



TỔNG CỤC LÂM NGHIỆP

VIETNAM ADMINISTRATION OF FORESTRY

OVERVIEW ON FOREST PRODUCT PROCESSING INDUSTRY OF VIET NAM



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OVERVIEW ON FOREST PRODUCT
PROCESSING INDUSTRY OF VIET
NAM

EXPORTATION OF FOREST
PRODUCTS

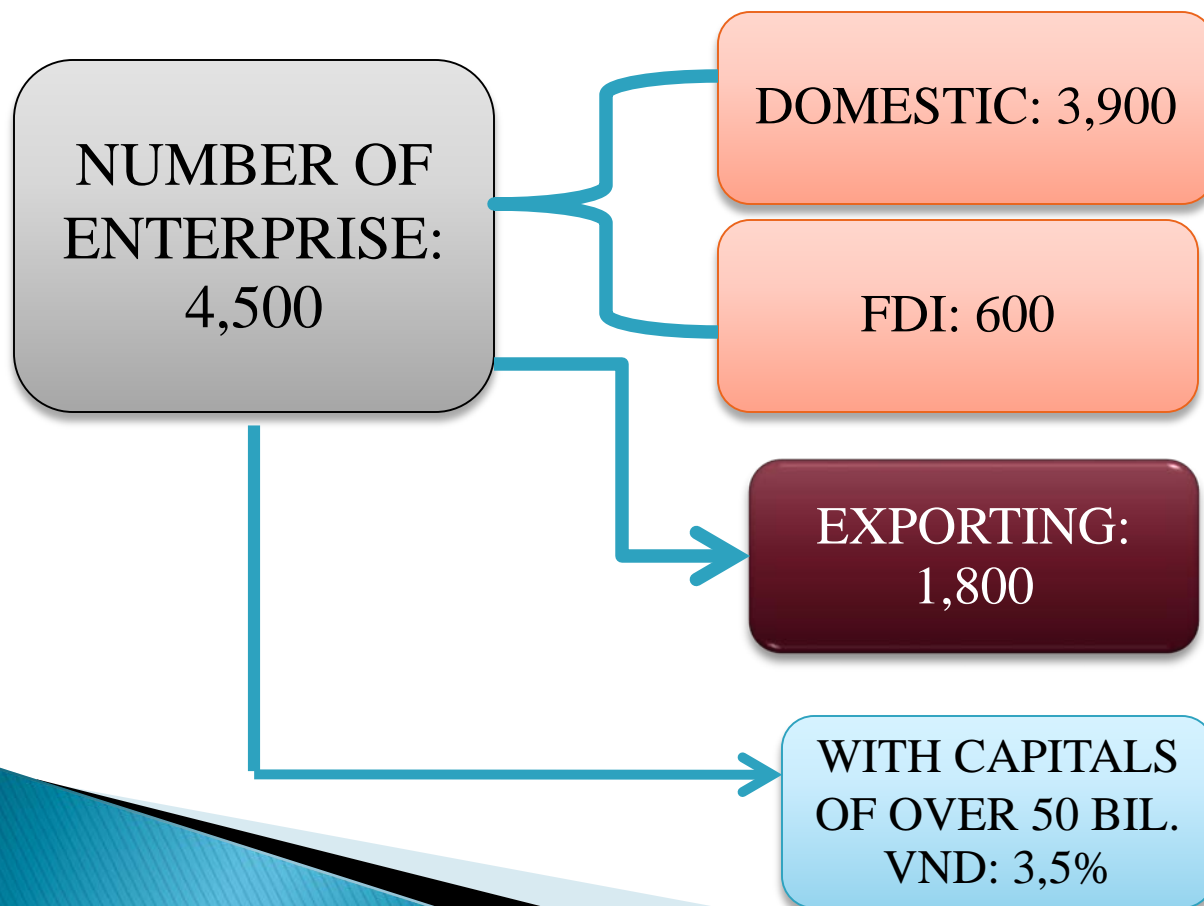
IMPORTATION OF TIMBER AND
TIMBER PRODUCTS



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I. OVERVIEW ON FOREST PRODUCT PROCESSING INDUSTRY





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I. OVERVIEW ON FOREST PRODUCT PROCESSING INDUSTRY

TECHNOLOGY

Many enterprises have invested, applied equipment, machines and supporting products to replaced reported ones, such as:

- System of machines for pressing, planing and classification of timber,
- Paint, glue, surface decoration material, package.



