



Employers Confederation  
of the Philippines



Philippine Chamber of  
Commerce and Industry  
*The Voice of Business*



## JOINT STATEMENT OF SUPPORT ON LIBERALIZING POLICIES ON TREE PLANTATIONS IN THE PHILIPPINES

01 June 2020

We, the undersigned, laud the Department of Environment and Natural Resources (DENR) in its initiative to streamline the procedures in the harvest and transport of forest products and derivatives from tree plantations in forest and private lands. We recognize this critical step of the Philippine government to increase the productivity of the forest sector under the banner of sustainable forest management.

The Philippines has growing wood demand but current supply is unable to keep up. From 2006-2016, the average wood supply of the country is 5.17 million cubic meters (m<sup>3</sup>) while the wood consumption is 6.94 million m<sup>3</sup> resulting in an average deficit of 1.77 million m<sup>3</sup>. Wood supply is composed of at least 75% imported products while the rest are from local sources.<sup>1</sup> Once a major timber exporter, the Philippines is now a net timber importer. The average contribution of the sector to country's gross domestic product (GDP) is 0.08% or Php 4 billion from 1998-2018.<sup>2</sup> With the logging moratorium<sup>3</sup> that banned the harvest and transport of trees from natural and residual forests for protection and preservation purposes, the country is left with tree plantations.

Existing regulations premised on the protection of natural and residual forests has the unintended outcome of discouraging investments in tree plantations and wood processing. A solution is to customize the current regulations to provide a policy environment conducive for tree plantations to thrive.

We, therefore, support the DENR's proposed administrative order to promote and liberalize tree plantations with the following salient features:

1. Prior to harvest of planted trees in private lands, reduce the 100% inventory requirement to zero;
2. Prior to harvest of planted trees in forest lands, adhere to the five percent (5%) inventory requirement per Presidential Decree 705 or the Revised Forestry Code;

<sup>1</sup> Forest Management Bureau. *Wood Summit The Role of the Philippine Wood Industry in Nation Building*. Forest Management Bureau. March 25, 2019. <http://forestry.denr.gov.ph/index.php/wood-summit-the-role-of-philippine-wood-industry-in-nation-building>

<sup>2</sup> Philippine Statistics Authority. "Annual National Accounts," (2019): [https://psa.gov.ph/sites/default/files/1Summary\\_93SNA\\_annual.xlsx](https://psa.gov.ph/sites/default/files/1Summary_93SNA_annual.xlsx).

<sup>3</sup> Executive Order No. 23 (2011)

3. If products are to be transported outside the tree plantation area, only require a certification from a tree plantation certifier duly registered or accredited by the DENR to certify that products come: 1) from tenured tree plantations in forest lands; and 2) from the landowner's private property in private lands;
4. Allow private tree plantation owners and holders of tenure arrangements to establish their wood processing plants to encourage vertical integration; and
5. Institutionalize a Tree Plantation Certification Training, a training program for tree plantation certification. Likewise, issue the necessary guidelines for the recognition of third-party certifiers.

The Philippines currently has eight (8) million hectares (ha) of land for timber.<sup>4</sup> As a tropical country, studies show that it has the capacity to produce at least 100 m<sup>3</sup>/ha of wood annually with high returns on investment. If at least a million hectares is utilized for tree plantations that are sustainably managed, it could generate US\$ 1 billion or Php 50 billion revenues annually.<sup>5</sup> Promoting tree plantations can help meet the country's local wood demand to support the government's infrastructure projects and develop downstream wood industries such as furniture and housing construction. It can also decrease the country's reliance on imports and increase the contribution of the forestry sector to GDP. Jobs can be generated especially in the uplands where around 25 million Filipinos reside in poverty.<sup>6</sup> Employment can also curb the effects of upland insurgency.

We, therefore, urge the DENR leadership to enable the timely approval of the policy. If tree plantations become successful, it may yet be a clear shot to inclusive growth and sustainable development in the Philippines.

**Approved:**

American Chamber of Commerce of the Philippines, Inc.  
 Australian-New Zealand Chamber of Commerce of the Philippines  
 Canadian Chamber of Commerce of the Philippines  
 Employers Confederation of the Philippines  
 European Chamber of Commerce of the Philippines  
 Foundation for Economic Freedom, Inc.  
 Japanese Chamber of Commerce and Industry of the Philippines, Inc.  
 Korean Chamber of Commerce Philippines, Inc.  
 Organization of Socialized and Economic Housing Developers of the Philippines  
 Philippine Association of Multinational Companies Regional Headquarters, Inc  
 Philippine Chamber of Commerce and Industry  
 Philippine Exporters Confederation, Inc.  
 Philippine Wood Producers Association Inc.  
 Society of Filipino Foresters, Inc.  
 Sustainable Tree Farmers Group of the Philippines

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<sup>4</sup> Forest Management Bureau. *Wood Summit The Role of the Philippine Wood Industry in Nation Building*. Forest Management Bureau. March 25, 2019. <http://forestry.denr.gov.ph/index.php/wood-summit-the-role-of-philippine-wood-industry-in-nation-building>

<sup>5</sup> Maila Vasquez (Executive Director, Philippine Wood Producers Association, in discussion with the author), February 2020.

<sup>6</sup> Society of Filipino Foresters. "HOUSE BILL NO. 9088 The Sustainable Forest Management Act: A Response to Forest Degradation, Upland Poverty, Climate Change and National Development." Presentation, Presentation, Sofitel Hotel, Pasay City, October 21, 2019.