

Suggested citation:
Hoare, A. (2022) 'Country Note, Thailand' in Hoare, A. and Kanashiro Uehara, T. H. (2022), *Establishing fair and sustainable forest economies: lessons learned from tackling illegal logging*, Research Paper, London: Royal Institute of International Affairs, <https://doi.org/10.55317/9781784135386>

Last updated: November 2021

Background to the research

This country note presents Chatham House's assessment of the likelihood of illegality in the supply chains of the main wood-based products exported by Thailand. It was prepared to inform our analysis of illegal trade at the international level which has been published as part of the report '[Establishing fair and sustainable forest economies: lessons learned from tackling illegal logging](#)'. This is the most recent in a series of reports on governance and legality in the forest sector in the forest sector, an issue that Chatham House has been monitoring since 2008.

The country note has been published as a background document to explain how the international estimates of illegal trade were made. Thus, it is not intended to provide a comprehensive review of all the available data and information on forest sector legality for Thailand. International and national experts in Thailand's forest sector provided feedback on preliminary versions of the country note.

Overview of imports

The physical quantity of Thailand's imports of most timber sector products decreased substantially last decade – with one exception, plywood. The volume of plywood supplied by China has increased markedly, as has that from Vietnam, although to a lesser extent and only in the last few years.

Imports of sawnwood from Laos have declined to near zero (Laos prohibited the export of logs and sawnwood from natural forest in 2017). Imports of logs from Myanmar have likewise decreased to near zero, following a log export ban in 2014. The great majority of the sawnwood that Thailand imports from Malaysia comes from neighbouring Peninsular Malaysia.

