



**COUNTRY REPORT
ON FOREST PRODUCTION**



OVERVIEW OF FORESTRY SECTOR

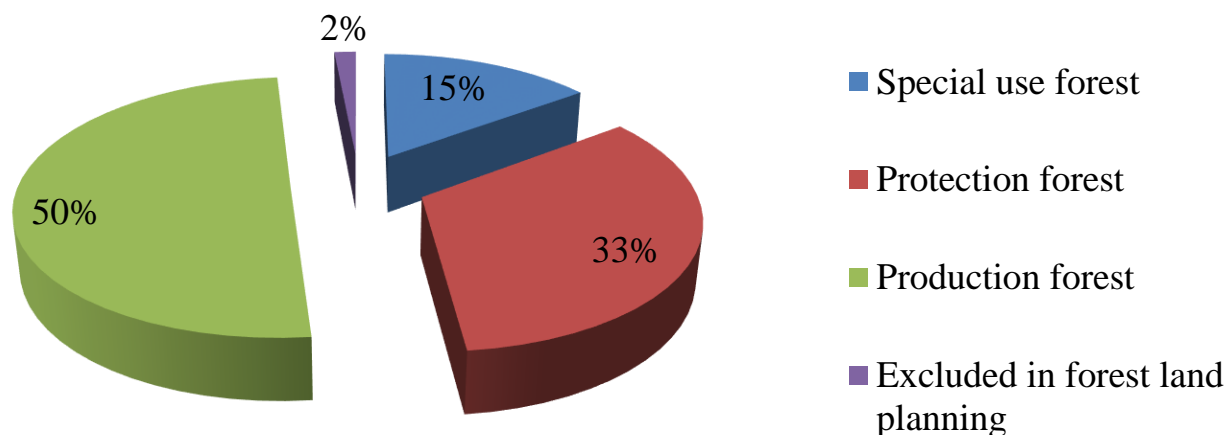


STATUS OF FOREST COVER CLASSIFIED BY TYPES OF FORESTS IN 2016

Unit: Million Ha

Types of forests	Total	Special use forest	Protection forest	Production forest	Excluded in forest land planning
Total	14.38	2.14	4.53	6.67	1.03
Natural forest	10.24	2.05	3.87	3.91	0.40
Plantation forest	4.13	0.08	0.66	2.76	0.63

Source: Decision 1819/QĐ-BNN-TCLN dated 16/5/2017 of MARD





- Number of forest processing factory: 3,934 units
 - 80% located in the South, 20% in the North.
 - 82% private, 14 % FDI, 4% state enterprise.
 - 53% small, 47% medium.
 - 63% furniture, 15% house construction, 5% MDF, other remain: woodchip, paper...



