

**ITTO Project “Enhancing Conservation and Sustainable Management of Teak Forests and Legal and Sustainable Wood Supply Chains in the Greater Mekong Sub-region” (PP-A/54-331)**

**Regional Workshop on Sustaining Teak Forests in Mekong Basin  
Myanmar, 24 – 27 September 2019**

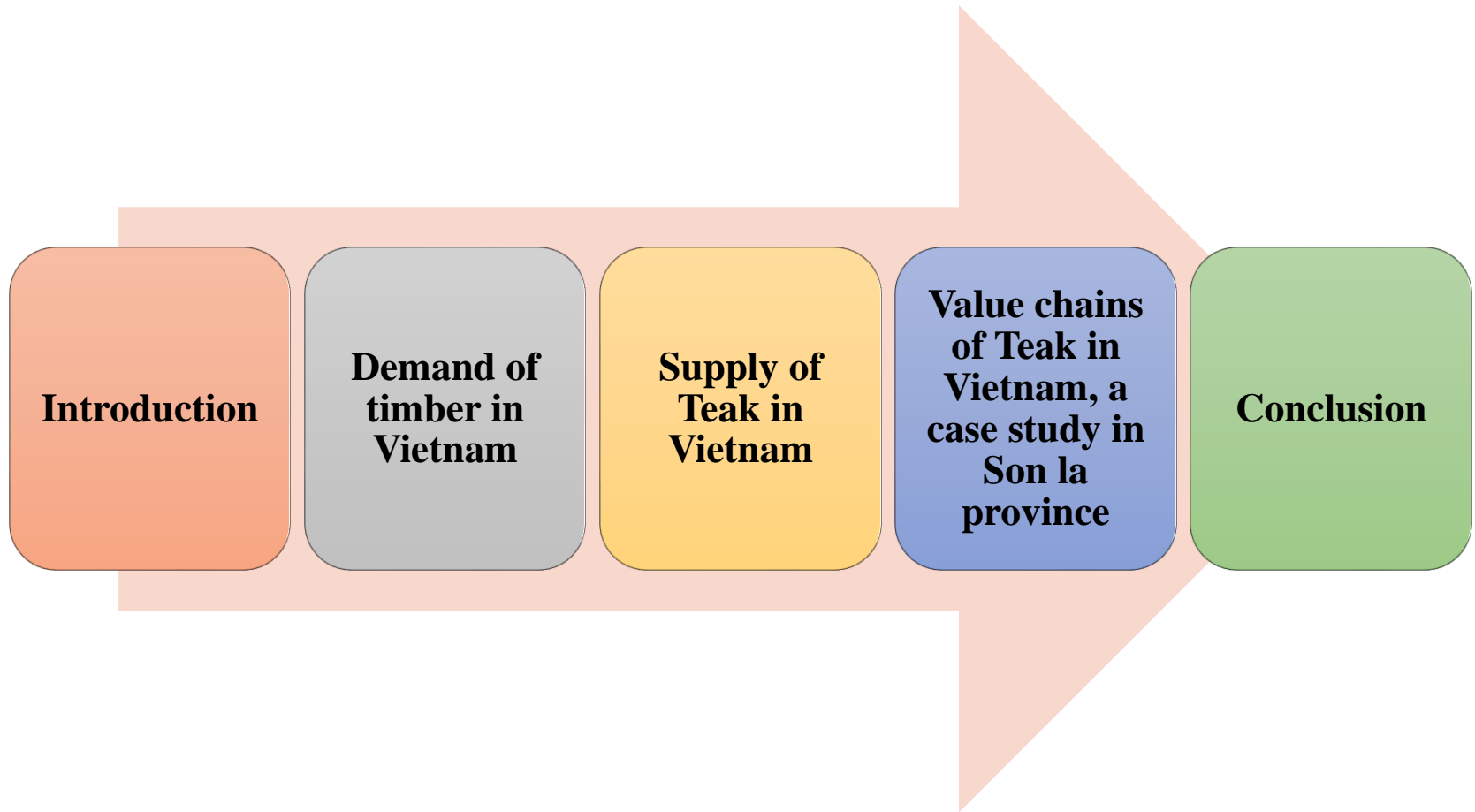
**DEMAND AND SUPPLY OF TEAK IN VIETNAM**

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# CONTENT





# INTRODUCTION

- The total export value of wood-based products in Vietnam in 2018 was about 8 billion USD and planned to have about 9 billion in 2020.
- High demand of raw materials including Teak for wood processing industry.
- Supply of domestic timber is in shortage and low quality, so significant amount of high-quality timber imported increasingly annually.



