

# MYANMAR TIMBER TRADE AND INDUSTRY

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*Myanmar*  
Private Sector  
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## Top Ten Export Items of Myanmar (2010-2011)

No	Items	Value (US Dollar in Million)
1	<i>Natural Gas</i>	2522.530
2	<i>Jade</i>	2204.926
3	<i>Matpe</i>	458.635
4	<i>Garment</i>	381.058
5	<i>Fish</i>	305.992
6	<i>Rubber</i>	302.010
7	<i>Teak Log</i>	292.257
8	<i>Green Mung Bean</i>	291.348
9	<i>Hardwood Log</i>	282.021
10	<i>Rice</i>	194.426

# CURRENT PRODUCTION FACILITY

## Government Sector

{Myanmar timber enterprise (MTE)}

× Saw mills	-	91
× Furniture factories	-	5
× Plywood factories	-	5
× Moulding factories	-	3
× Block board factory	-	1

## Private sector

× Saw mills	-	180
× Plywood mills	-	5
× Recutting saw mills	-	1479
× Small finished product factories	-	1588
× Majority are small and medium Enterprise (SME)		

# GENERAL CLASSIFICATION OF INDUSTRY IN MYANMAR

Class- 1	Facilities that use basic portable tools and universal woodworking machines, Less than 10 persons, micro-enterprise with skilled craftsmen for high quality products, such as antique Or with unskilled for low-cost products
Class-2	Facilities that use basic woodworking machines ( bandsaw, planer, thicknesser, spindle moulder, boring machines, etc.) to produce in small batches; Up to 20 identical items, using more machines than by hand
Class-3	Facilities same as 2, but producing larger batches, using low cost mechanization and jigs suitable for serial production whenever possible <ul style="list-style-type: none"> <li>- different management attitude</li> <li>- higher capital investment</li> <li>- better thought and planning at the mill-layout design stage</li> <li>- strong desire to produce in large quantities in spite of all changes that this calls for in terms of product development</li> <li>- more efficient costing, production planning and inventory control system; and</li> <li>- the introduction of quality control procedures</li> </ul>
Class-4	Facilities that use special purpose machines ( four-side moulders, copying lathes, edge-banders, CNC Moulders, etc.);
Class-5	Facilities with integrated machining lines (linked machines used for production of panel , furniture, doors, surface finishing, robots used for painting, integrated lines)

## LEVEL OF FUNCTIONING FACTORIES(PRIVATE)

No	Year	Full Swing	Below Full Swing	Intermittent	Suspended	Total
1	2004-05	100	70	10		180
2	2006-07	55	75	30	20	180
3	2009-10	10	30	72	68	180
4	2011-12	20	40	52	68	180

