

Overseas markets see positive improvements in Indonesian forest management

Surabaya – International markets see new opportunities for trade with Indonesia given its progress in certified forest management, giving assurances about the legal and sustainable origin of timber products from natural forest. Today, 11 November 2014, the Indonesian Association of Forest Concessionaires (APHI) and The Borneo Initiative (TBI), a Dutch foundation that promotes sustainable forest management, brought together 12 international timber companies from the USA, Europe and Asia plus 27 Indonesian industries involved in the production of plywood, veneer, indoor flooring, outdoor decking, truck flooring and garden furniture.

“The outcome of this event was most positive for our company”, states Mr. Henry Kumala of PT. Jatim Sentra Utama, a company that specializes in outdoor wood decking products. “We made many previous efforts towards entering the USA market, but this time we have been very successful. We signed up orders with at least two USA companies and one UK company, on the strength of our SVLK certification as well as FSC certification. As a company, we are very confident that we can meet international competition and expend trade volume much further.” This is a welcome statement in view of the government’s target to increase exports 3-fold, as explained by Mrs. Nurlaila Nur Muhammad of the Ministry of Trade.

“Our company wants to distinguish itself by its quality of production”, states Mr. Ivan Hartono of PT. Sumber Mas Indah Plywood. “This event was very helpful in raising our company profile among buyers. We saw a lot of interest in our products from the overseas buyers, although pricing remains an issue. So it would help when Indonesian Government could help us to bring down the costs of production via improvement in infrastructure (ports and roads), while Indonesia is much behind other countries like New Zealand with the establishment of forest plantations which would help us in producing a more competitive product.”

“I have been visiting Indonesia for 20 years now, and I am most impressed to see great improvements in forest management” says Mr. Chris Connelly of Wood Brokerage and President of IWPA. “I am very happy to see the progress made by Government in developing and implementing its new system of regulations to control legal harvesting (SVLK). In addition, sustainability is much ensured too by the great number of forest concessions and industries that have achieved, or are on the way to achieving voluntary forest management certificates (FSC). As USA buyers, we feel now so much more comfortable in conducting business with Indonesian forest industries.” Looking forward, Mr. Connelly says; “to grow its market share in the USA market, the Indonesian forestry sector must become better at promoting all the effort that is going into legal and sustainable production, and the intrinsic values of sustainable harvesting from natural forests that safeguard so many values – wildlife, indigenous cultures, and carbon stocks to mitigate climate change. USA markets must be sensitised to appreciate the special origin of Indonesian wood products.”

“It is most encouraging to see Government and private sector to work together on the implementation of SVLK, really an outstanding achievement. The willingness of industries to accept this legality standard is very good to promote timber products offered. Not to punish but to support and to advice, is clearly the right path forward. The business event hosted by APHI and The Borneo Initiative was resulting in actual business transactions for our company. We feel very encouraged to move forward with APHI and The Borneo Initiative on promoting trade between Indonesian and USA companies” says Mr. Lenny Shibley of Inter-Continental Hardwoods. Adds Mrs. Cindy Squires, Executive Director of IWPA: “IWPA is pleased to work closely with The Borneo Initiative to connect responsible Indonesian suppliers to the North American market place. This partnership is an important part of IWPA’s mission to build acceptance and demand in North America for globally sourced wood production from sustainable managed forests.”

Editorial note: For enquiries and/or pictures please contact Indri (indri@theborneoinitiative.org)

Indonesian Association of Forest Concessionaires (APHI)

APHI is a trade association for forest concessionaires in Indonesia. <http://www.rimbawan.com>

The Borneo Initiative

The Borneo Initiative is a non-profit organisation that promotes sustainable forest management in Indonesia. In close coordination with the Indonesian Association of Forest Concessionaires (APHI), we extend financial support to forest enterprises in Indonesia and neighboring countries with the certification of their forest management. We operate a sustainable business program that promotes voluntary certification (FSC) additional to the mandatory certification (SVLK), in corporation with a wide platform of partners that include TFF, GFTN, TFT, TNC, and Wana Aksara. The Borneo Initiative receives funding from The Sustainable Trade Initiative (IDH) (see below), Dutch housing associations and several private charities. For more information: www.theborneoinitiative.org

Indonesian Wood Panel Producers Association (APKINDO)

<http://www.indonesiawoodshow.com>

About Indonesian Furniture Industry and Handcraft Association (ASMINDO)

ASMINDO is an association comprised of all aspects of furniture and handcraft sector, ranging from raw material, semi-finished, and finished products. Its goals are to enhance and develop the skills, activities and interests of employers in industrial Indonesian furniture and handcraft enterprises. It hopes to create and develop a business climate conducive to the Indonesian furniture and handcraft industry. <http://www.asmindo.org>

International Wood Products Association (IWPA)

Established in 1956, IWPA is the leading international trade association representing the North American imported wood products industry, with over 200 companies and trade organizations engaged in the import of hardwoods and softwoods from sustainably managed forests in more than 30 nations across the globe. Association members consist of three key groups involved in the import process: U.S. importers and consuming industries, offshore manufacturers and the service providers that facilitate trade. <http://www.iwpawood.org>

UK Timber Trade Federation (UK - TTF)

The Timber Trade Federation (TTF) is at the centre of the UK's timber industry with an impressive reputation. All members of the TTF have had to satisfy strict criteria before joining and can help solve any timber related issue you may have. Only those applicants that meet the TTF's high standards are approved for membership. Once a company is approved for membership they have to observe the obligations contained in the TTF Code of Conduct. <http://www.ttf.co.uk>