



PRESS RELEASE

FRUITFUL FORUM ON LEGAL AND SUSTAINABLE TIMBER SUPPLY CHAIN ATTRACTS BROAD STAKEHOLDER PARTICIPATION

Binh Duong, 28/10/2022 – The Viet Nam Administration of Forestry in collaboration with the Multi-Stakeholder Core Group (in short: Core Group) on the Voluntary Partnership Agreement on Forest Law Enforcement, Governance and Trade (FLEGT VPA) and the German Development Cooperation Organization GIZ organized the "Legal and Sustainable Timber Value Chain in Viet Nam" forum.

The forum aimed to promote dialogue between all stakeholders in the forestry sector including government agencies, timber associations, non-governmental organizations, and development partners about legal and sustainable timber value chains. It contributed to promoting sustainable and legal timber supply chains in Viet Nam and its trading partners by enhancing communication and the sharing of information on the efforts taken towards this common objective.

The forum included a high-level dialogue on promoting legal and sustainable timber value chains in Viet Nam: "...to provide participants with insights into ongoing measures by the Vietnamese Government and international partners, thereby promoting the spirit of 'Working together to ensure timber legality'" — the slogan of this year's event.

Viet Nam is striving towards becoming one of the world's leading processing centres of export timber. By 2030, the timber processing industry is forecasted to generate an estimated export turnover of 25 billion USD. "To achieve this goal, we need to build and operate the Viet Nam Legal Timber Assurance System in accordance with international commitments and agreements thereby ensuring that 100% of the raw material used is done so legally throughout the entire value chain," said Prof. Dr. Pham Van Dien, Deputy Director General of VNFOREST.

The German Cooperation has been Viet Nam's long-standing partner on forest development, community forestry, sustainable protected area, and forest management. Their support has also played a pivotal role in negotiating and implementing the FLEGT



VPA. Sustainable timber supply chains are a clear political priority — a stance reinforced by the German government in adopting the Act on Corporate Due Diligence in Supply Chains. This law ensures that important social and environmental safeguards are respected in their supply chains. At the EU level, the German government is advocating for the adoption of legal standards for fair global value chains. The proposed regulation is expected to be passed before the end of the year.

An accompanying exhibition showcased publications introducing the achievements of Core Group members and stakeholders in the forestry sector on the journey towards ensuring timber legality and responsible timber trade. The exhibition also provided a framework for organizations to exchange and explore future collaboration opportunities.

A highlight of the forum was the participants' visit to Minh Duong Joint Stock Timber Company to better ascertain how the regulations on legal timber assurance systems promulgated in the FLEGT VPA and Decree No. 102/2020/ND-CP are put into practice. Key facets of interest included timber traceability, cooperation with local communities, and compliance with environmental, labour and social regulations.

Mr. Pham Van Bong, Director of the Provincial Department of Agriculture and Rural Development of Binh Duong province, shared: "As one of the country's leading provinces in exporting furniture, Binh Duong's vision is to develop the timber processing industry in a sustainable, efficient and modern way." He went on to share, "The forum 'Legal and Sustainable Timber Value Chain in Viet Nam' grants an opportunity for Binh Duong province to communicate its vision for the development of the province's timber processing industry which is in line with the Government's direction on sustainable development of this industry for export to domestic and international stakeholders."

The event was met with great interest and welcomed about 150 participants from the Ministry of Agriculture and Rural Development and related ministries, the Delegation of the European Union along with the Embassy of Germany, research institutes and universities, relevant departments and agencies of Binh Duong province and other relevant provinces (including forest protection departments, timber associations, enterprises, forest owners, ...), member organizations of the Multi-Stakeholder Core Group on FLEGT VPA and non-governmental organizations.





Information about the FLEGT VPA and some milestones

Timber and timber products are important export products of Viet Nam. The export turnover of these items has been incrementally increasing over the past decade. The turnover increased from 3.4 billion USD in 2010 to 14.5 billion USD in 2021, making Viet Nam the 2nd largest timber exporter in Asia and the 5th in the world. The EU is Viet Nam's fifth largest export market of timber and timber products. In 2019, Viet Nam's export turnover of timber products to the EU reached over 1.03 billion USD, accounting for 9.2% of the export market share. The country currently is home to nearly 14,000 enterprises of different scales that are active in timber processing, producing carpentry and other timber products. These enterprises together create more than 500,000 long-term jobs for workers, contributing to stabilizing social security and sustainable economic development.

On the other hand, Viet Nam is facing global challenges related to illegal timber harvesting and trade. Therefore, drastic and comprehensive solutions are needed to ensure the sustainable and legal growth of Viet Nam's timber industry, while promoting good forest governance.

After six years of negotiations, FLEGT VPA came into force starting in June 2019. Decree 102 was promulgated by the Government of Viet Nam in September 2020 to describe the key aspects of Viet Nam's timber legality assurance system. When the FLEGT licensing system comes into operation, Viet Nam will only export timber products with FLEGT or CITES licenses to the EU market. Correspondingly, the EU will only permit Vietnamese timber to enter into the EU if it has a valid FLEGT or CITES license.

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