

Reviving the Wood Industry



Evaristo M. Narvaez, Jr.

Director, ARTIMCO, Inc.

Chairman, Committee on Forestry

Philippine Wood Producers Association, Inc.

Plenary Session 1: How can the country attain sufficiency in wood and non-timber forest products?



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Through individual self-interest and freedom of production and consumption, the best interests of society, as a whole are fulfilled:
(Wealth of Nations: Adam Smith)



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Government policies intending to promote market efficiency by reducing government interference in the economy actually end up producing more regulations, more bureaucrats and more police. (Utopia of Rules: On Technology, Stupidity and the Secret Joys of Bureaucracy : David Graeber)



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The nine most terrifying words in the English language are: “I’m from the government and I’m here to help. (Ronald Reagan, 40th President of the U.S.)



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“The relationship between a government regulator and the regulated is better defined by that of a doctor getting a patient’s cooperation in treating a disease than that of a policeman apprehending a culprit.” (The Death of Common Sense: Philip K. Howard)



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“The number of illegal logs seized is not accomplishment, it is a symptom of a problem.”



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“ Give us a goal to meet rather than regulations to control the means to achieve it” (The Death of Common Sense: Philip K. Howard)



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Contribution of the Wood Industry to the Economy



(Gross Value Added as % of GDP)

1969-1985 = 2.48%

1986-2010 = 0.41%

2013- = 0.12%



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Forest Cover (Per Cent)



Global Average	:	30%
Vietnam	:	47%
Indonesia	:	49%
Malaysia	:	58%
Philippines	:	23%



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Effectiveness of Log Ban Policies



1. Logging ban appears to be a politically-motivated solution to environmental and socio-economic problems.
2. Rendered IFMA areas open access and left without protection of IFMA Management
3. Inadequate provision of financial, technical and institutional support resulted in not meeting objectives.
4. Resulted in massive lay-offs, loss of investments and economic dislocation.



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Causes of Deforestation



1. Poverty
2. Land-use conversion
3. Forest fires
4. Landlessness
5. Insufficient funds
6. Lack of political will
7. Widespread illegal logging



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Benefits



1. Environmental

- Improves quality of air
- Prevents soil erosion
- Mitigate climate change

2. Wood is the only renewable construction material

- Alleviate housing backlog
- Developed Technology in Engineered Wood



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Benefits



3. Economic Impact

- Employment generation in poverty-stricken countryside
- Contribute to economic growth
- Reduce imports



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OPPORTUNITIES



1. The forest industry is a business where the Philippines enjoys a competitive advantage.
2. Strong demand for wood.
3. Availability of large areas that can be devoted to tree farming
4. Availability of international funding
5. Availability of labor that can be trained.



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PICOP Experience



- ✓ The largest integrated wood processing and pulp and paper manufacturing complex in Asean
- ✓ Operated the largest Natural Forest and Tree Plantation concession
- ✓ Covered by Presidential Warranty issued by President Ferdinand E. Marcos, Sr.
- ✓ Located in 4 Provinces in Mindanao acted as the second poorest region in the country.



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PICOP Experience



- ✓ Provided economic benefits: Employment, Wood exports and Socio-Environmental Benefits
- ✓ Practiced reforestation and silvicultural practices in the Natural Forest that improved volume and quality
- ✓ To achieve stability of wood supply with consistent quality for pulp and paper manufacturing, embarked on large-scale tree plantation backed by R&D.



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PICOP Experience



- ✓ Encouraged and organized tree farmers to sell their produce at competitive price to Picop. With Picop guaranteeing a market US AID provided funding.
- ✓ Established a Community and Social Forestry Program which granted tree growing contracts to forest occupants. The program was given the prestigious ANVIL award by the Public Relations Society of the Philippines (PRSP).
- ✓ PICOP proved that with good governance, social consciousness and environmental concern, a private enterprise can be a responsible forest steward.



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Recommendations



1. Promote Small and Large Scale Tree Farming

- Establish One-Stop-Shop in DENR to integrate the promotion and processing of investment proposals
- Deregulate the tree farming activities
- Taxes and incentives to suit tree farming requirements



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Recommendations



2. Review Executive Order 23

- The nationwide Moratorium was an unfair punishment on compliant IFMA's
- Caused massive lay-offs, loss of exports and investments and economic dislocation



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Recommendations



2. Review Executive Order 23

- Made the IFMA areas open access and vulnerable without the protection of the IFMA management
- Recommend lifting of the E.O. where warranted in order that sustainable development, protection and management of the forest can resume under an improved and efficient regulatory system.



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www.pwpa.org.ph



info@pwpa.org.ph



+632 8817 6751
+632 8817 6885



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