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I. OVERVIEW ON FOREST PRODUCT PROCESSING INDUSTRY

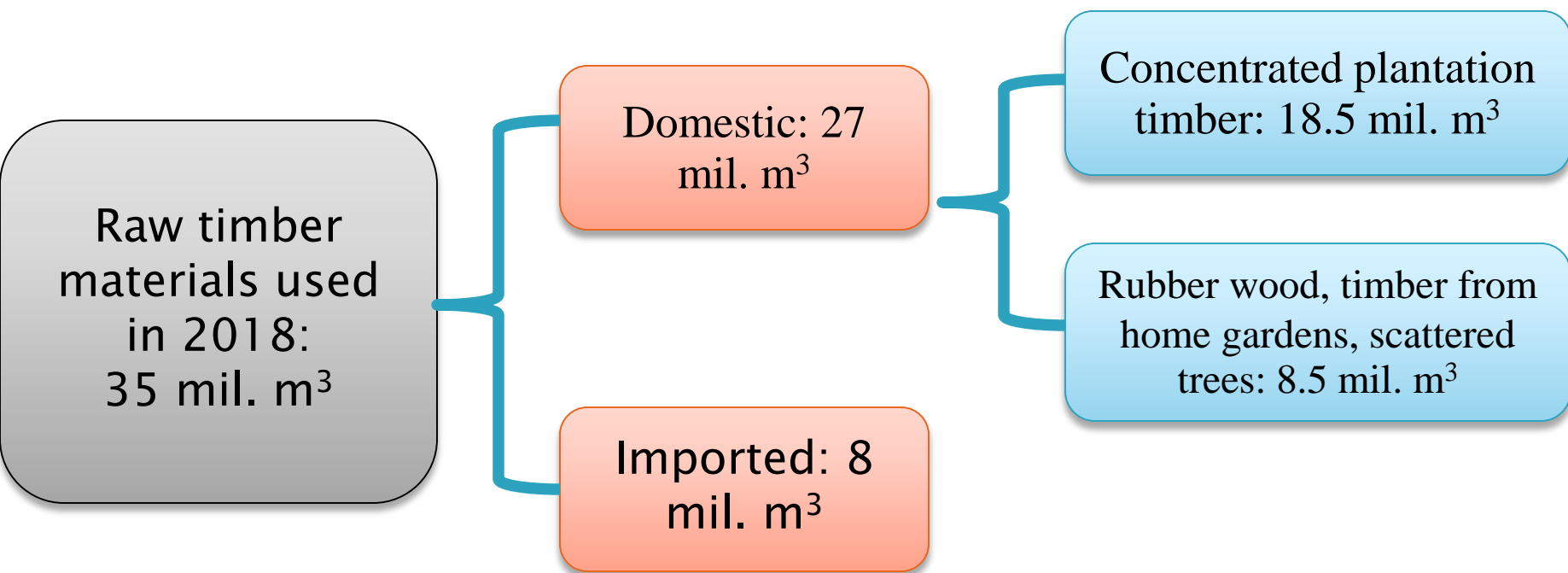
Labours: around
500,000

Trained, have stable work: accounted
for 55-60%

Untrained: accounted for 40- 45%



I. OVERVIEW ON FOREST PRODUCT PROCESSING INDUSTRY





II. EXPORTATION OF FOREST PRODUCTS

**EXPORT
VALUE**

**2017:
8.03 bil. USD**

Timber and
