

BURMA SOLID WOOD PRODUCTS MARKET UPDATE

By Tony Halstead
Agricultural Economist

Overview

Forests cover half of Burma's 676,577 square kilometers and have been maintained through sound forest management. Timber exports account for 25 percent of Burma's total value of exports and rank as the country's top export. However, Burma's growing population and demand for fuel wood combined with the conversion of forest to agricultural land have increased pressure on both the hardwood and other forested areas. Illegal logging has become increasingly lucrative as the country struggles with balancing sound forest management against the needs of a cash-strapped government.

Exports

Burma's forest product export trade is dominated by logs. Exports of teak logs increased by more than 39 percent during FY 1999/2000 (based on Burma's fiscal year of April/March) from the previous year to 379,000 cubic meters. Exports of hardwood logs increased by more than 48 percent during FY 1999/2000 to 601,000 cubic meters. Exports of teak lumber decreased by more than 46 percent during FY 1999/2000 to 16,000 cubic meters. Exports of other hardwood lumber increased by 33 percent from the previous year to 691 cubic meters.

Production

Accurate and reliable statistics on forest area resources, production, consumption, and trade

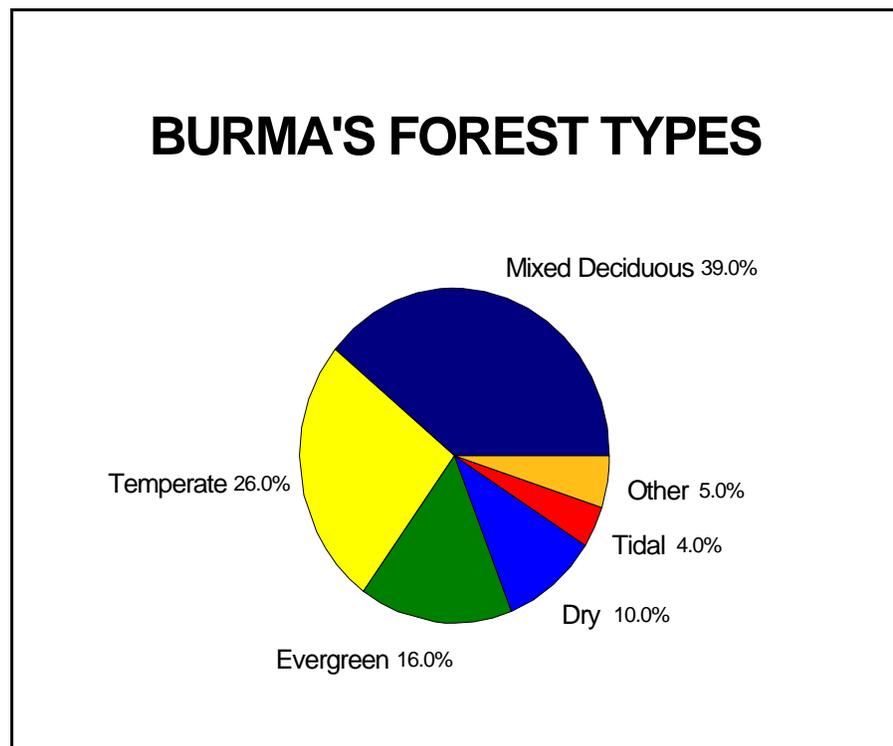
are somewhat difficult to obtain given the extent of illicit trade and insufficient government resources to adequately monitor the sector. Nevertheless, annual production of teak logs in FY 2000/01 is forecast to total 475,000 cubic meters. Production of other hardwood logs will be approximately 1.5 million cubic meters. Lumber output is forecast to total 35,000 cubic meters of teak and 240,000 cubic meters of other hardwoods.

Domestic Consumption

The private sector is not permitted to sell teak on the domestic or international market but is permitted to export non-teak hardwood logs, lumber, and finished products. Domestically, an estimated 900,000 cubic meters of non-teak logs are sawn for use as construction timber and railway sleepers, and an estimated 197,000 cubic meters of non-teak logs are consumed by downstream industries.

Illegal Logging

Trade sources indicate that the utilization of forest products in Burma is much higher than



official statistics due to illegal logging. Contraband products are mostly sold as lumber or value-added products such as furniture, window frames, door frames, and doors. Most of the teak and Padauk that is smuggled to Thailand and China is in the form of flooring strips, plank boards, scantlings, and lumber blocks. It is estimated that Forest Department's annual confiscation of teak and other products totals 10,000 cubic meters.

For more information about the forest products market in Burma, please read the FAS Attache report AGR number BM1004 on the FAS web site at:

<http://www.fas.usda.gov/scriptsw/attacherep/default.asp>

Source: USDA/FAS/Bangkok and
USDA/FAS/Rangoon