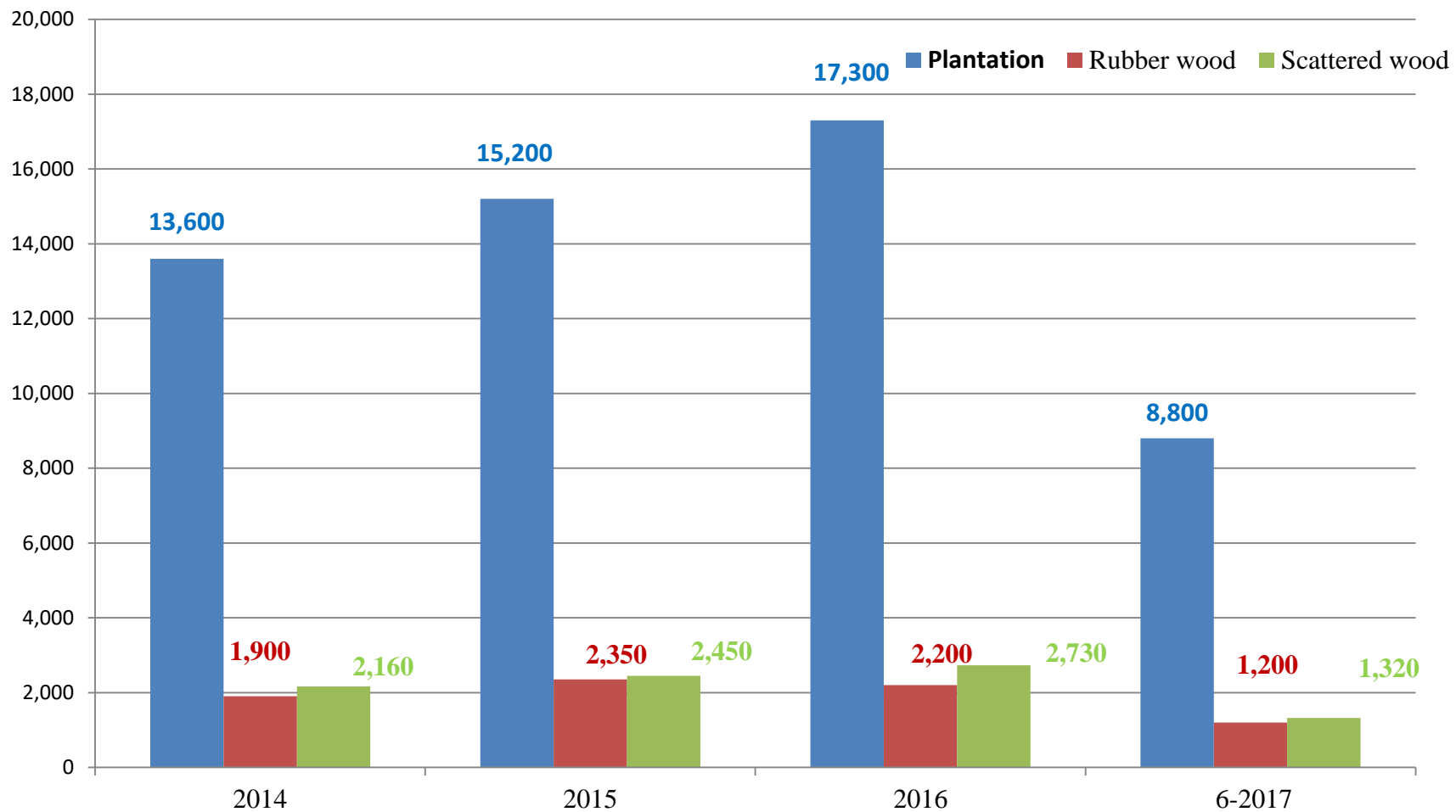
FOREST PROCESSING (CONT.)



- Material:
 - Demand: 28 milion m³ of wood
 - Supply: 22 milion m³ of wood
 - 17 milion m³ of wood from plantation forest
 - 5 milion m³ of wood from scattered tree and rubber tree
 - Imported: 6 milion m³ of wood



FOREST HAVESTING (1.000 m³)





FOREST PRODUCT IN DOMESTIC MARKET



- Total value: approximate 3 million USD
- Main production: Furniture, house construction (window, door...), Décor, and NTFP