timber products:
7.66 bil. USD

NTFP: 0.37 bil.
USD

**2018:
9.38 bil. USD**

Timber and
timber products:
8.91 bil. USD

NTFP: 0.473 bil.
USD

**First 2 months of
2019:
1,472 tỷ USD**

Timber and
timber products:
1.378 bil. USD

NTFP: 0.086 bil.
USD

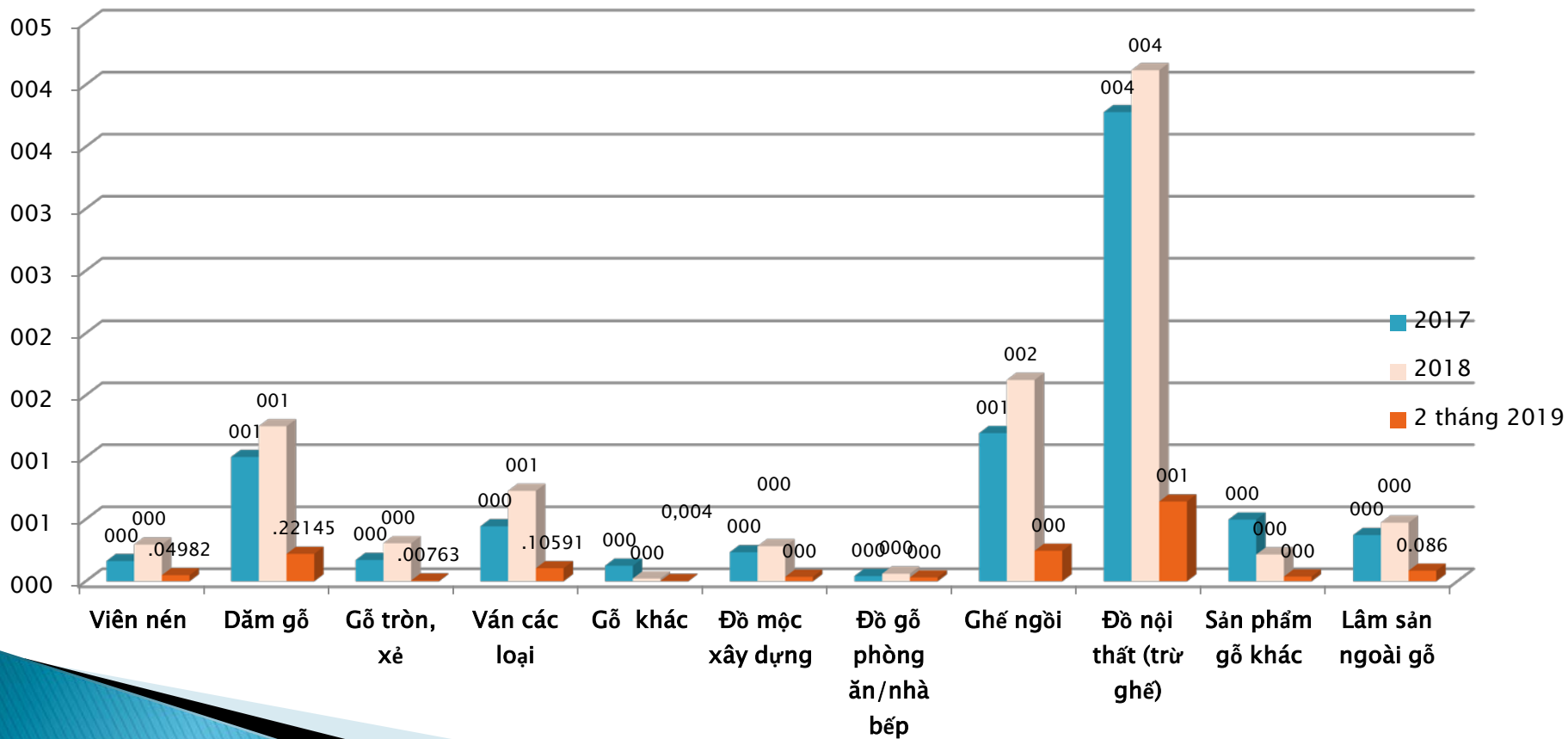


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EXPORT VALUE OF FOREST PRODUCTS FROM 2017 TO 2/2019

