses that, although a nation has the right to use its natural resources, it must still take great

care “not to exceed its jurisdiction or infringe upon the interests of other nations”. Lastly, the Policy states that “[e]nvironmental protection should always be the primary objective in seeking development.”

Community Forestry Instruction (1995)

This policy gives legal backing for rural communities to co-manage forests, so that economic development can expand throughout the country and provide basic needs to local communities, while encouraging active participation of rural populations and greater environmental conservation. The policy also encourages more tree planting and reforestation in barren and degraded lands to help it reach its goal of net-forest growth over the next 30 years. The overall principles in 1995 Community Forestry Instructions (CFI) are for local communities to fulfill basic livelihood needs while also reforesting degraded areas. This recognizes the rights of communities to have equitable use of forest adjacent to their villages because of its importance to their livelihoods.

In addition, CFI law states that community forestry certificates can be issued to a forest user group (FUG) for 30 years lease. To qualify for a community forestry certificate, a FUG must commit itself to manage the forest systematically, according to the forest management plan they develop. As of 2011, there were 572 forest user groups (FUG) with legal community forestry certificates, managing more than 100,000 acres of forest (representing only 0.13% of the country’s forest cover) (Tint 2011). However, many more were awaiting formal certificates and more still were managing their forests as if under formal community forestry management. Research conducted by the Ecosystem Conservation and Community Development Initiative (ECCD) found that since 1995 only 6,943 acres of community forest was established annually on average. At the end of 2010, there were 572 forest user groups managing a total of 104,146 acres of forest, with the majority established in Shan and Rakhine states and Magwe and Mandalay regions as part of United Nations Development Program (UNDP) projects.

Forestry Master Plan (2001-2030)

This Plan was initiated by the Forestry Department as a National Forestry Program Exercise. Medium-term plans of 10 years for 62 districts (FMU) covering the whole country have been formulated and adopted for action. It has been mandated that 2.27 million acres of community forests will be established by 2030. However, so far, no community forests have begun harvesting timber on a commercial scale, so it is too early to determine how they will factor into the county’s commercial forestry sector, if at all. No national government management plans have included community forests as providing timber for the country’s wood sector, for example, and no certification programs plan to target community forests (Tint 2011).

National Code of Practice for Forest Harvesting

National Code of Practice for Forest Harvesting provides guidelines and prescriptions to all stakeholders in the forest harvesting industry. The goal is that all forest environments, particularly the remaining stands, forest soil, and water, are only minimally disturbed during and after the course of forest harvesting, and to maximize economic returns from forests while maintaining the regenerative capacity and species diversity of forests. Ensuring the health and safety of forest workers and protecting culturally and biologically significant sites are two additional objectives of the National Code of Practice for Forest Harvesting.

National Sustainable Development Strategy (NSDS)

The NSDS was established in 2009 and is in line with the UN's mandate of Article 162 of World Summit of Sustainable Development (WSSD). It is designed to reduce pressures from habitat loss, land-use change and degradation, and unsustainable water use. It includes a draft action plan to control desertification and reduce pollution and its impact on biodiversity. The Strategy also requires countries to address challenges to biodiversity from climate change, and pollution.

Vacant, Fallow, and Virgin Land Management Bill (2012)

This bill sets out who the Central Committee is, and what their role is - to coordinate with the Ministry of Environmental Conservation and Forestry, and other concerned Ministries for the prevention of damage and destruction to the forest land, including Reserved Forest, and Protected Public Forest; and for conservation of natural regions, watershed area and natural fisheries. The Central Committee shall permit the right to do, (and) right to utilize land of vacant, fallow and virgin land in the country, for the following purposes:

(a) Agriculture;

(b) Livestock Poultry Farming and Aquaculture;

(c) Mining;

(d) Government allowable other purposes in line with law.

The term "Virgin land" means "land which may be new land or other wood land in which cultivation was never done before. It may have forest, bamboo or bushes, and includes the land which has been canceled legally from Reserved Forest, grazing ground, and fishery pond land respectively for Agriculture, Livestock Poultry Farming and Aquaculture, Mining, and Government allowable other purposes in line with the law".

Section 10 of Vacant, Fallow, and Virgin Land Management Bill states that regarding agricultural products, the central committee can grant 50,000 acres of land to cultivate perennial crops, not more than 3,000 acres of land to grow orchard crops, and 50,000 acres of land to cultivate seasonal crops for industrial raw materials.

