



# Myanmar

**Same Same, Burn-Out or Great Opportunity?**

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*Forest Trends*

## Slide 1

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same same, while funny, is for thailand - they dont have the equivalent in burma.  
so what about just 'challenges and oppourtunties with political openings' or something of that nature?  
woody, 07/02/2012

# Why is Myanmar such a hot topic?



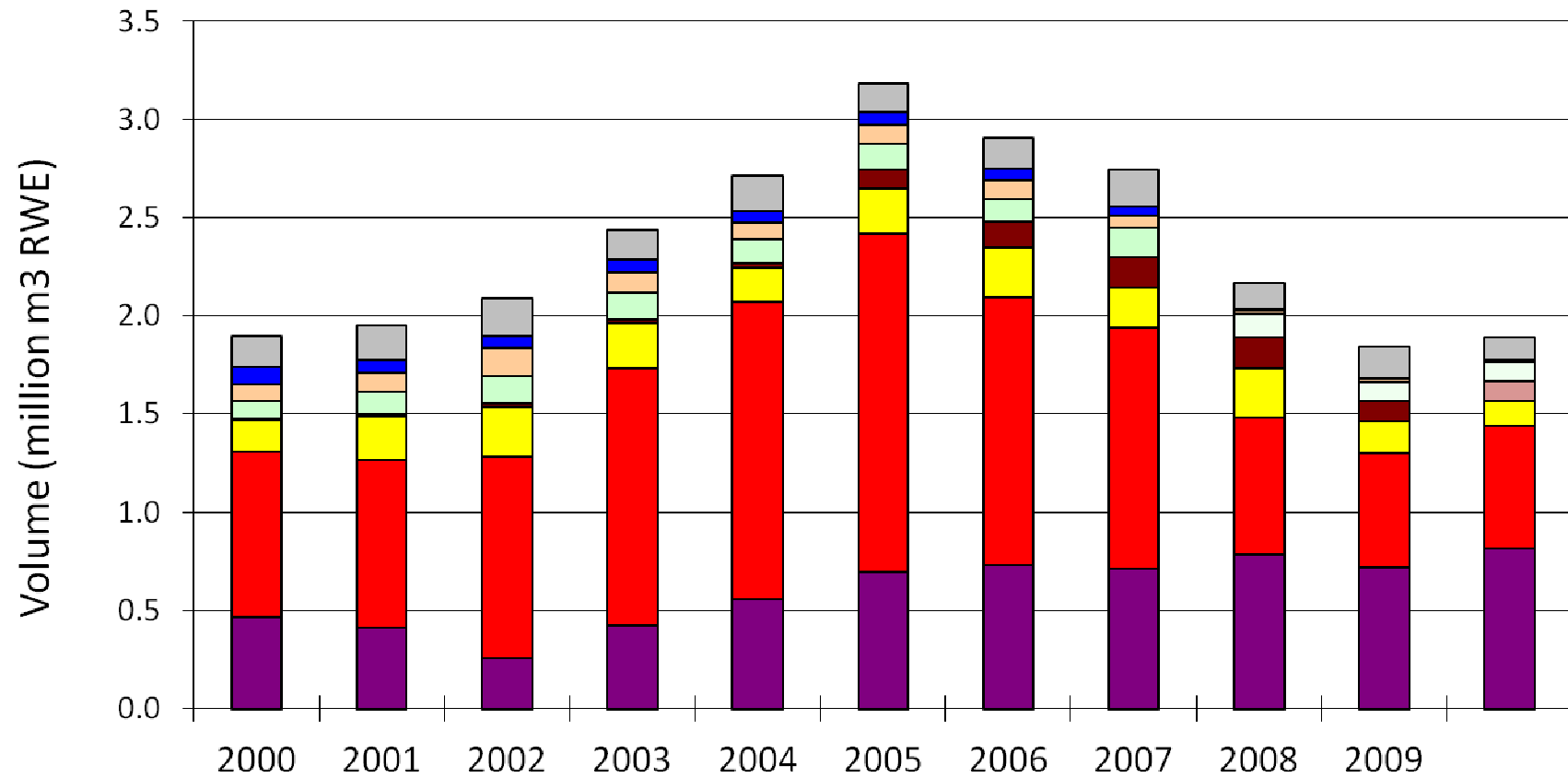
Indo-Burma Hotspot

# Why is Myanmar such a hot topic?

Chart 9: Global middle class in 2009 and prediction for 2030



Sources: OECD, Standard Chartered Research



- India
- China
- Thailand
- Vietnam
- VN est.
- Bangladesh
- BD est.
- South Korea