Unit: bil. USD



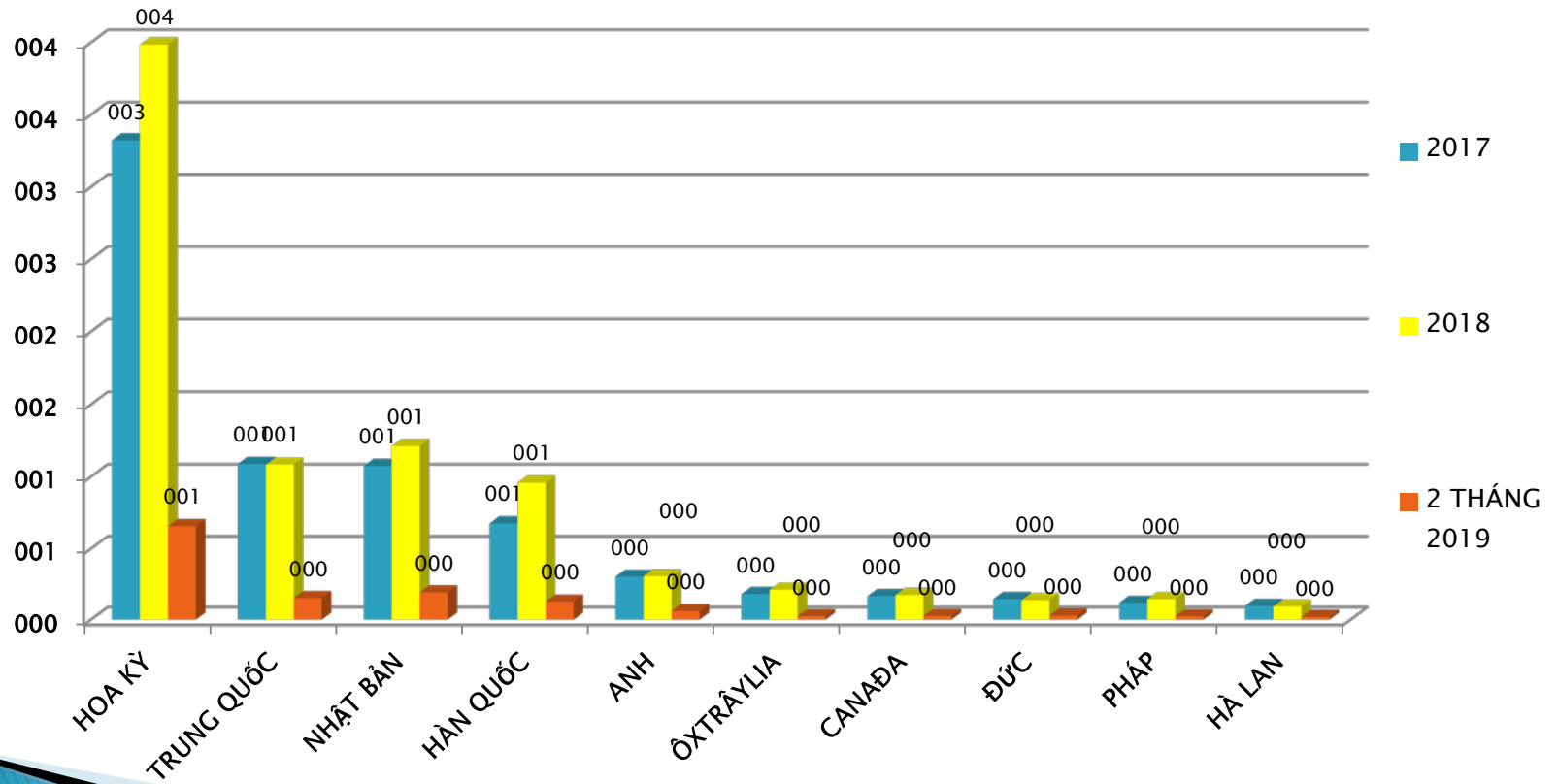


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VALUE OF FOREST PRODUCTS EXPORTED TO MAJOR MARKETS FROM 2017 TO 2/2019