Processing/Manufacturing Laws

Processing and value-added manufacturing are relatively underdeveloped industries in Myanmar, as the traditional forestry business model has focused solely on the export of raw logs (ETTF 2015). As such, there is a limited body of legal guidance to oversee processing and manufacturing other than which is already outlined in the 1992 Forest Law. The government-operated Myanmar Timber Enterprise (MTE) is responsible for regulating the downstream processing of forest products (FAO 2009), which means it owns and operates most of the country's sawmills and processing capacity, which Section 4.4 of the 1995 Forest Policy concedes has contributed to inefficiencies in domestic timber processing that must be remedied to capture the full value of the natural resource.

The current government administration has been pursuing a reformist agenda that includes significant changes in the forestry and timber sectors (Springate-Baginski 2016). The Ministry of Environmental Conservation and Forestry (MOECAF) continues to push for greater governmental support of the domestic wood processing industries to capture more value before export. The 2012 Foreign Investment law is an important step towards creating the favorable investment climate needed to invest in building Myanmar's timber processing and manufacturing capacity.

On April 1, 2014, Myanmar's Ministry of Environmental Conservation and Forestry began implementing its raw timber export ban. Prior to the ban, all unprocessed tree logs legally designated for export were allowed to be exported if they bore the official stamp from the MTE. Now, transporting raw timber from Myanmar to another country is prohibited. The hope is that this ban will help conservation measures in the country, especially with declining teak forests. To be effective, policing of borders with India, China and Thailand will need strengthened.

In addition to the log export ban, the Government changed the term for harvesting licenses of sawnwood and plywood mills from one year to five years, to promote the establishment of more processing facilities.

Transport Laws

The Forest Act Section 39(1)(b) prohibits the import, export, collection or moving of any forest produce without prior written permission from the forest authorities. The Act contained specific rules for the transport of timber, the establishment of sawmills, duty on forest produce, and the seizure of cattle or elephants trespassing in a reserved forest. Penalties under the Act include: imprisonment for a term, which may extend to six months, or a fine, or both.

Legislation and regulations for harvesting and transporting forest products are in place, with the Forest Department carrying out legality verification of timber and monitoring and inspection of harvesting practices, which includes checking of log hammer marks with official documents at the depot, critical points and wood processing factories. Although the system is implemented, the actual log transport and ownership transfer processes and regulations are complex and involve multiple transactions and controls, which opens the door to corruption and human error.

All wood is considered legal if it has the stamps of the state-owned Myanmar Timber Enterprise (MTE) under the Ministry of Environmental Conservation and Forests (MOECAF) and is exported via Yangon's seaports. Requiring wood exports to move through Yangon was designed to deprive timber revenue away from illegal timber traffickers based in border regions where the state had little or no control. Compared to before these protective measures were enacted in 2006, revenues from timber exported via Yangon have indeed increased (Forest Trends 2014), which indicates that the move has helped the Government capture more timber revenue.

Tax Laws

Myanmar's rich natural resources, such as jade, gems and timber, have often been exported unregulated and lightly taxed during past decades of military rule, generating little in the way of government revenues. However, tax reform is underway. The new tax law reduces commercial tax on finished timber products, which is linked to the log export ban that went into effect on April 1, 2014. The existing 50% commercial tax on sales of luxury teak and hardwood logs, pieces and finished good has been reduced to a 25% commercial tax (Deloitte 2014).

Trade Laws

Foreign Investment Law, No 21/12 (2012)

While forestry has traditionally been a government-reserved sector, Myanmar's increasingly progressive foreign direct investment regime is gradually opening up pathways for foreign investors to contribute to the economic development of Myanmar's forestry sector (Oxford Business Group 2016). Foreign investors can lease land from the government or from authorized

private owners for up to 50 years, depending on the type and size of the investment, and the deal can be extended twice, for 10 years each time. Foreigners can still own 100 % of businesses without the need for a local partner, in certain sectors.

Following Myanmar's Foreign Investment Law, the Citizens Investment Law and the State-owned Economic Enterprise Law allow both foreign and Myanmar private entrepreneurs to invest in the timber sector in Myanmar. They may do so, if it is:

- 100% investment by a foreign and/or Myanmar company as a joint venture (only private); or
- A joint venture with the MTE; or
- MTE-operated and owned.