EXPORT VALUE



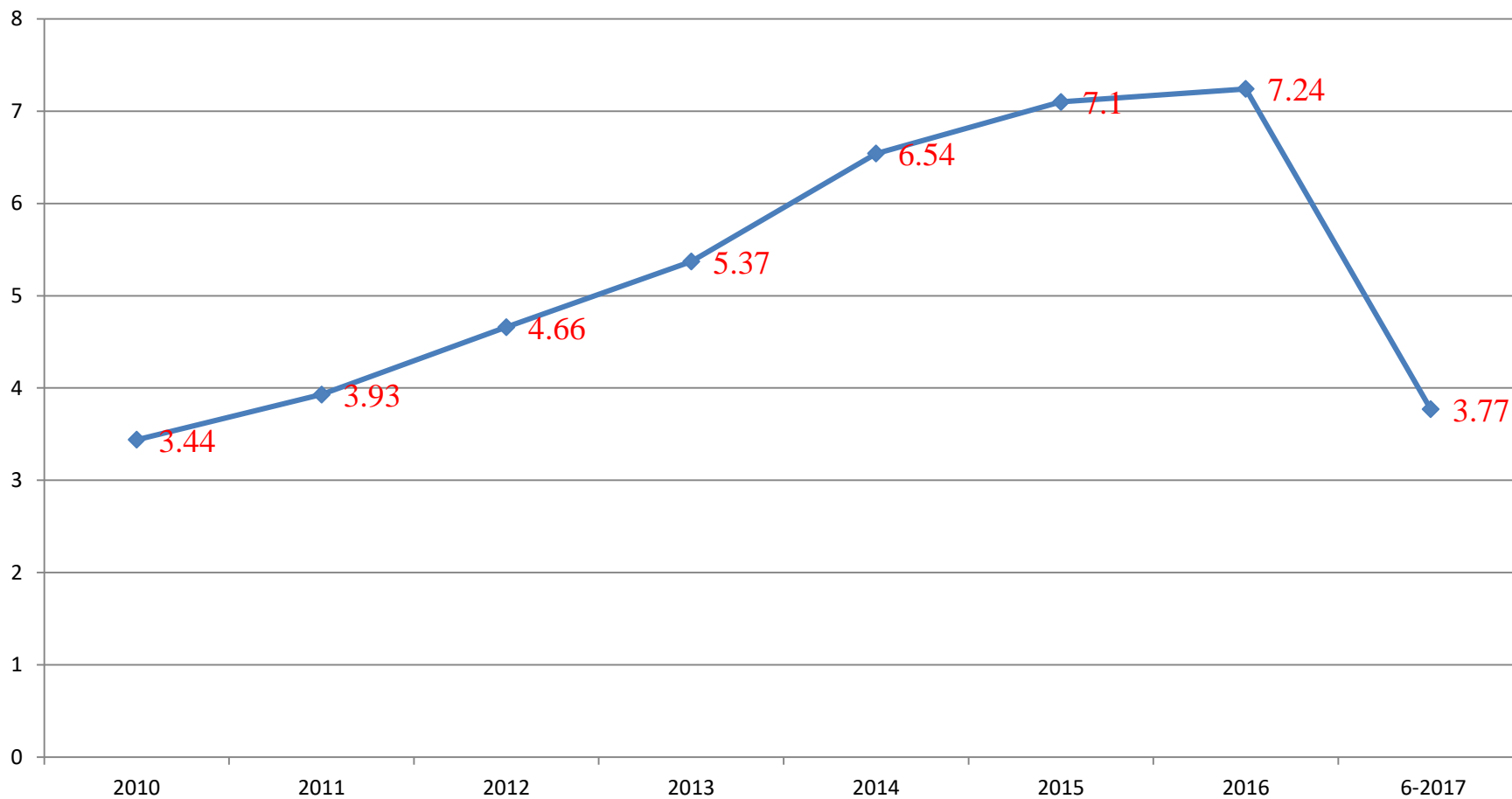
- Value: 7,24 Million USD in 2016
 - 6,9 million USD by forest product: furniture (outdoor, indoor...), wood chip and others.
 - NTFP: 0.34 million USD (cinnamon, illicium, pine resin and others)
- Market: 120 countries and regions.
 - USA, Japan, Korea and China: 40% of export value.



EXPORT VALUE OF PRODUCTS



Billion (USD)





SFM AND TIMBER CERTIFICATION



- Targeting to 2020: 1 million ha of forest certification
- Achieved: 220.000 ha, include
 - 92.000ha nature forest
 - 128.000 ha plantation forest
- FSC certification



- ▶ Insufficient of material for forest industry.
- ▶ Numbers of processing is large but small size.
- ▶ Un balance between investment sources.
- ▶ Low profitable value.
- ▶ **No or Low** trade mark.
- ▶ High competition between the markets.



MANY THANKS FOR YOUR ATTENTION!