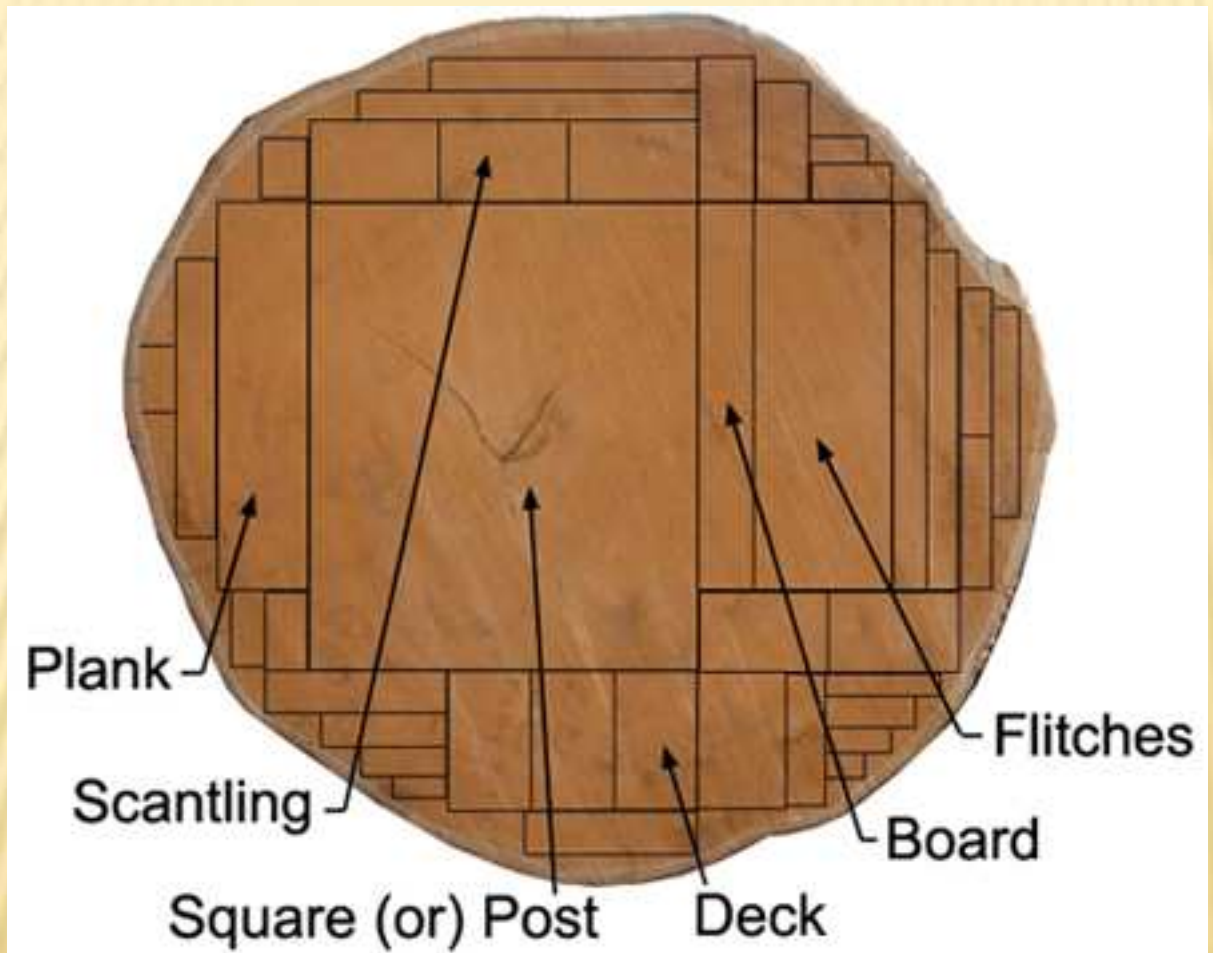
# PRIMARY AND SECONDARY PRODUCTS

- × **Log**
- × **Sawn Timber**
- × Veneer
- × Plywood
- × Moulding/Joinery
- × Door
- × Furniture
- × Flooring(Solid/Engineering)
- × Laminated Veneer Lumber(LVL)
- × Laminated Timber (LT)
- × Laminated Beams (LB)

# EXPORT RATIO BETWEEN LOG AND SAWN TIMBER

Fiscal Year	Log		Teak Sawn Timber	
	Sale Value	Percentage	Sale Value	Percentage
2004-05	272.380	<b>89.25</b>	20.457	<b>6.70</b>
2005-06	275.934	<b>90.45</b>	14.696	<b>4.82</b>
2006-07	276.844	<b>89.29</b>	14.138	<b>4.56</b>
2007-08	274.396	<b>88.21</b>	15.064	<b>4.84</b>
2008-09	376.891	<b>93.57</b>	11.141	<b>2.76</b>
2009-10	464.587	<b>94.39</b>	11.419	<b>2.32</b>