Unit: tỷ USD



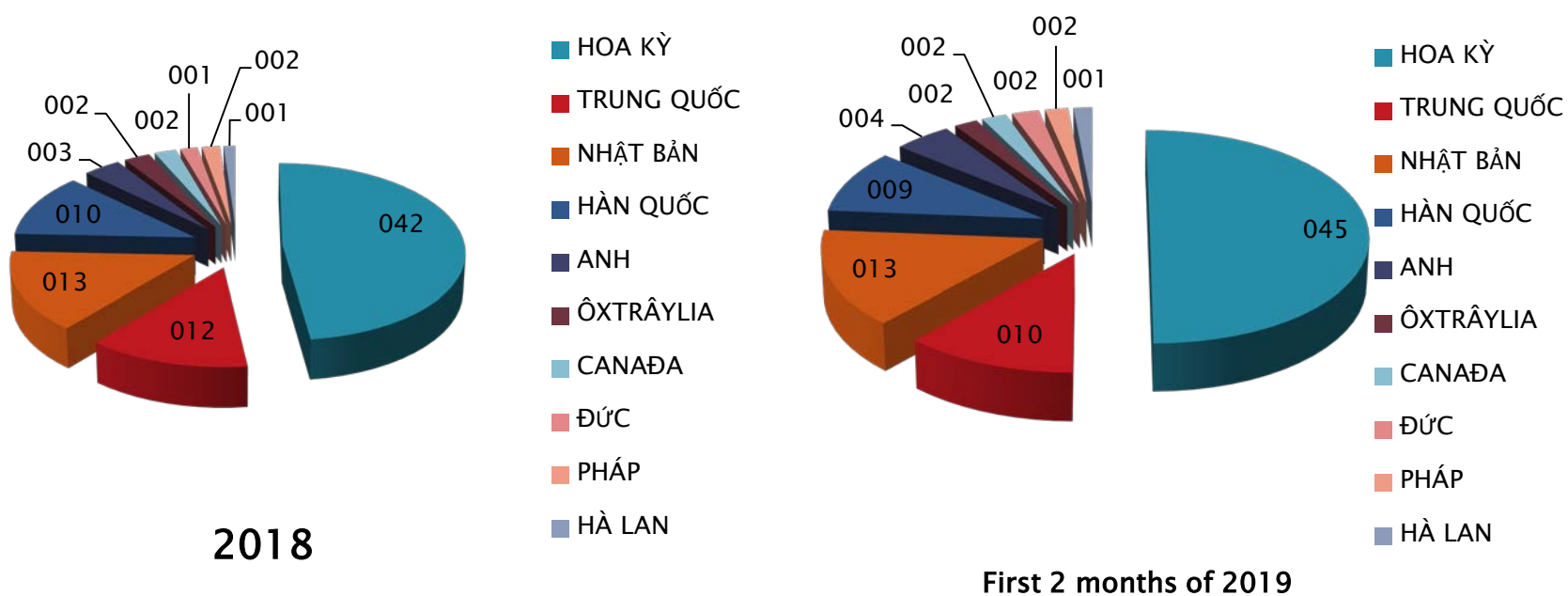


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EXPORT MARKET SHARE OF FOREST PRODUCTS FROM 2018 TO 2/2019

Unit: %





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II. IMPORTATION OF TIMBER AND TIMBER PRODUCTS

2017: 2.18 bil. USD

2018: 2.32 bil., increased by 6.07%
compared to 2017

First 2 months of 2019: 0.37 bil. USD,
increased by 8.02% compared to same
period of 2018

