

Opening Remarks  
by  
The Deputy Chief of Mission of the Republic of Indonesia  
On the Occasion of

**Market Business Dialogue on  
Indonesian Legal Timber Assurance (SVLK)**

Indonesian Embassy, Tokyo - Japan  
Tuesday, 29<sup>th</sup> October 2013, 13.00 -16.30

- Distinguished representative of MAFF,
- Distinguished representative of Japanese Timber Trade Federation, timber trade associations and Indonesian timber importers,
- Distinguished representatives of Japanese civil society organizations,
- My Indonesian colleagues representing Ministry of Forestry, Association of Indonesian timber product exporters, Small and Medium Enterprises, Indonesian civil society organizations and the Multi-stakeholders Forestry Programme,
- Distinguished Guests, Ladies and Gentlemen.

A very good afternoon to all of you,

First of all, let us send our prayer to God the Almighty for His blessing so that we can meet here in a good health.

As we know Japan has constantly advocated the importance of measures against illegal logging, based on the principle that 'illegally harvested timber should not be used.' Japan has worked to develop technologies for timber tracing in timber-exporting countries and for checking the state of forests using satellite data, exchanged information with related countries, and supported projects against illegal logging.

Under these circumstances, Government of Japan set methods for verifying legality and sustainability of wood and wood products and decided to promote verified products as appropriate items for procurement of ministries and agencies, independent administrative institutions, special legal entities and so forth. Japan also issued and amended its laws related to illegal logging such as "Basic Policy on Promoting Green Purchasing" and "Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities".

The system that applied by Government of Japan to clear up its wood market from illegal logging is Goho-wood system. Although this system is voluntary based but it's a good way to prevent illegal logging to be traded in Japan.

Ladies and Gentlemen,

RI negotiations with the EU over the FLEGT Voluntary Partnership Agreement (VPA) were concluded in May 2011 and once implemented this trade agreement will recognise SVLK timber as legal under the EUTR. Bilateral cooperation with other consumer countries, namely Australia and US, were also initiated or currently in process. A similar cooperation with Japan will also be essential as Japan is one of the main Indonesia timber products export destinations. In 2013, the export value of Indonesian timber and timber products to Japan is quite high in around 7 hundred million US\$. Globally, exports to Japan covers around 17% share of Indonesian timber and timber products exports, while China is around 27% and Korea is around 7%.

Such cooperation will directly reflect both consuming and producing countries' commitments as declared in the Bali Declaration in 2001 and further discussed in the APEC EGILAT meetings. Therefore, today's dialogue is important in the

context of minimizing possible negative trade impacts for both, when the regulation is in full implementation.

Ladies and Gentlemen,

I am pleased today to present to you my Indonesian colleagues who have long been working for the preparation and the implementation of the Indonesian Timber Legality Assurance System known as the '*Sistem Verifikasi Legalitas Kayu*' or SVLK in the Indonesian Language, and the negotiation towards the Forest Law Enforcement, Governance and Trade - Voluntary Partnership Agreement (FLEGT-VPA) with the European Commission.

Colleagues from the Indonesian government will be presenting to you the current state of the implementation of the SVLK and the progress of the VPA negotiation. Also joining us are some business representatives including Small and Medium Enterprises (SMEs) in timber product to share to you how they comply with the comprehensive criteria and indicators as set out in the SVLK regulation. The credibility of the system is safeguarded by a sub-system of independent monitoring undertaken by civil society. Today, one representative from a well-known Indonesian NGO will be sharing with you their experience in the monitoring of SVLK.

Ladies and Gentlemen,

With this information sharing and dialogue, it is hoped that as representatives of the 'operators' who place Indonesian timber and timber products on the Japan market, you will get a better understanding and also gain confidence in the reputation for legality of Indonesian timber products. At the end of the session, an informal business-to-business talk is expected to further enhance your understanding and strengthen the business network.

To conclude my remarks, allow me to convey my appreciation for your efforts to attending this important dialogue. I would also like to thank my Indonesian colleagues for traveling this far to Tokyo, and to the Multi-stakeholder Forestry Programme for facilitating this dialogue.

Finally, allow me to officially open the Interactive Market Business Dialogue on Indonesian Legal Timber Assurance.

Thank you very much,

Jonny Sinaga  
Deputy Chief of Mission  
The Indonesian Embassy