# Why is Burma so hot right now?

## Recent political openings

- Elections in Nov 2010 w/ by-elections April 2012
- Mass release of political prisoners; loosening of press restrictions
- NGOs are beginning to push on new political frontiers
  - especially environmental – social issues such as land rights
- New political reforms and sector reforms



- Stated desire to “listen to the voices of the people” which may have led to cancellation of \$3b Chinese dam and large Thai coal-fired energy plant

# Why is Burma so hot right now?

**Leading to end to diplomatic and “economic” isolation *from Western countries***

Note: China, India, Thailand, and other countries maintained diplomatic and economic ties through-out



# What is “Burma Burn-out”?

Financial Times: Rush to Reform Myanmar Creates “Burma Burn-out”

*..”recent explosion of reformist fervour is stretching the government’s limited capabilities almost beyond breaking point...”*

- Myanmar bureaucrats working 7 days a week: government meetings take place at midnight with announcements made at dawn
- Simultaneously trying to negotiate with ethnic rebels, draw up new laws and policies for land reform to financial regulation, liase with western organizations and donors, and fight the status quo
- Yet little capacity in public sector in a very complicated political landscape, and very little consultation.



# Burma's Forest Sector

- 1900s world famous forest management & systems
- Historically some of the best trained foresters in Asia



BUT TODAY:

- Ministry heads from military with no forestry training
- Annual allowable cut (AAC) trumped by production targets (quotas)
- While forest cover 48%, degradation widely recognized.
  - 10% is considered primary forest
  - average price of log exports decreasing

# Anticipated Forest Policy Reforms

- Reform of Ministry of Forestry and the Myanmar Timber Enterprise
- Reform of logging policies (e.g. log export ban)
- Greater support for domestic value-added processing
- Interest in certification
  - No international standard such as FSC
  - Timber Certification Committee (est'd 1998)
  - Myanmar Timber Certification Program
    - CoC requirementsw being developed
    - Forest Department to carry out legality verification
  - Myanmar Criteria & Indicators for SFM (revised 2005)
  - Pan-ASEAN Timber Certification Initiative
  - National Code of Harvesting Practice (2000)
  - Reduced Impact Logging guidelines (2008)

# Anticipated Forest Policy Reforms

- Greater interest in community forestry
  - 1995 Community Forestry Instructions gives legal backing for rural communities to co-manage forests
  - Procedures too complex – no CF has begun harvesting
  - No certification program includes CFs
  - Upland farmers now using CFI as a legal measure to safeguard village lands from land grabs (e.g. agribusiness concessions in Kachin and Shan states starting mid 2000s)

# And the challenges..... Definition of illegal

- Government is actually quite fragmented
  - state & divisions dominated by military regional commanders
  - Local Peace and Development Councils
  - Ethnic leaders determine and implement policies depending on the degree of their autonomy
  - Each has incentives to use local resources for cash needs and may ignore the Ministry of Forestry
- Ethnic conflict continues (Kachin and Shan states), ethnic minorities have few rights
- Definition of legal: only if under control of MTE from forest to export. All MTE timber out of Yangon will be considered legal regardless of what happened in the forest

# And the challenges ...

- What NGOs are legitimate?
  - New NGOs popping up
  - Gov't backed or led by former military ministers
  - Forsetry NGOs stick to strict forest conservation issues
- Conversion timber: no statistics available but significant
- Cross-border timber trade with China, Thailand, and to a lesser extent India undocumented