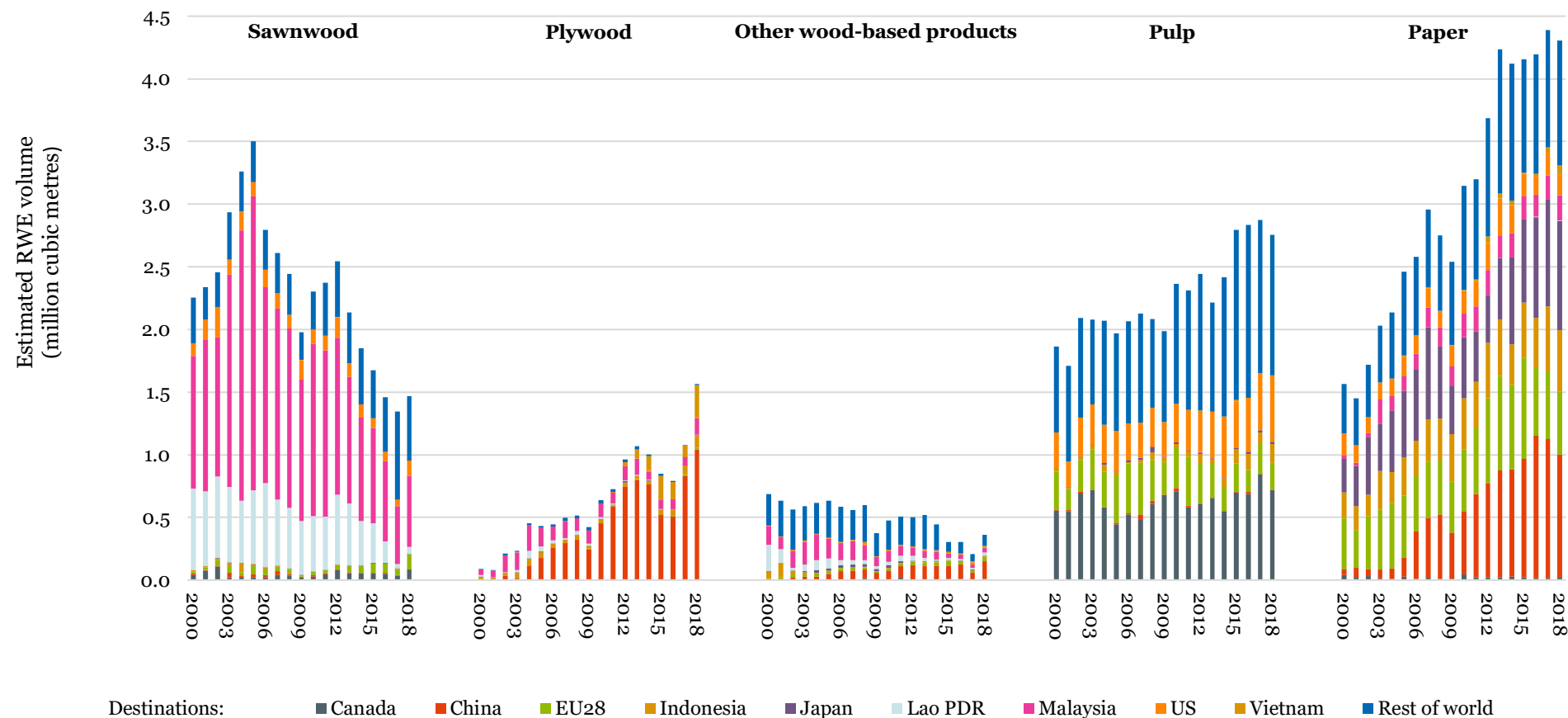


Figure 1: Imports of wood-based products by Thailand¹
Source: Based on Thai Customs (<http://www.customs.go.th/>) and UN Comtrade

¹ Standard conversion rates to estimate roundwood equivalent volume have been adopted for all countries, because of a lack of published data for many countries. The rates adopted are as follows, m³ per m³: 1.8 sawnwood, 2.3 plywood; and m³ per tonne: 1.6 chips, 3.5 paper, 4.5 pulp.

Overview of exports

Export bans implemented in neighbouring Laos and Myanmar have tended to reduce the quantity of timber that Thailand either re-exports or transforms prior to export. Thailand has prohibited the logging of natural forest since 1989. Consequently, almost all the wood-based products that Thailand exports derive from plantations (typically, long-established smallholdings).