# DEMAND OF TIMBER

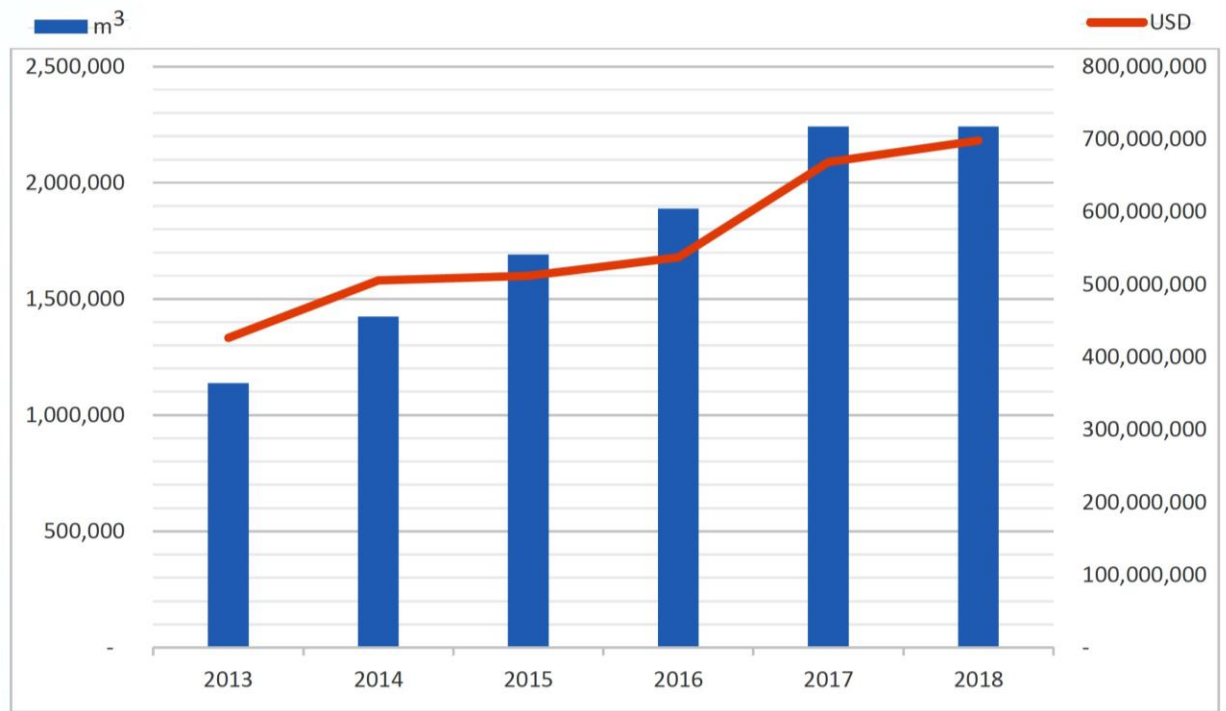
- About 30 million m<sup>3</sup> roundwood harvesting annually from plantations (mainly acacia) and tree-outside-forest (rubber and scattered planted trees) in country
- About 2.2 million m<sup>3</sup> roundwood and 2.4 million m<sup>3</sup> sawtimber imported from mostly America, Africa and Europe



