



Joint Press Release

Thailand and European Union launch negotiations for a bilateral agreement strengthening forest governance and timber trade

Bangkok, 11/09/2013 –The Kingdom of Thailand and the European Union (EU) launched formal negotiations today for a Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA). Thailand is an important manufacturing hub for wood products in the region and a major supplier of wood furniture and other timber products to important consumer markets. In 2012, Thai exports to the EU of timber and timber products covered by the Timber Regulation totalled around 145million Euros or 5.8billion Thai Baht.

VPAs are bilateral trade agreements between the EU and countries exporting timber and timber products. These agreements help to promote trade in legally harvested timber and timber products, while at the same time strengthening forest law enforcement and governance. At the heart of these agreements are timber legality assurance systems that set out procedures by which timber-exporting countries will ensure that timber and timber products originate from legal sources. Stakeholder involvement is a central element of VPA negotiations, and Thailand has already begun the process of bringing stakeholders from industry, civil society and government to the table.

The opening of these negotiations underlines the commitment on the part of Thailand and the European Union to jointly respond to the problem of illegal logging and related trade by linking the implementation of a timber legality assurance system in Thailand with the leverage offered by the EU market for timber and timber products.

The ceremony was opened by Chote Trachu, Permanent Secretary of the Ministry of Natural Resources and Environment, who leads Thailand's negotiation delegation, which includes representatives of the Royal Forest Department, Ministry of Trade, Ministry of Foreign Affairs, Customs, Forest Industry Organisation and the Thai Timber Association. The Ministry of Natural Resources and Environment has also established three intergovernmental subcommittees to coordinate VPA negotiation support, develop implementation mechanisms, and coordinate with stakeholders.

At the ceremony, Mr Chote Trachu, Permanent-Secretary of the Minister of Natural Resources and Environment, and Mr Antonio Berenguer Reguant, Head of Trade and Economic Section of the EU Delegation to Thailand reaffirmed their mutual interest in concluding an agreement as soon as possible.

Mr. Chot Trachu said, *"the Ministry will support every relevant authority to move forward the Forest Law Enforcement and Government Trade (FLEGT) Voluntary Partnership Agreement (VPA) with the European Union as the agreement is beneficial to Thailand. The launching of the negotiations of the VPA is to officially announce the policy intention for this agreement to the general public. This FLEGT VPA with the EU will increase Thailand's image in preserving the natural resource in accordance to the international level, especially the cooperation with the EU in promoting for legal timber and product timber trade, eliminating illegal logging and including all stakeholders in Thailand to be informed of and participating in this important*

process. This will enhance the success of the VPA negotiations, which will sustain and equip Thailand's timber and product timber trade with the international standard in preparation for the AEC in the coming years."

Mr Berenguer added, *"a VPA is a credible process to address market changes but also an opportunity to initiate a balanced discussion amongst stakeholders about the forest and timber sector in Thailand. Undoubtedly such process will strengthen Thailand's reputation in international timber markets, increase the visibility of its efforts towards tackling illegal logging, and reinforce efforts in neighbouring ASEAN countries to improve forest law enforcement and governance"*.

The Thailand–EU VPA is expected to help maintain and expand EU market demand for timber and timber products exported by Thai enterprises. As the VPA sets up systems to assure the legality of its timber and timber products, Thai authorities can then issue FLEGT-licences on exports to the EU. FLEGT-licensed timber is compliant with a new EU Timber Regulation which entered into force on the 3 March 2013, and which now prohibit the sale of illegally harvested timber and timber products in the EU.

Thailand has been preparing for these negotiations since 2011. In December 2012 the Thai parliament and the Cabinet took the decision to begin negotiations. Preparations have included joint studies and workshops by the Royal Forest Department, the EU FLEGT Facility and other stakeholders.

Thailand joins thirteen countries already implementing or negotiating a VPA with the EU, including Vietnam, Malaysia and Indonesia.

Background

In 2003 the Europe Union adopted the Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT) which aims to develop a set of integrated demand- and supply-side measures to combat trade in illegal timber. At the core of the EU FLEGT Action Plan are Voluntary Partnership Agreements (VPAs) with timber-producing countries that wish to eliminate illegal timber from their trade with the EU. The VPAs allow for the licensing of legally harvested timber. So far the EU has signed FLEGT VPAs with Cameroon, the Central African Republic, Congo, Ghana, Indonesia and Liberia; and in the region, negotiations are on-going with Laos, Malaysia, and Vietnam.

Thailand has an established forest products sector, and most of Thailand's remaining natural forests are now protected. Thailand therefore uses either on-farm trees or timber imported from third countries; in particular, neighbouring countries which still have natural forests, such as Laos, Cambodia and Myanmar. A VPA with Thailand would therefore have strong regional implications, since Thailand would need to develop systems to ensure the legality of its significant timber imports from the neighbouring Mekong countries.

For further information on the Forest Law Enforcement Governance and Trade initiative:

www.euflegt.efi.int

For more information and interviews please contact:

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