Proposals to revise the Foreign Investment Law, to bring it more in line with national standards for foreign investment, have been unsuccessful. However, new implementing guidance (Notification 26/2016) outlines prohibited and restricted activities for foreign investment, which include damaging or exploiting watershed forests.

CITES Agreement Information

CITES (Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement among governments whose purpose is to ensure that international trade in wild animal and plant species does not threaten the survival of these species. A total of 180 countries have agreed to the CITES regulations, which is a legally binding agreement. It is up to each CITES Party to draft its own domestic legislation in order to comply with its CITES obligations.

See current list of member countries here

Myanmar became Party to CITES in 1997.

Crucially, Myanmar's two species of Rosewood *Pterocarpus macrocarpus* (Padauk) and *Dalbergia oliveri/bariensis* (Tamalan), are not listed by Myanmar under Appendix III of CITES. These species have been widely petitioned for a regional listing under Appendix II.

Taxus wallichiana *Taxus wallichiana*, commonly known as Himalayan yew, is listed under Appendix II of CITES, and is applicable all parts and derivatives except seeds and pollen and finished products packaged and ready for retail trade. The small evergreen tree is listed as being endangered on the IUCN Redlist, which has been attributed to overexploitation particularly for its leaves and bark which are used to produce the anti-cancer drug paclitaxel. This tree is found in Myanmar, but there are currently no trade restrictions there.

Rauvolfia serpentin Rauvolfia serpentin (commonly known as Serpentine Root, Snakewood, Snake-root Devil-pepper, Rauwolfia Root, Serpentine Wood or Sarpaganda) is a flowering tree species known for its medicinal properties although it is not a commercially important species in the timber trade. The species is listed under Appendix II of CITES and is applicable all parts and derivatives except seeds and pollen and finished products packaged and ready for retail trade.

For more information on CITES and Myanmar, see the following resources:

- CITES Tree Species (2013)
- CITES Country Profile: Myanmar

- Species+ Database
- CITES Species Checklist

Forest Resources

An estimated 44% of Myanmar's land area is covered with forest (approximately 29 million ha) (FAO 2015). Most of the forests are naturally regenerated, but Myanmar still maintains 11% of its primary forested area. Much of these biodiverse forests ecosystems play an important role in the Greater Mekong area and are of great global significance. Despite a relatively high proportion of remaining forest cover, the country has seen substantial deforestation and forest degradation over recent decades (with annual deforestation rates of approximately 1.2% between 1990-2015). Between 1990 and 2015, an estimated 10.2 million ha of forest was lost, whilst many remaining forest stocks have become severely degraded.

There are a variety of different forest types across the country defined by local and regional conditions. These range from evergreen (16% of total forest cover), mixed deciduous forest (40%), dry forest (10%), deciduous dipterocarp forest (5%), hill and temperate evergreen forest (26%) and tidal swamp forest (4%), and the remainder non-tropical forest (FDMOECAF 2002). About 20.5 million ha of forest are designated for production, of which plantation forests form a total of 944,000 ha (roughly 3%) (FAO 2015). Commonly harvested species include Teak, and species similar to teak such as Pyinkado (*Xylia dolabriformis*, *Xylia kerri*), Rosewood/Padauk (*Pterocarpus macrocarpus*), Htauk kyant (*Terminalia tomentosa*), among others (ITTO 2005).

Forest Products

Until 2014, Myanmar had no restrictions on log exports, which made roundwood exports, especially teak, the dominant commercial forest product in the country. According to the ITTO Annual Review Statistics, in 2014, roundwood exports amounted to nearly 2.3 million cubic meters worth US $1.66 billion. In addition, most of Myanmar's harvested timber is exported out of the country into neighboring countries. Thus, with its decaying processing industry coupled with a sector designed predominantly for export, Myanmar is not gaining the benefits of its neighbors that are using stronger, value-added export systems to earn more for their forest products. In addition, it is believed that there is a high prevalence of illegal logging and wood smuggling within Myanmar's forests.

Production Status

Timber harvested is considered legal by Myanmar's authorities if it has been stamped by the Myanmar Timber Enterprise (MTE), a state owned organization working under the Ministry of Environmental Conservation and Forests (MOECAF), and exported from Yangon (Forest Trends 2014). All of Myanmar's forests are owned by the state (with the exception of some community forests which can be leased by local people under long-term with agreements from the government). It has been argued, although the data on the subject is piecemeal, that perhaps the single largest source of timber is from the conversion of natural forests (Forest Trends 2015). State managed forest areas should be managed according to the Myanmar Selective System (MSS), with allowable cut quotas. However, these management practices have deteriorated in recent decades.