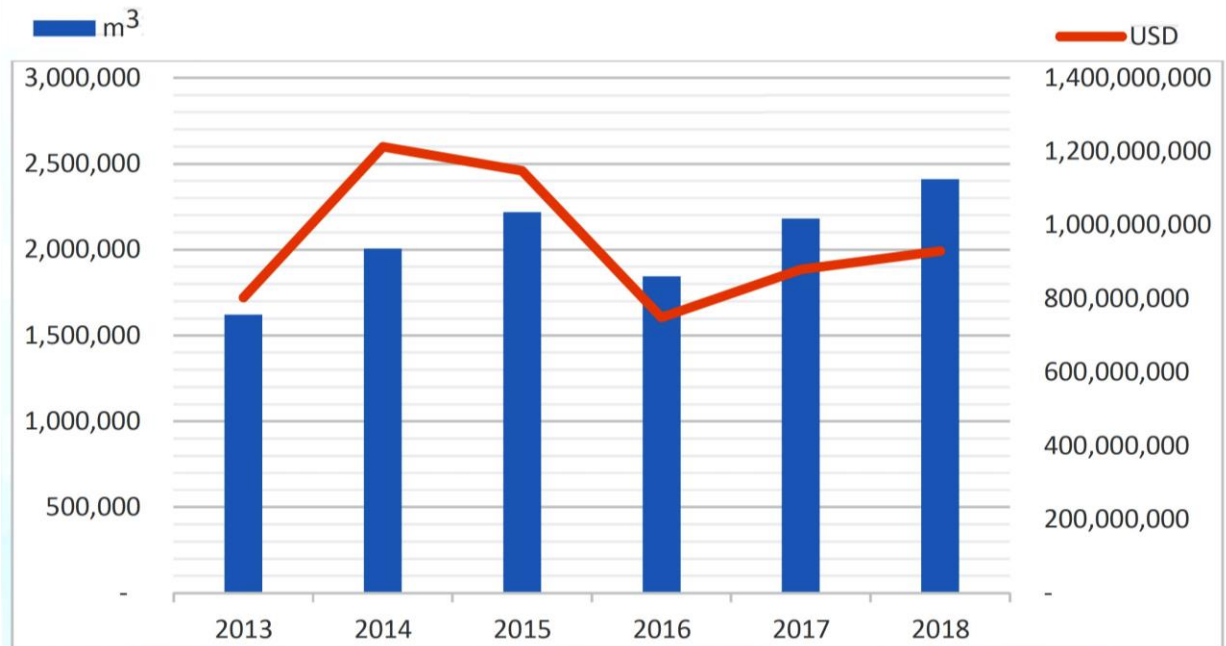




## Imported round wood

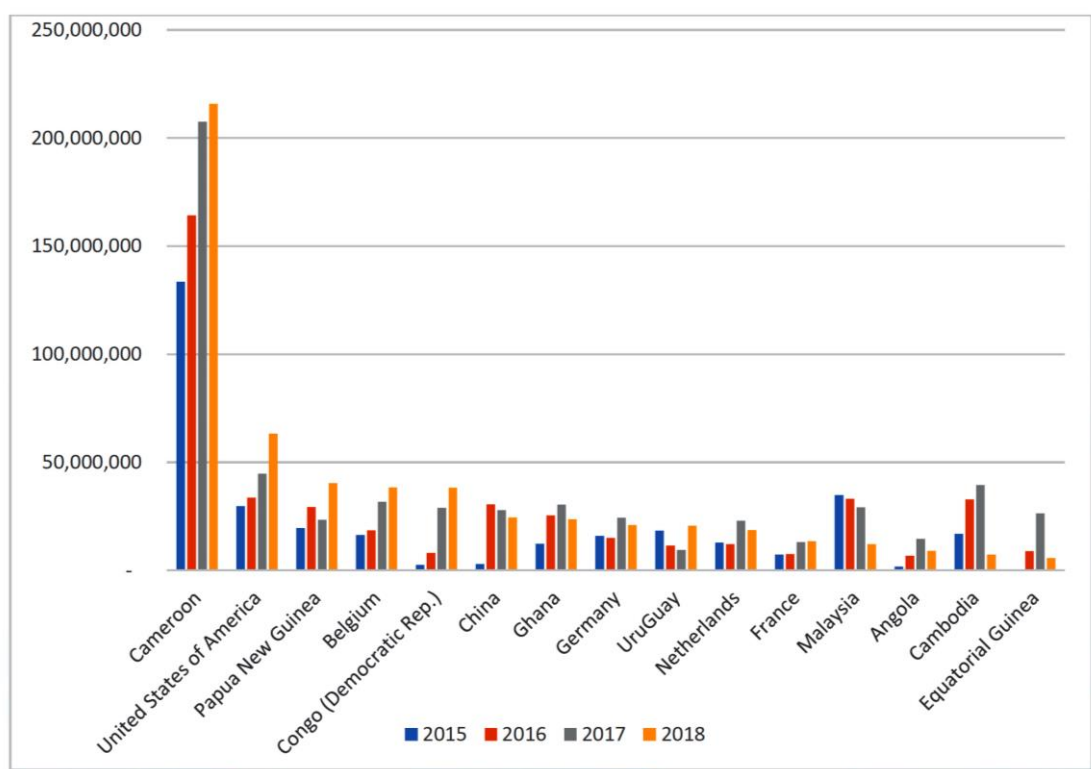


## Imported sawn timber

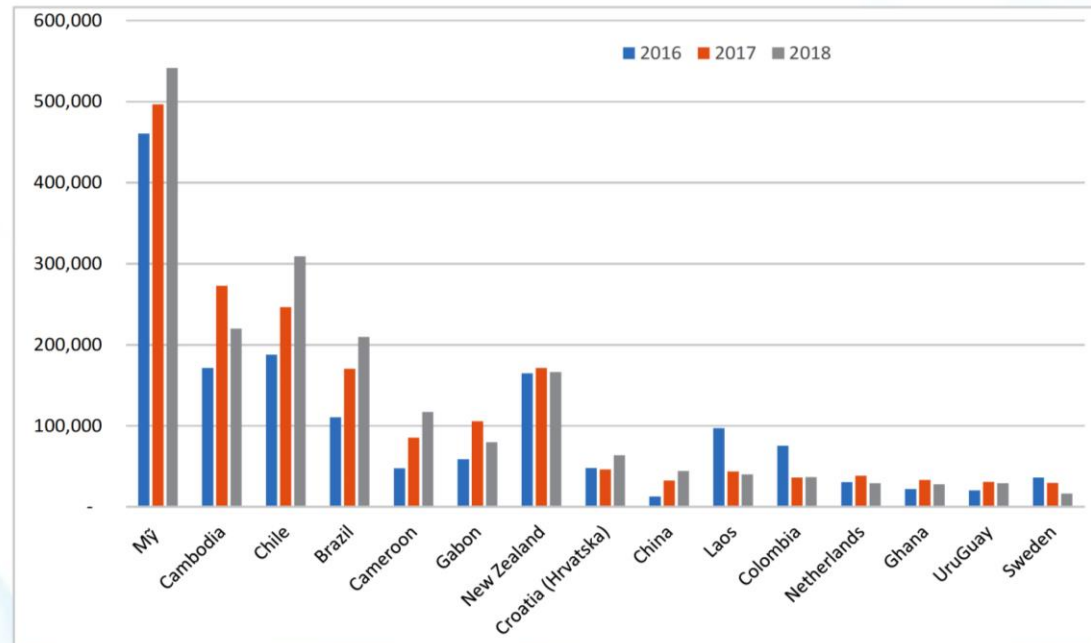




## Countries export round wood to Vietnam