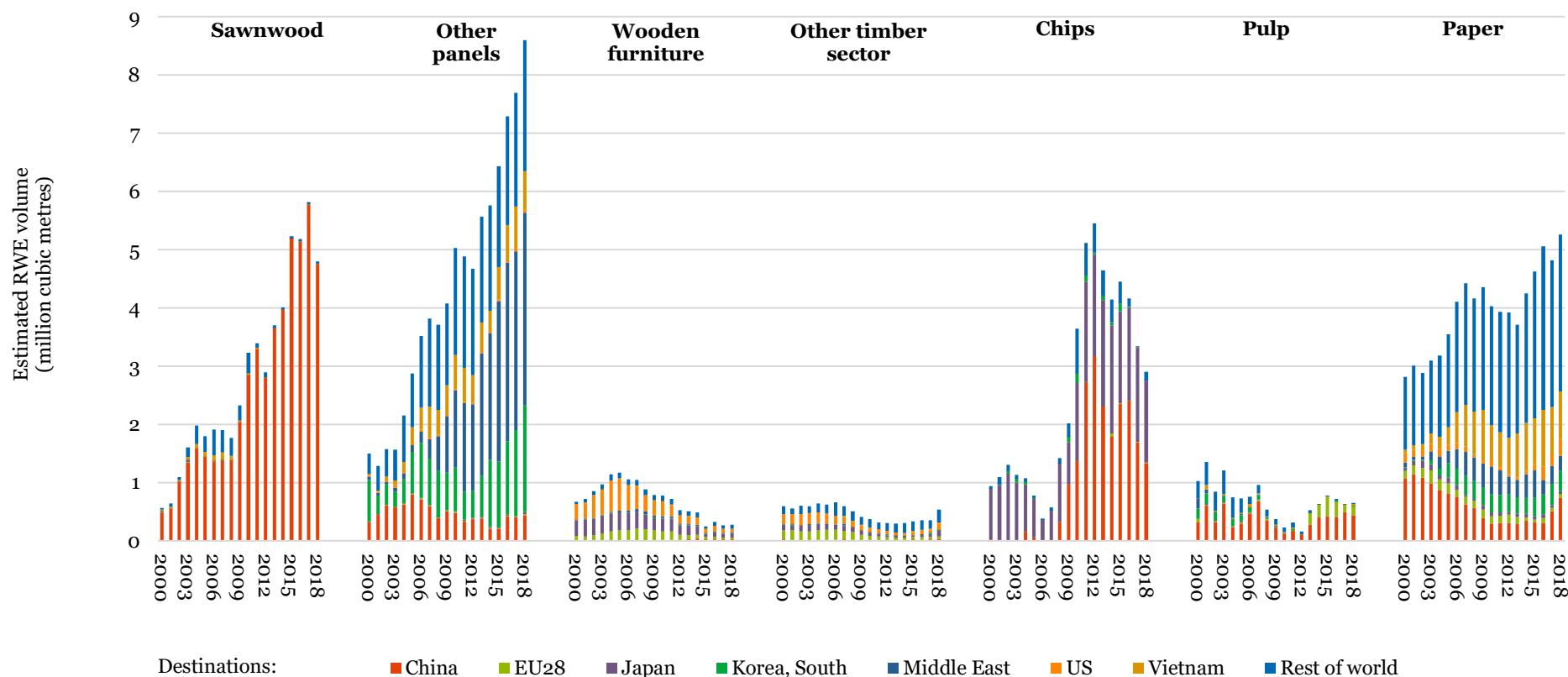


Figure 2: Exports of wood-based products from Thailand²
Source: Based on Thai Customs (<http://www.customs.go.th/>) and UN Comtrade.

² Standard conversion rates to estimate roundwood equivalent volume have been adopted for all countries, because of a lack of published data for many countries. The rates adopted are as follows, m³ per m³: 1.8 sawnwood, 1.9 veneer and mouldings, and 2.3 plywood; and m³ per tonne: 1.6 chips, 2.0 particleboard, 2.5 fibreboard, 2.7 joinery, 2.8 wooden furniture, 3.5 paper, 4.5 pulp.

Methodology for estimating illegal logging and trade

The analysis considers five categories of illegal practices common across all countries. These categories are listed below, with examples given of the types of illegal activity that they can include in different countries and regions:

- Customary tenure & resource rights
 - FPIC not obtained from any affected people or communities
 - The rights of any affected people or communities not adequately taken into consideration and addressed in the process of allocating permits or developing management plans; and any loss of rights not adequately compensated
- Award of permits
 - EIAs not conducted in accordance with legal requirements
 - Decision-making process for the award of permits does not follow legally required process; e.g. calls for tenders not published; technical requirements for selection of bids not followed; evidence of corruption in the process
 - Use of proxies where the beneficiary would be ineligible
- Forest management & harvesting
 - Management plans not developed or implemented; e.g. plans do not meet legal requirements; logging in restricted areas; overharvesting of particular species; etc.
 - Health & safety and/or labour laws not complied with; e.g. no provision of safety equipment; employment of illegal immigrants; non-payment of salaries or of minimum legal wage
 - Environmental legislation not complied with; e.g. logging of protected areas or species; non-compliance with requirements for protection of wildlife; pollution of water courses
- Forest sector payments & financing
 - Relevant royalties, fees, taxes and fines not paid
 - Benefit-sharing agreements with local communities not complied with
 - Fraudulent financing / money laundering by concessionaires or in relation to mills
 - Transfer pricing
- Transport & trade
 - Export bans or quotas for certain species or products are breached or exceeded
 - False declarations made; e.g. misdeclarations of species, value, source
 - Non-compliance with CITES

Based on a review of the available data, the likelihood of each of the five categories of illegal practice was assessed for the main exported products of the main producer countries.³ This was classified either as low (<10 per cent), low to medium (10–30 per cent), medium to substantial (30–60 per cent) or substantial (>60 per cent).