# PRODUCTS OF SAWN TIMBER

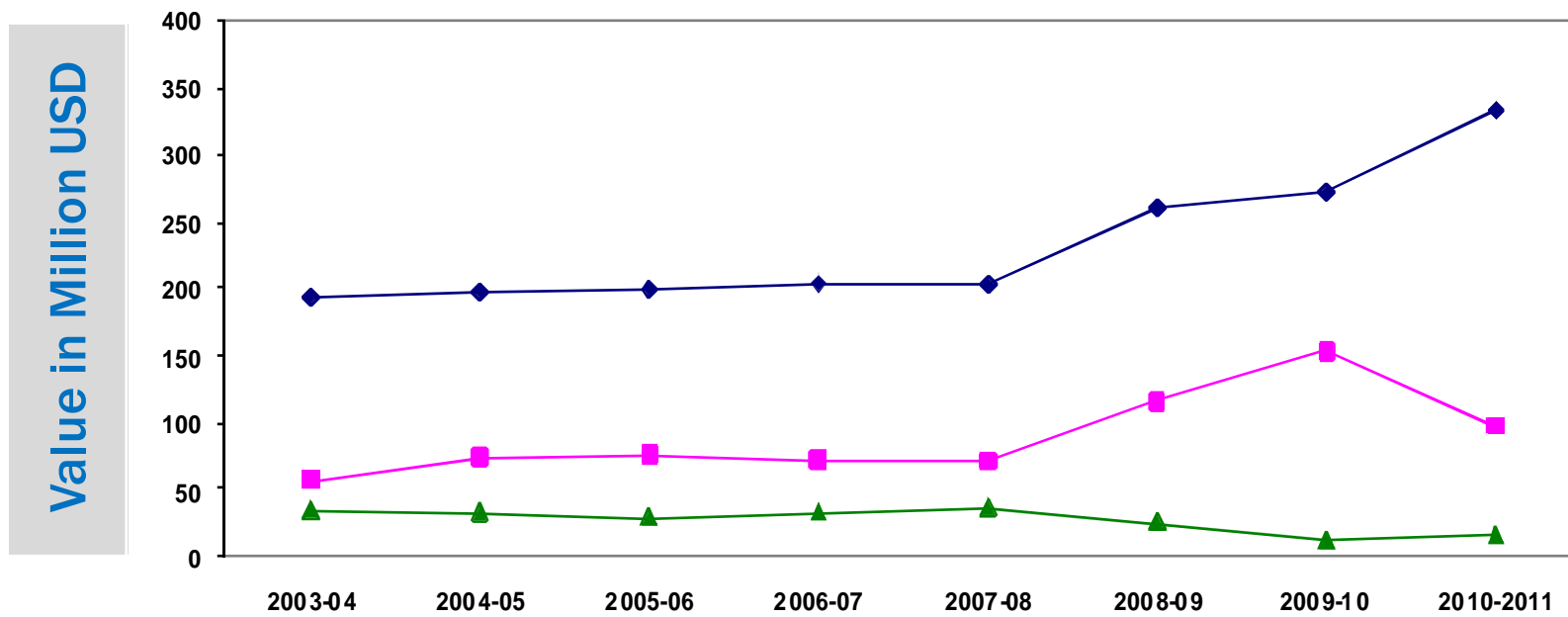




# EXPORT VALUE FROM TIMBER TRADE

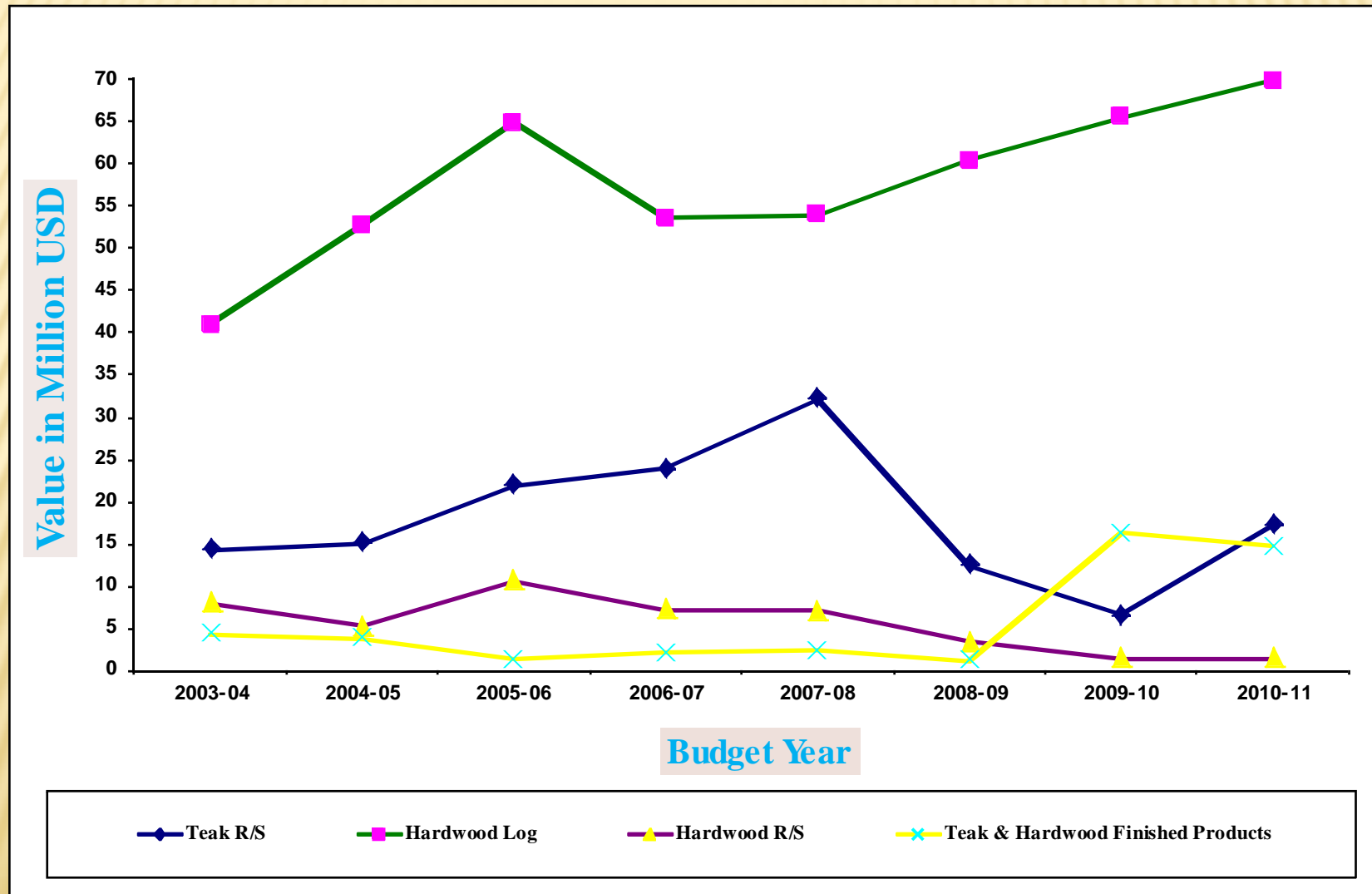
Sr. No	Fiscal Year	Export Value in USD(Million)
1	2003-04	285
2	2004-05	305
3	2005-06	305
4	2006-07	310
5	2007-08	311
6	2008-09	402
7	2009-10	495

# Export of State Sector



◆ Teak Logs      ■ Hard wood Logs      ▲ Teak R/S, Teak & Hard wood Finished Products & Other Forest Products