## Countries export sawn timber to Vietnam

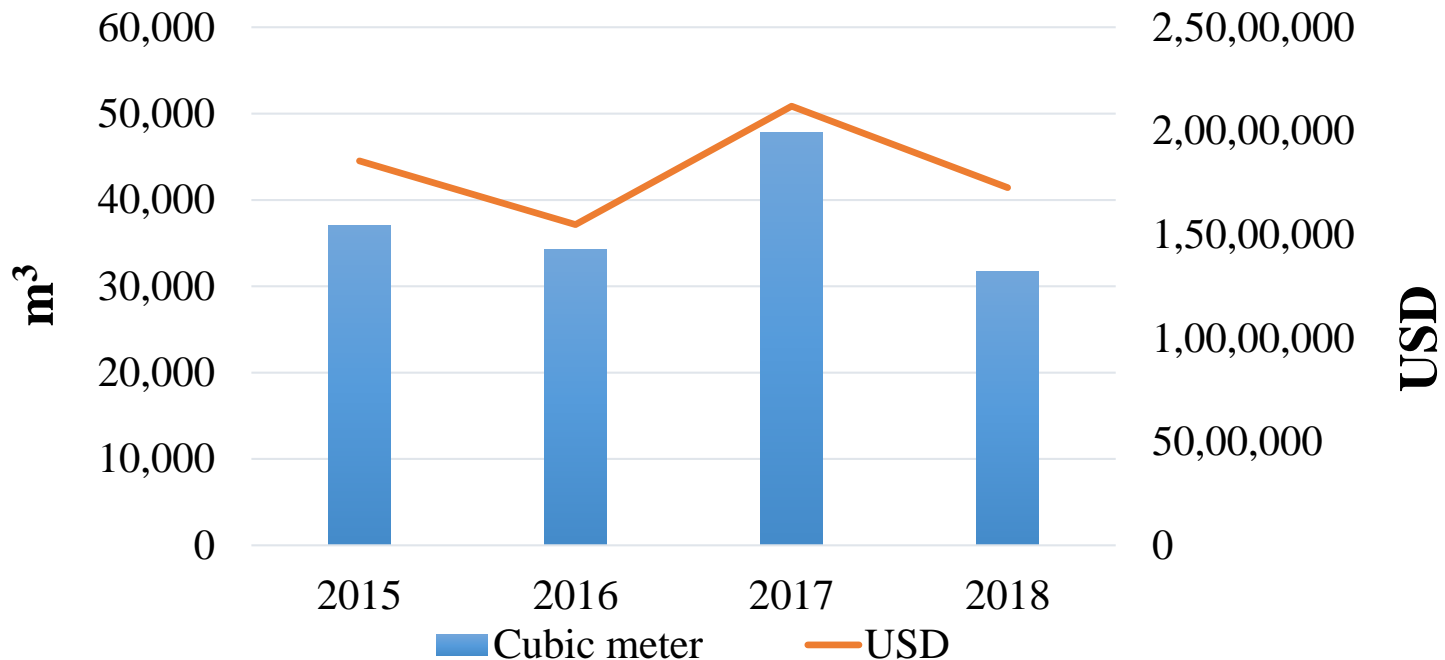




# SUPPLY OF TEAK

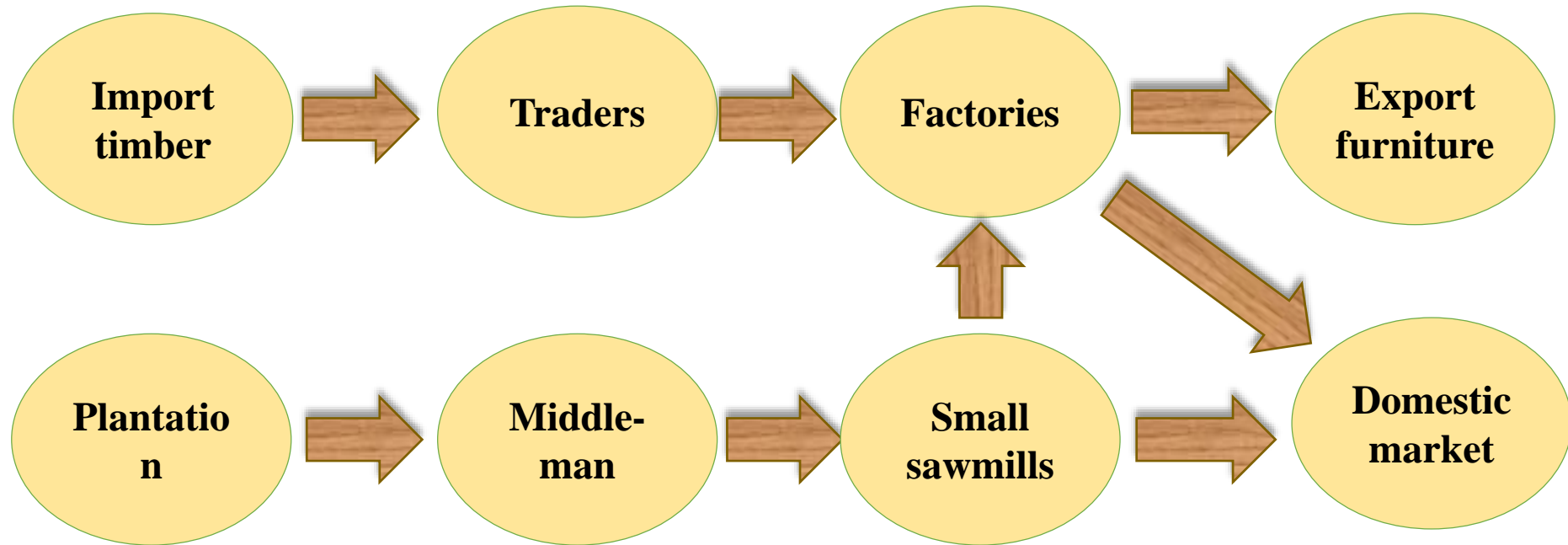
- **Plantation:** Annually harvested several thousand m<sup>3</sup>/year from domestic plantations, consumed by small sawmills for producing domestic used products
- **Imported:** About 40,000 m<sup>3</sup>/year, mostly round wood imported annually from from South America, Africa, traders in Europe and China