Figures from the Ministry of Environmental Conservation and Forestry published in 2014 by Myanmar's Eleven Media group showed that the Myanmar government-authorized timber harvest between 2001-13 equaled only 53% of recorded global imports of Myanmar logs. This suggests that the illegal logging trade in Myanmar supplied at least 47% of all exported timber products (EIA 2014). This is not surprising as illegal logging is known to be widespread in Myanmar. For example, the government seized 35,000 tons of illegal timber between April-December 2013, and an additional 20,000 tons in the months following the institution of the export ban in 2014 (EIA 2015).

Teak is the predominant species exported in Myanmar, and under Myanmar's Forest Law, (Article 8(a)), standing teak trees are all State-owned regardless of the land designation around them. The target production quantity for teak under the Government's AAC (Annual Allowable Cut) has been decreasing since the 1960s, to the point where it was slashed to a mere 141,000 cubic meters in 2014; during this period, the AAC has been exceeded through illegal logging and logging wastage (Springate-Baginski 2016). Official trade statistics indicate that the largest market destination of shipments of timber and timber products from Myanmar are India (representing nearly 80% of teak and hardwood shipments), followed by China and Thailand (Forest Trends 2013). Direct exports to the United States and the EU have been minimal in recent years due to country sanctions. These were temporarily suspended in 2012, although to date this has represented a negligible impact on the overall market share of the United States and the EU as export destinations for Myanmar. The Government says it earned about $638 million from the export of teak logs in the 2013-2014 fiscal year.

The cross border trade between Myanmar and its neighbors provides significant opportunities for illegality that have given rise to a thriving illegal timber trade. These illegal trade routes have shifted with political instability and armed conflict over recent decades as regional actors take advantage of the disorder. This has been evident with the insurgency in Karen State, which enabled cross-border trade with Thailand and Kachin State to China. A report by Forest Trends (2013) indicates that increasing flows of illicit timber are being directed through existing military-state channels. This is, in part, due to China's national logging ban in 1998, which has fueled illegal importing from China's neighbors, namely Myanmar. This is particularly applicable to high-end varieties, such as rosewood and teak. The illegal export of logs via the Myanmar-China land border alone was valued at an all-time high of US$621 million in 2013 (Forest Trends 2014) despite joint efforts of Myanmar's and Yunnan's respective governments to limit the land border trade (EIA 2016).

Until April 1, 2014, Myanmar had no restrictions on log exports. As a result, roundwood exports became Myanmar's primary export item. In 2008, nearly 90% of its timber exports left the country as roundwood or logs, namely teak logs; this trend remained unchanged in 2014, nearly 2.3 million cubic meters of roundwood were exported (90% of exports by volume) (ITTO Annual Review). For comparison, the second most prevalent export product is sawnwood (being exported in volumes of around 0.26 million cubic meters in roundwood equivalent volume per year). Similarly, while Myanmar also exports processed products, such as plywood, veneers, paper and furniture, they are exported in nominal quantities in comparison with roundwood and sawn timber. This, combined with a decaying processing industry has led to an almost nonexistent value-added timber market.

However, in April 2014, Myanmar began implementing its first log export ban (Reuters 2014), making it one of the last of its neighboring countries to do so. The ban was meant to stimulate the domestic wood-processing industry and dramatically raise revenue from sales of finished wood products, draw higher tax receipts, and provide more benefits to the Myanmar people. Now, only unfinished sawn wood will be allowed to be exported. However, critics argue that the ban

contained loopholes that failed to prevent illegal logging by allowing the export of milled timber (Mongabay 2014). Nevertheless, the ban is an important prerequisite for importing countries to invest in the future of Myanmar's timber processing industry; in 2013, foreign investment in Myanmar's timber industry reached US$51 million, about half of which came from India, Myanmar's previous top raw timber importer (The Irrawaddy 2014).