# And the challenges..... Land reform process

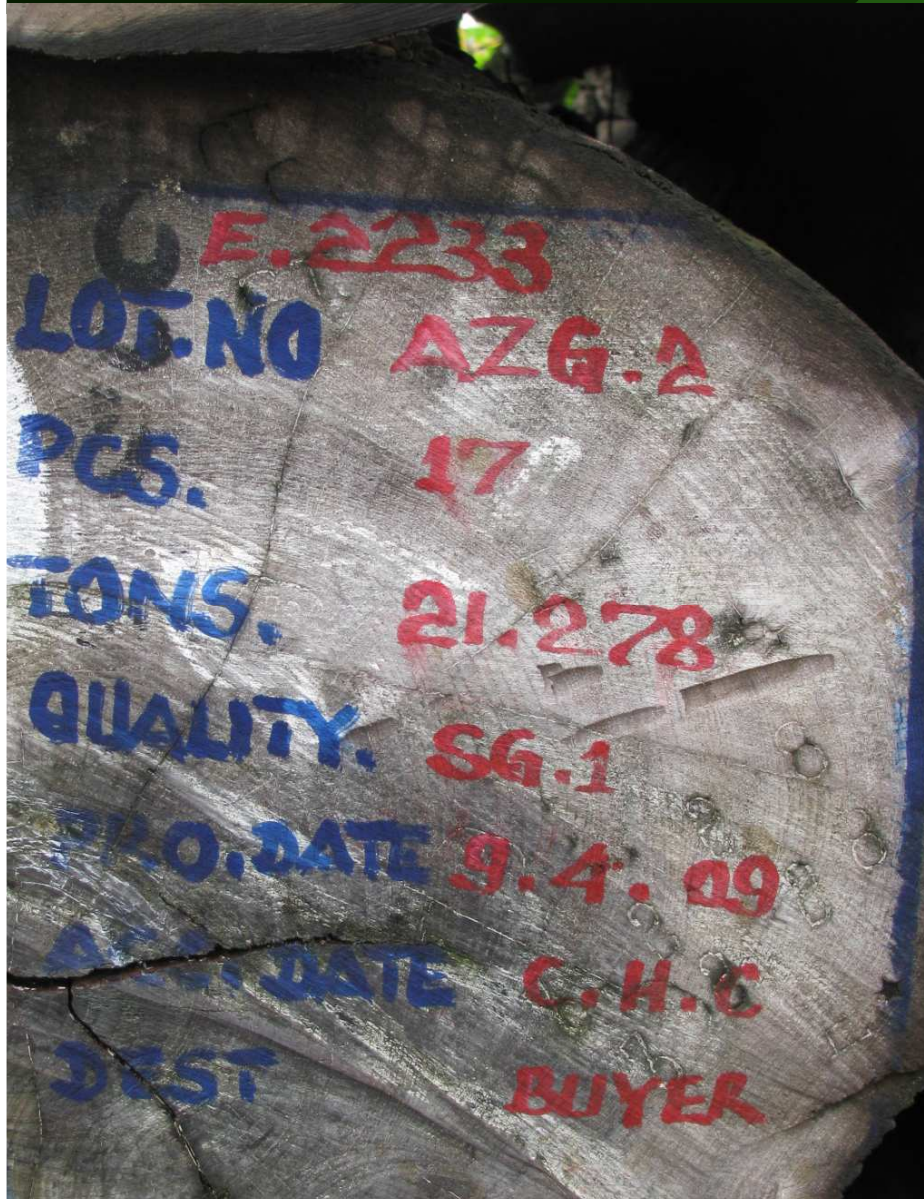
Two new land bills currently being debated in parliament, in conjunction with changes in foreign investment laws

1. Vacant, Fallow and Virgin Land Management Bill: confiscation of “wastelands” (customary upland swidden and grazing fields)
2. Farmland Bill: contestation over land titles – legally transferable
3. Foreign Investment Laws: allowing 100% foreign owned land titles

Impact would be to facilitate land use and ownership from local farmers to Burmese and foreign investors. Concerns over consultation, speed of drafting, involvement of private investors in drafting, little plans for implementation and safeguarding of rights of local people



FOREST  
TRENDS



**For you to decide:**

**Nothing is changing  
Burma burn-out  
Or  
Great opportunity?**

**Thank you**