For the earlier years (2000, 2008 and 2013), the likelihood of illegality was determined based on Chatham House analyses in 2010 and 2015⁴, with updates where additional data have since become available. The assessment for 2018 builds on this analysis, using available data and information to assess changes in legal compliance in the last five years of the study period. This included recent Chatham House research into governance reforms, analysis of trade data and the results of perception surveys, as well as a review of reports and data from other organizations.







































³ This analysis focuses on a limited number of products, these were selected according to three criteria: the scale of trade and rate of change in this, trade flows in which high proportions of illegal timber have been documented, and examples of particular types of illegality.

⁴ Lawson, S. (2014), Methodology for Import-source Estimates of Illegally Sourced Wood Imports: Thailand, South Korea and India, Chatham House Report, London: Royal Institute of International Affairs, <https://chathamhouse.soutron.net/Portal/Default/en-GB/RecordView/Index/187057>; Hoare, A. (2014), Methodology for Estimating Levels of Illegal Timber- and Paper-sector Imports: Estimates for China, France, Japan, the Netherlands, the UK, the US and Vietnam, Chatham House Report, London: Royal Institute of International Affairs, <https://chathamhouse.soutron.net/Portal/Default/en-GB/RecordView/Index/187059>.

For those countries that are importers and consumers of tropical wood, the proportion of illegal imports was estimated based on the assessments for the main source countries of these products.

Summary of estimates of illegal imports

The following table presents the proportion that is estimated to be illegal of the total RWE volume of Thailand's imports, by product. The lower and upper bound estimates of each product were calculated from the sum of the lower and upper bound estimates for the volume of illegal exports of that product from the main supplier countries.⁵

	Lower Bound					Upper Bound			
	2000	2008	2013	2018		2000	2008	2013	2018
Logs				-					-
Sawnwood									
Plywood									
Pulp									
Paper									

Likelihood of illegality in the supply chain






-  Low (<10%)
-  Low to medium (10-30%)
-  Medium to substantial (30-60%)
-  Substantial (>60%)
-  Minimal trade

Table 1: Estimated likelihood of illegality in Thailand's main imported wood-based products⁶

⁵ For example, if total log imports are 1 mill.m³, 40 per cent of which are imported from country y, with low likelihood of illegality (0–10 per cent) and 60 per cent are imported from country x, with medium-substantial likelihood of illegality (30–60 per cent), the estimates for illegal imports are as follows:

- lower bound: 0.18 mill.m³ (0 mill.m³ (0 per cent x 0.4 mill.m³) + 0.18 mill.m³ (30 per cent x 0.6 mill.m³)). This is 18 per cent of total imports for the product, & so the likelihood is categorized as low-medium.
- upper bound: 0.4 mill.m³ (0.04 mill.m³ (10 per cent x 0.4 mill.m³) + 0.36 mill.m³ (60 per cent x 0.6 mill.m³)). This is 40 per cent of total imports for the product, and so the likelihood is categorized as medium-substantial.

⁶ Within the table the legend "minimal trade" indicates that there was a very low volume of trade (i.e. less than 50,000 m³ RWE volume)

Summary of estimates of illegal exports

With nearly all of Thailand's exports deriving from the country's plantations, the likelihood of illegality for all products is determined as low.⁷

The following table presents an overview of the likelihood of illegal practices in the production of the country's main exported wood-based products. The 'overall likelihood' column reflects all the types of illegal practice and is thus the most pessimistic assessment of the categories for a given year.

	Tenure and resource rights				Award of permits				Forest management				Revenue and finance				Transport and Trade				Overall likelihood of illegality			
	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018	2000	2008	2013	2018
Sawnwood																								
Panels																								
Furniture																								
Chips																								
Pulp																								
Paper																								

Likelihood of illegality in the supply chain





-  Low (<10%)
-  Low to medium (10-30%)
-  Medium to substantial (30-60%)
-  Substantial (>60%)

Table 2: Estimated likelihood of illegality for Thailand's main exported wood-based products

⁷ Very small volumes of rosewood might be smuggled from or through Thailand.