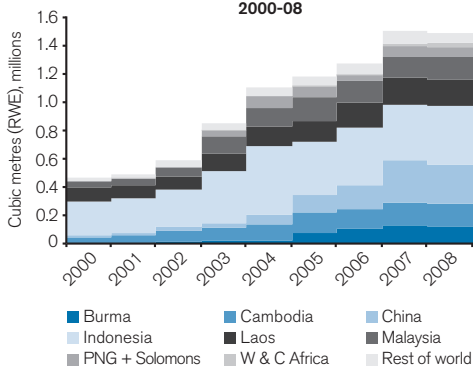


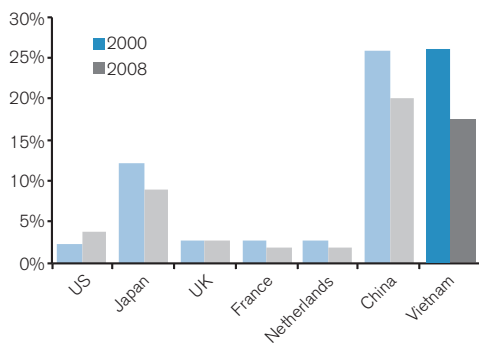
# Vietnam

## Chatham House illegal logging indicators country report card

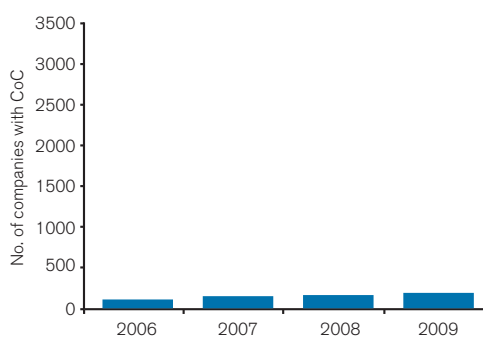
Estimated illegally sourced wood-product imports, 2000-08



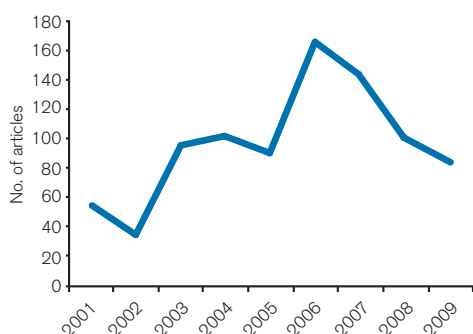
Estimated illegally sourced imports as percentage of all imports



FSC chain-of-custody certificates, 2006-09



International media coverage trend



### Imports of Illegally Sourced Wood Products

- Vietnamese imports of illegally sourced wood trebled between 2000 and 2007, and remained steady in 2008. Vietnam is the only one of the seven importing countries studied where imports have yet to show any significant decline.
- Although the percentage of imports which are illegally sourced has declined, volumes have nevertheless continued to increase because of rapid overall growth. Reduced flows of illegal timber from Indonesia have also been offset by increased imports from Laos, Cambodia and Burma. Most of this wood is destined for re-export.
- Vietnam has lower per capita imports of illegal wood than any of the five consumer countries studied.
- With 17% of imports estimated to be illegally sourced, Vietnam's wood supply chains are slightly cleaner than those of China.

### Government Response

- Vietnam has recently established a working group on Forest Law Enforcement, Governance and Trade to explore options for action, and in 2008 signed a Memorandum of Understanding on the issue with Laos.
- Vietnam also signed an agreement in 2009 with the European Union to work together on the issue.
- However, the Vietnamese government's response still lags behind many consumer and producer countries studied.
- A lack of relevant legislation has prevented the Vietnamese authorities from stopping specific shipments of timber entering the country despite requests from source countries and evidence of illegal origin.

### Private-sector Response

- Although chain-of-custody certification has almost doubled in the last four years, growth in handling certified-sustainable wood has been weaker than in China and the five consumer countries studied.
- The majority of Vietnamese companies surveyed considered that timber prices had risen recently as a result of enforcement efforts in source countries.
- Companies also noted considerable and growing overseas customer enquiries regarding legality of timber supplies, and believed that meeting such concerns would be an important factor in the future competitiveness of the country's export industry.

### Media Attention

- Between 1999 and 2007 there were no stories in the Vietnamese English-language media addressing the country's role in importing illegally sourced wood. The first such stories appeared in 2008, as a result of an NGO exposé regarding imports from Laos.

### Areas for Improvement

- Vietnam needs to develop additional formal trade arrangements with major source countries to help prevent imports of illegal timber and ensure reliable supplies of legal wood.
- The Vietnamese government should also seek to build bilateral relations on the subject with the US, which is its biggest customer for wood products.
- Vietnam should prohibit import and sale of illegally sourced wood, and require credible evidence of legality of all timber traded on its markets. FLEGT legality licences for imports from producer countries which have agreed voluntary partnership agreements with the EU could provide such evidence.