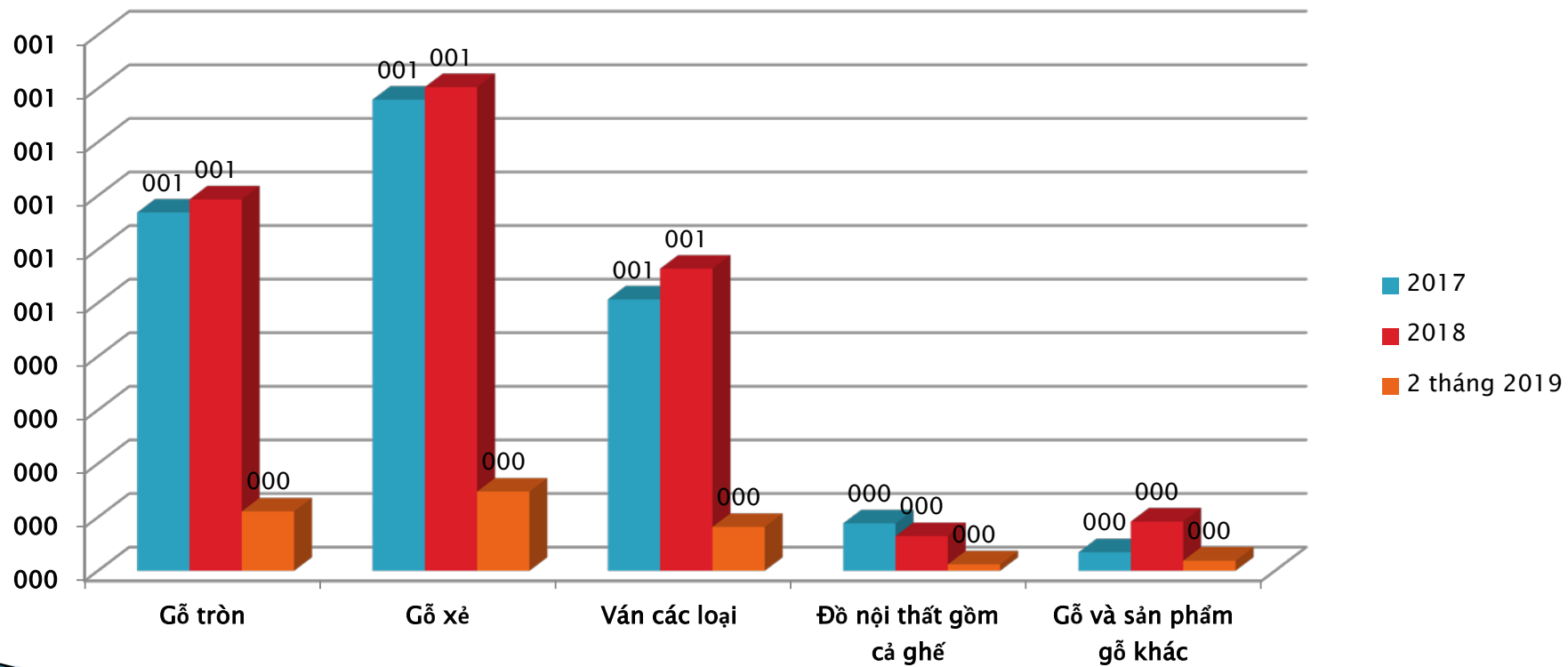


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IMPORT VALUE OF TIMBER AND TIMBER PRODUCT FROM 2017 TO 2/2019

Unit: bil. USD



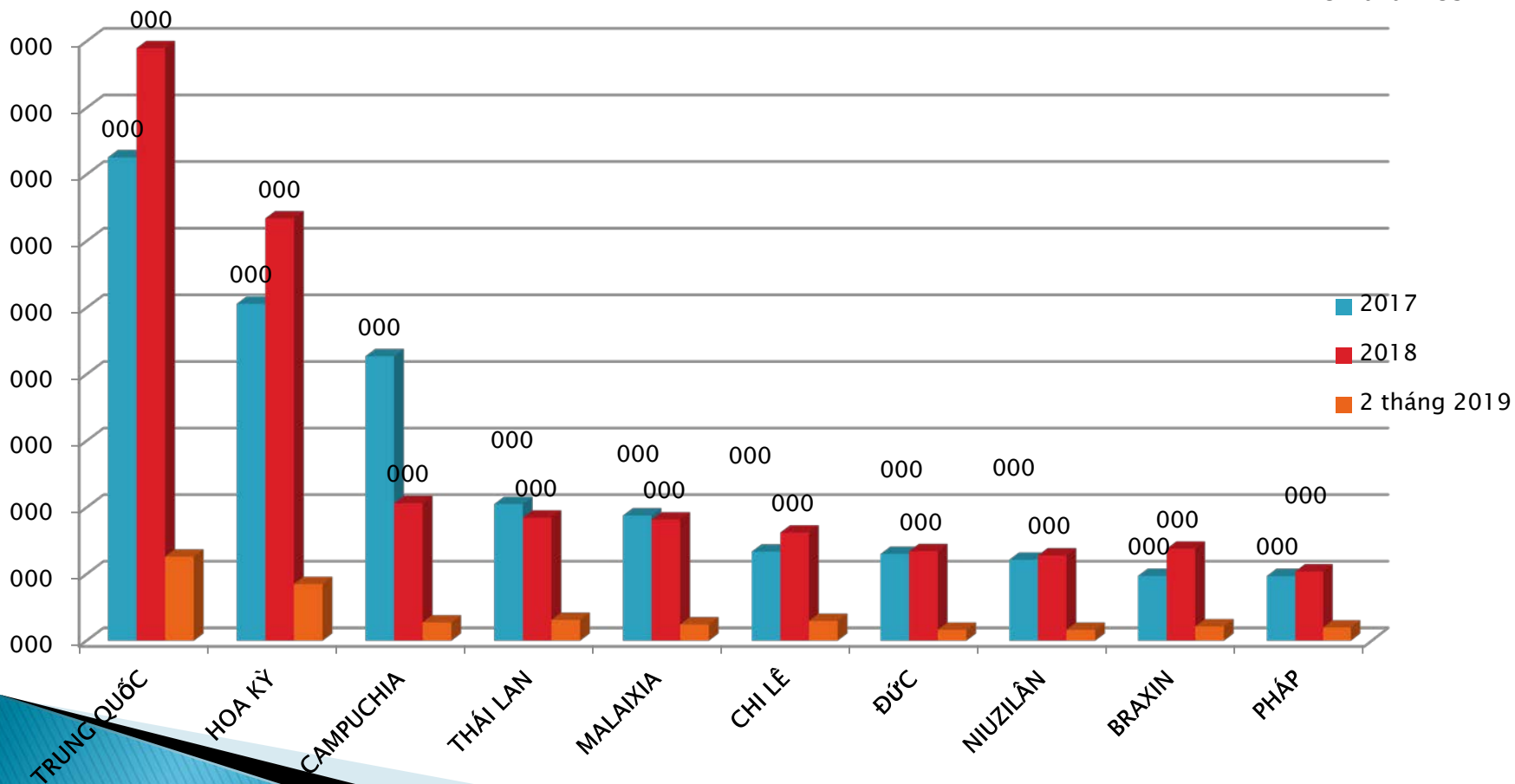


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VALUE OF