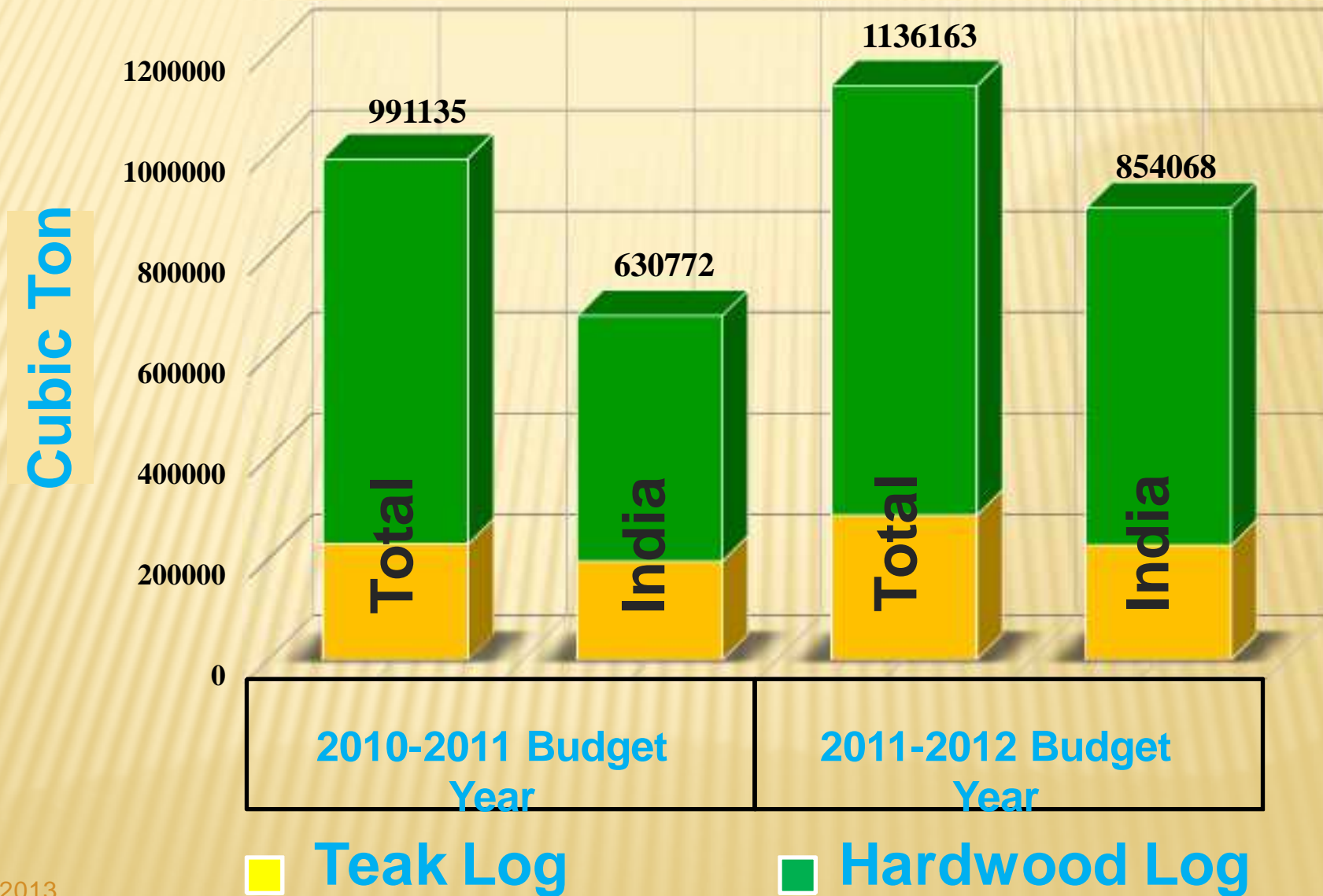
# Export of Private Sector



# MARKET SHARE % OF MYANMAR IN VALUE

<b>Sr</b>	<b>Country</b>	<b>Before 2005</b>	<b>Around 2008</b>
1	India	38	41
2	EU	22	3
3	Thailand	9	22
4	China	7	13
5	Japan	3	-

# Destination and Logs Export



# TYPE OF TIMBER PRODUCTS AND MARKETS

Sr No	Country	Product Type
1	India	Teak and Pyinkado logs for local construction
2	China	Teak (Log/Sawn-timber) and other woods (suitable for Interior Furniture)
3	Thailand	Teak and Pyinkado Logs for re-export and local consumption
4	Bangladesh	Teak and Pyinkado logs for local construction
5	Vietnam	Teak Log for Garden Furniture and Pyinkado Logs for local construction
6	Singapore	Teak Flooring for real estate development and re-export
7	Other	Log / Sawntimber / Plywood and Veneer

## PRODUCTS COMPARISON BETWEEN MALAYSIA AND MYANMAR 2008

Products	Malaysia	Myanmar
Furniture	30%	
Plywood	28%	
Sawn timber	12%	3%
Logs	9%	93%
Mouldings	3%	
Fibre Board	5%	
Others	12%	