There are around 70 species found in Myanmar, which are commercially valuable. However, the highest exported species are:

- **Teak** Tectona gradis
- **Pyinkaodo** Xylia dolabriformis
- **Padauk** Ptero macrocarpus
- **In/Kanyin** Dipterocarpus tuberculateus & spp.
- **Yemane** Gmelina arbonea
- **Hnaw** Adina cordifolia
- **Thitya** shorea oblongifolia
- **Taukkyant** Terminalia tomentoda
- **Thadi** Protium serratum

For more information:

- FAO (2009) Myanmar Forestry Outlook Study
- Forest Trends (2011) Baseline Study 4, Myanmar: Overview of Forest Law Enforcement, Governance and Trade
- Forest Trends Information Brief (2012): Forest Certification in Myanmar
- Forest Trends Report Series (2013) Timber Trade Flows and Actors in Myanmar: The Political Economy of Myanmar's Timber Trade
- ITTO Country profile: Myanmar
- Myanmar Timber Merchants Association Presentation: Myanmar Timber Trade & Industry (2013)
- Myanmar Forest Sector Legality Analysis (2013)
- Forest Trends (2014) Analysis of the China-Myanmar Trade
- EIA (2014) Data Corruption: Exposing the true scale of logging in Myanmar
- (2015) Commercial agricultural expansion in Myanmar
- (2016) Status of Myanmar's timber sector and options for reform

Contacts

Industry Associations

Myanmar Timber Enterprise (MTE)

MTE is one of the governmental institutions under the Ministry of Environmental Conservational

and Forestry (MOECAF). It is responsible for harvesting, sawmilling downstream processing and marketing of timber.

Myanmar Timber Merchants' Association (MTMA)

MTMA is a state-backed private timber business association which obtains timber from the MTE in order to distribute to their members mostly for export. MTMA partners with foreign timber buyers on behalf of the government as well as is often the go-to agency for foreign timber traders to procure Myanmar wood. Small and medium-sized companies do not obtain wood from MTMA as they are not members.

Union of Myanmar Federation of Chamber of Commerce and Industry (UMFCCI)

UMFCCI is an independent, not-for-profit business federation with several goals that include promoting the competitiveness of Myanmar's businesses in the global economy, facilitating trade and joint business ventures between domestic and foreign industries, and providing dispute resolution services.

Civil Society Organizations

There are a few NGOs being established, some of which are government-backed or else led by former military ministers. View list of NGOs operating in Myanmar in 2012. Forestry NGOs tend to stick to strict forest conservation issues.

Forest Resource Environment Development and Conservation Association (FREDA)

Comprised of over 400 members, FREDA is a domestic NGO in the forestry sector of Myanmar with specific focus on sustainable forest management, conservation, wildlife protection, and community development.

Ecosystem Conservation and Community Development Initiative (ECCDI)

Since 2006, ECCDI has worked on issues related to community forestry, community electricity, establishment of mangrove plantations and drinking water access for community.

Friends of Rainforest in Myanmar (FORM)

FORM was established in London as an environmental charity and aims to enhance the lives of rural poor in Myanmar by the protection and conservation of environmental resources, including forests.

Myanmar Environment Rehabilitation-conservation Network (MERN)

MERN is a local environmental NGO working for environmental rehabilitation and conservation activities linking with the development of local communities for their livelihood and food security. It consists of 21 local environmental NGOs in which some has strong experience in forestry and environment, some in community development, capacity building and social mobilization, some in agriculture, livestock & fishery, and social infrastructure, etc. View MERN list of environmental member groups.

Government Ministries

Ministry of Environmental Conservation and Forestry (MOECAF)

MOECAF is the home of six different departments, including the Environmental Conservation Department, which is responsible for implementing the National Environmental Policy, strategy, framework, planning and action plan for the integration of environmental consideration into the national sustainable development process. It also oversees the MTE.

Ministry of Agriculture and Irrigation

This Ministry deals with reclamation of fallow and waste land and the utilization of those lands for the improvement of crop production.

Tools and resources

- FAO (2009) Myanmar Forestry Outlook Study
- Chatham House Illegal Logging Portal Country Profile: Myanmar
- Forest Trends (2011) Baseline Study 4, Myanmar: Overview of Forest Law Enforcement, Governance and Trade
- Forest Trends Information Brief (2012): Forest Certification in Myanmar
- Forest Trends Report Series (2013)Timber Trade Flows and Actors in Myanmar: The Political Economy of Myanmar's Timber Trade
- ITTO Country profile: Myanmar
- Mongabay Country Profile: Myanmar (Burma)

Citations