## Imported round wood Teak to Vietnam





# VALUE CHAINS OF TEAK IN VIETNAM







# A CASE STUDY OF TEAK VALUE CHANGE IN SON LA PROVINCE

- Teak was planted widely in Son La province in 1990s by some projects which supports households in planting trees for livelihood improvement and reforestation.
- The existing plantation is about 1,650 ha
- From 2015, farmers started thinning or harvesting, with an amount of about 1,000 m<sup>3</sup>/year
- Middlemen buy plantations or thinning, then cutting to sell logs to small sawmills (family scale) to produce furniture and floorboard for local use
- The price of timber at sawmill gate is about 400 USD/m<sup>3</sup> for diameter <30 cm and 600 USD/m<sup>3</sup> for diameter ≥30 cm.
- Although the length of rotation is about 3 times of acacia, the total turnover is still about 2 times higher than acacia.
- Some households replanted teak, some change to plant fruit trees as considering of long rotation of teak



# A CASE STUDY OF TEAK VALUE CHANGE IN SON LA PROVINCE







# A CASE STUDY OF TEAK VALUE CHANGE IN SON LA PROVINCE



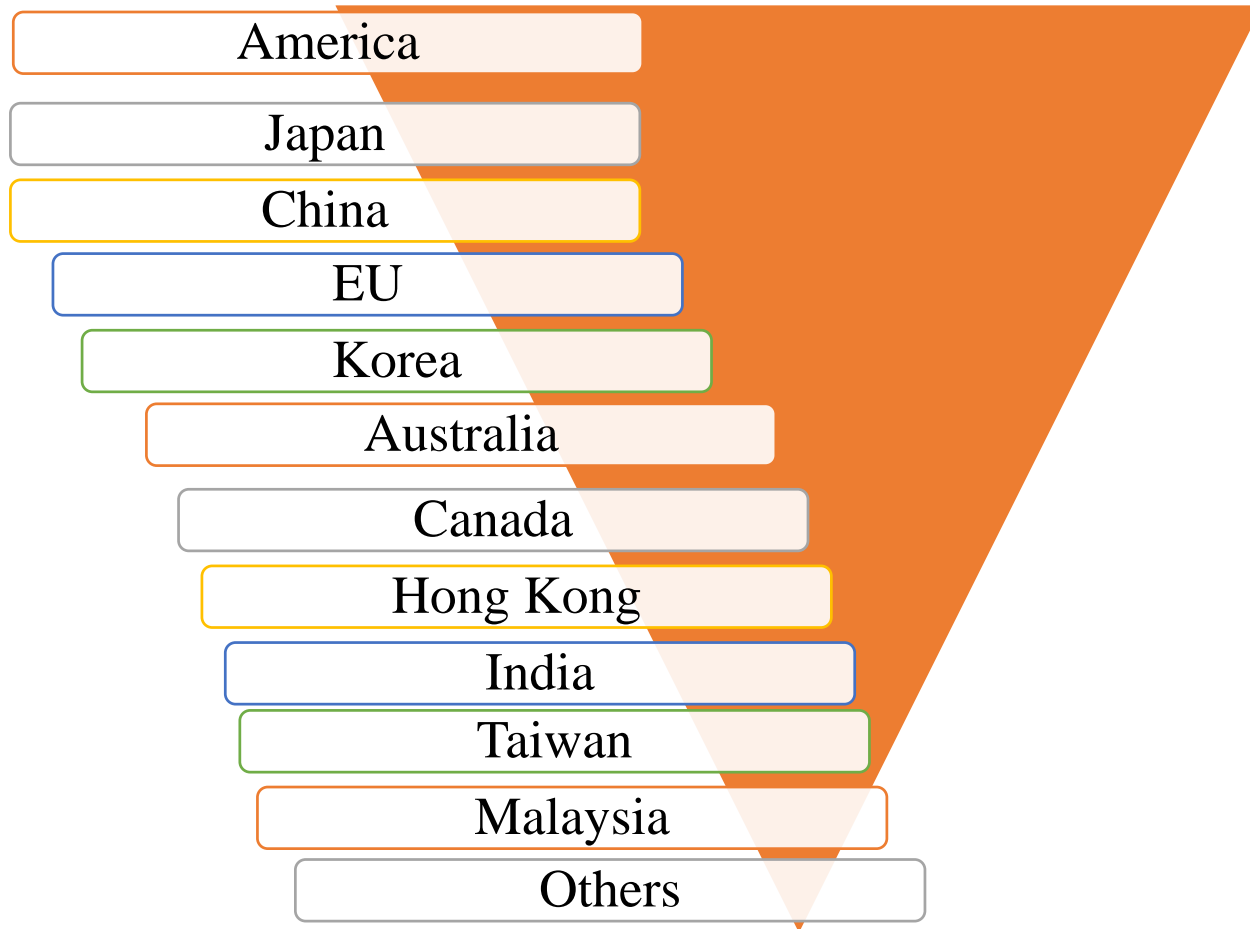


# INTERNATIONAL MARKET OF TIMBER PRODUCTS AND TEAK





# Largest import market of Vietnam timber products



**Vietnam exports timber and wood-based products to more than 150 countries in the world**





# Export value of timber-based products of Vietnam

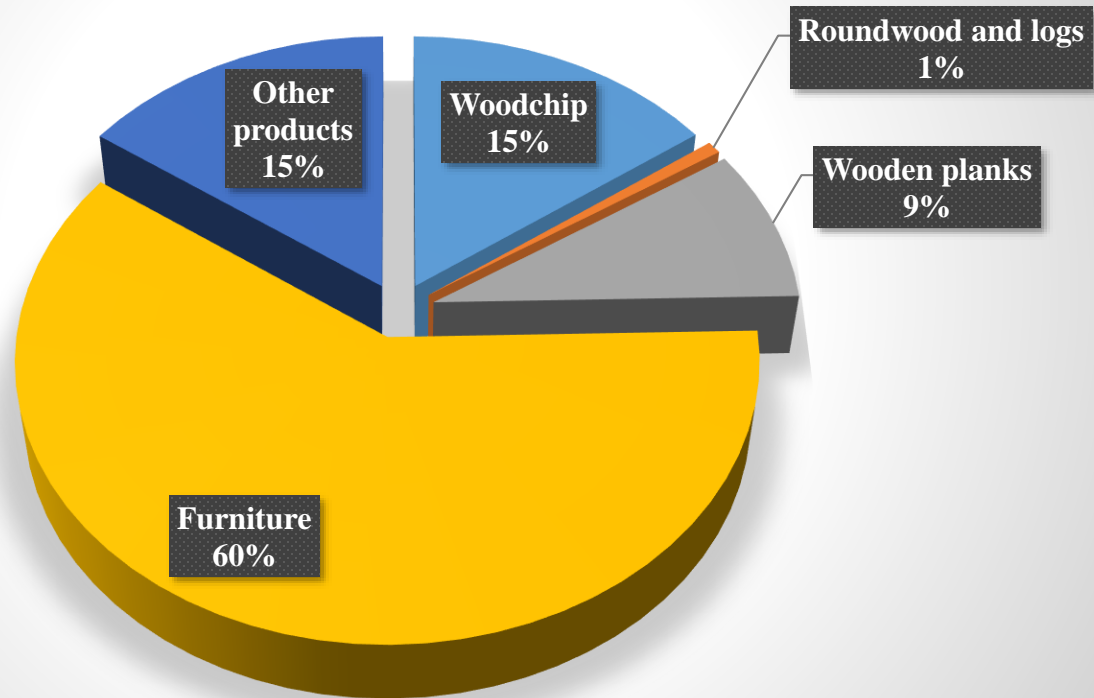
Product	USD			
	2015	2016	2017	2018
Woodchip	1,146,864,387	986,850,338	1,072,656,296	1,340,083,064
Roundwood and logs	405,930,173	249,574,740	172,336,959	63,938,770
Wooden planks	329,316,415	407,217,425	506,328,517	790,400,688
Furniture	4,315,880,267	4,540,152,673	5,229,866,194	5,365,635,325
Other products	513,701,708	615,269,556	677,541,016	1,348,933,962

*Wood industry's annual report 2018*

**In 2018, total exported value of forest products was 9,4 billion USD, mostly furniture and woodchip**



# Export value of timber-based products of Vietnam





**Teak furniture for export and domestic consumption**





# CONCLUSION

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Teak plantation has not provided enough materials wood for production.

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Teak is mainly imported to Vietnam but in a small quantities.

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Imported teak wood are mainly produced for high-value wood carpentry.

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Vietnam shows the strong potential in demand of teak timber and supply teak products

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Vietnam Government requires imported timber must be from legal sources.



***Thank you for your attention!***