TIMBER AND TIMBER PRODUCTS IMPORTED FROM MAJOR MARKET FROM 2017 TO 2/2019

Unit: bil. USD





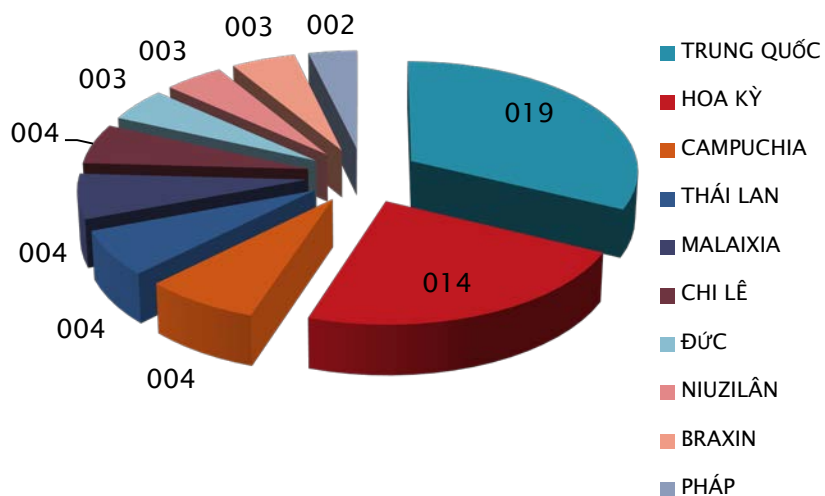
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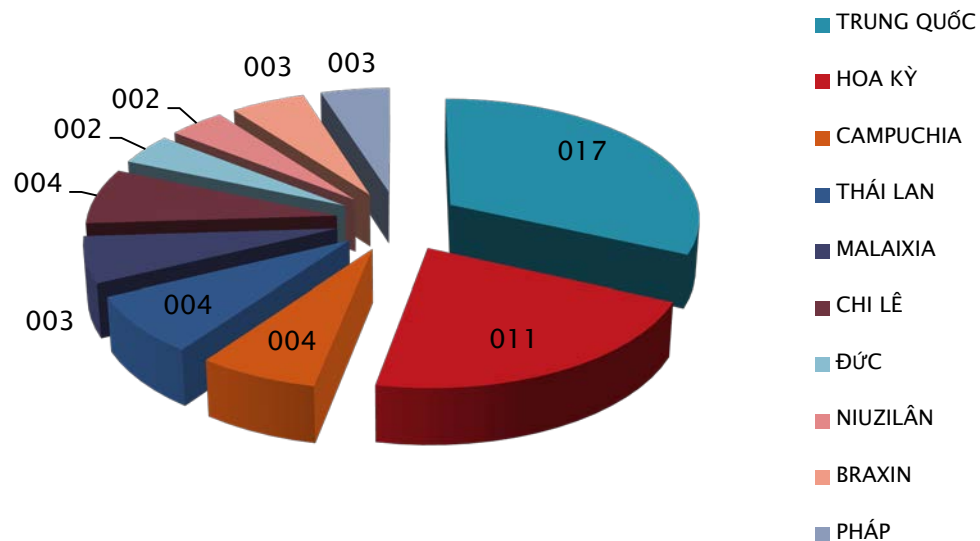
IMPORT MARKET SHARE OF TIMBER AND TIMBER PRODUCTS

