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Burma: Timber Ban, Effective in April, Leads to Wood Export Rush

Raw timber export is estimated to rise by 33 percent this year, in the lead-up to a nationwide ban on the commodity.

Burma's Ministry of Environmental Conservation and Forestry announced mid-last year that the banning of raw timber export sales will go into effect on 1 April 2014.

Bar Bar Cho, secretary of the Myanmar Timber Merchants Association (MTMA) said the steep rise in exports could be a result of the announcement.

"On average, the annual value of timber export was between US\$600 to 800 million, but we are likely to see a rise in the number – estimated between US\$1 to 1.1 billion this year — due to high a record of exports in the past six months," said Bar Bar Cho.

A report by the International Tropical Timber Organisation (ITTO) confirmed a surge in log export shipments from Burma, attributing the rise to buyers' concerns over the impending ban, as opposed to an increase in demand.

The ITTO reported last month that over one million cubic metres of logs were awaiting cross-border shipment and that it would take over six months to dispatch them for purchase at the current export rate.

Burma and Malaysia are the only Southeast Asian countries that currently allow export of raw timber to overseas. Proponents of the ban say that raw timber exports lead to rapid deforestation with little domestic benefit, as more profitable processing industries are developed in the buyer country.

Many investors are reluctant to develop such industries – which would greatly increase the timber's sales value – within Burma at the present time, due to poor infrastructure and security concerns, analysts told DVB in January.

Estimates vary, but most environmentalists agree that during British colonial times some 80 percent of the country was covered by forest, diving to 60 percent in the 1960s. Once military rule prevailed and corruption became endemic, deforestation accelerated leaving just 24 percent of the country forested as of 2008.

It has been estimated that in recent years 300,000 tons of teak and two million tons of hardwood are cut per annum in Burma. Starting from 2015, Burma is hoping to produce 60,000 tons of teak and 1.2 million tons of hardwood each year for the domestic market alone.

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