# MAJOR SPECIES OF WOOD

Local Name	Scientific Name	Local Name	Scientific Name
Teak	<i>Tectona Grandis</i>	Yemane	<i>Gmelina arborea</i>
Pyinkaodo	<i>Xylia dolabriformis</i>	Hnaw	<i>Adina cordifolia</i>
Padauk	<i>Pterocarpus macrocarpus</i>	Thitya	<i>Shorea oblongifolia</i>
In/Kanyin	<i>Dipterocarpus tuberculatus &amp; spp.</i>	Taukkyant	<i>Terminalia tomentosa</i>
Thinwin	<i>Mellettia pendula</i>	Thadi	<i>Protium serratum</i>



# Management System

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- ❖ Myanmar selection system (MSS) has been the principle management system since 1856.
- ❖ Formation of felling series, each of which is divided into 30 annual coupes.
- ❖ Under MSS, only mature trees are selected & harvested.
- ❖ Harvesting of tree is controlled by girth limits prescribed species-wise.
- ❖ Felling of exploitable trees is within the bounds of carefully calculated Annual Allowable Cut (AAC).
- ❖ AAC is thus a tool that ensures the harvest of timber yield on a sustained basis.

## Target Production Quantity in 2015 under AAC (Annual Allowable Cut)

Sr.	Year	Volume in Cubic Meter	
		Teak	Non-Teak (Hardwood)
1	2012	668,802	3225751
2	2013	566,949	2595888
3	2014	533,599	1982970
4	2015	500,249	1982970
5	2016	108,162	1982970

# PARAMETERS OF A GOOD POLICY

- Whether the policy is documented and comprehensive
- Whether there is in-built provision for review, and whether periodicity of review is defined
- Number of reviews undergone by the policy
- Quality of review(s)
- Whether SFM is incorporated
- Whether it promotes environmental well-being
- Whether it flags the importance of environmental services from forests
- Whether it promotes decentralization and people's participation,
- Whether it has any provision focusing on NWFPs as a resource for local communities
- Whether it addresses tenure and other forest right issues.

## CONTROVERSY AS AN EXAMPLE

- × Forest Law 1992

8(a) A standing teak tree wherever situated in the state is owned by the state.

It makes confusion over the trees of private plantation and community forest.

# WHAT IS THE AIM OF CURRENT REGULATION

- × Mainly it aim not to mix wood from Unknown Origin with the wood of Known Origin



**CAUSING**

- × The regulation hinder the flow of timber products

# The Potentials

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- ❑ Sustainable Forest Management shall be more emphasized in Myanmar.
- ❑ Reliance on natural forests will be shifted by annually growing forest plantation.
- ❑ Effective raw material utilization practices shall be applied by most manufacturers.
- ❑ Improved productivity in public sector is expected through cooperation with private sector.
- ❑ Excessively available Myanmar hardwood will meet existing market requirement.

# STRENGTH

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- ✘ **Non-teak hardwood and other alternative raw material are available.**
- ✘ **Myanmar is the only gateway to Southern China and India for South Asian Countries.**
- ✘ **Cheap labour with high supply.( now may be in question)**
- ✘ **Apparent transformation to market economy.**
- ✘ **Availability of land for forest plantation.**

# **WEAKNESS**

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- **Necessary to review and revise the procedures and regulations.**
- **Lack of compatible technology in both public and private sector.**
- **Less competent workforce in every level of production.**
- **Inconvenient status of infrastructure of which development is still under implementation.**



# THREATS

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- **Higher demand for certified/Legal timber products.**
- **Substitution of teak with other alternatives and less demand for its unaffordable price.**
- **Consumers perceive wood-based products as non essential items.**
- **Lack of reliable data of the forest inventory making industries undecided what species will be more available**

# WHAT TO IMPROVE/MEND!

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- **Policy Drive to increase the production/Export of finish-products**
- **Foreign Investment**
- **Price Stability of Raw Material**
- **Market Information**
- **RD in Market and Production**
- **Market Promotion activities**
- **Deregulation of Red Tape System**

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**Thank You For Your Attention**