Unit: %

2018



First 2 months of 2019





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The increase of import value of timber and timber products from some markets in first 2 months of 2019 compared to same period of 2018:

- + China: 63.1 mil. USD, increased by 11.49%
- + USA: 42.52 mil. USD, increased by 1.75 %
- + Thailand: 15.59 mil. USD;
- + Chile: 14.8 mil. USD, increased by 40.29 %
- + Cambodia: 13.67 mil. USD, decreased by 57%



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III. ADVANTAGES, CHALLENGES FOR FOREST PRODUCT PROCESSING INDUSTRY

1. Advantages

- Viet Nam's timber products are exported to more than 120 countries and territories
- Among 4,500 timber processing enterprises, 58.6% of them are producing products for domestic consumption or processing for exporting enterprises. They are ready to participate in production and export
- There are opportunities to develop markets for timber and timber products (markets of timber and timber products in 2018 achieved over 160 bil. USD, average increase of 3-5%/years).
- Free trade agreements, especially CPTPP, VPA/FLEGT, reduce or elimination of export and import duty of timber and timber products, together with efforts of the Government to improve business environment, monetary policy, exchange rate, interest rate have help further develop the forest processing industry



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2. Challenges

- Some countries, such as Australia, Japan, Korea, are strictly implementing regulations on ensuring legal timber and SFM-certified timber in processing and production of timber products.
- A system of goods distribution at home and abroad has not yet been established; a credible trademark of Vietnamese timber products has not yet been built.
- Linkage between processing and exporting enterprises and forest growers has not yet been developed.
- Important supporting materials for timber processing such as paint, glue, are still imported, increasing production costs and reducing added-value of products.



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- Design and trade of timber products have not yet developed; a channel of timber product distribution, a trademark of timber industry have not yet been established; there are lack of commercial centers for promotion of timber products.
- Harvesting of young forests and undevelopment of intensive forest plantation have led to low quality of domestic raw timber materials, timber has small diameter, mainly used for producing woodchip
- A number of enterprises appear to wrongly declare the origin of products in order to avoid tax which affects good enterprises.



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IV. DEVELOPMENT ORIENTATIONS OF FOREST PRODUCT PROCESSING INDUSTRY

- Developing in sustainable, efficient and modern manner on the basis of deep integration into regional and international market; using legal raw timber materials; applying advanced technology and modern equipment, ensuring environmental standards in production.
- In next 10 years, forest product processing industry is striving for becoming a key economic sector of Viet Nam in terms of production and export, among leading forest product processing and exporting countries in the world market.
- Increasing the export value of forest products to 11 bil. USD in 2019, 12-13 bil. USD in 2020 and 18-20 bil. USD in 2025; increasing the proportion of processed exports having Vietnamese brands



IV. SOLUTIONS

1. Regarding institutions and policies

- Implementing the Forestry Law
- Continuing to prepare and promulgate documents guiding the implementation of the Forestry Law

2. Regarding raw materials

- Promoting the plantation of large timber forests, sustainable forest management-certified timber
- Researching, applying science and technology in production of raw timber materials, from selecting, creating, controlling, ensuring quality of seedlings for plantation, to intensive forest planting, tending and timber harvesting
- Replicating value chain-based linkage between forest growers and processing enterprises.
- Fostering the ratifications of VPA/FLEGT with EU, negotiating with



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3. Regarding science and technology

Investing in research and application of advanced technology, environmentally friendly technology, 4.0 technology in forest product processing and export.

4. Regarding human resources development

- Prioritizing development of leading research and training centers in order to create high added-value product
- Strengthening linkage between enterprises and academies, institutes and training centers



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5. Regarding market development

- Developing and promoting Vietnamese forest products
- Developing market information system, standards of forest products
- Boosting forest product e-commerce
- Implementing signed free trade agreements; paying more attention to domestic market; focusing on prioritizing resources for trade promotion programs at home and abroad, investing in large-scale exhibition centers

6. Regarding legal business assurance

- Checking, monitoring, controlling to ensure strict compliance with regulations on origin of exported goods



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THANK YOU!