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## [Thailand: State-owned forestry industry fuels controversy with forestry certification](#)

Thailand's main logging agency, the state-owned Forestry Industry Organisation (FIO), is looking to certification of its tree plantations and ecotourism as a way out of its financial troubles as well as to cover-up its infamous past.

Founded in 1947 as a state-owned forestry enterprise with the mandate to manage logging concessions in Thailand's forests, the FIO operates under the Royal Forestry Department (RFD) in the Ministry of Agriculture and Cooperatives. At the time of its establishment, the agency had three main operations: logging of teak and non-teak tree species in concession areas; logging in non-concession areas that include the sites of proposed reservoirs and dams, and the use or sale of confiscated wood cut or imported illegally into Thailand.

In 1988, the agency had a total income of US\$37 million and annual profits of about US\$4 million. But in 1989, the Thai government declared a nation-wide ban on logging concessions, depriving the agency of logging opportunities in natural forests. With declining logging revenues, the agency had accumulated debts of about US\$11.6 million by early-2000.

Over the years, the FIO has been involved in a number of controversies over its logging plans and activities. One of the most controversial was the FIO plan to clearcut 24,000 hectares of old-growth pine forests in Ban Wat Chan in Chiang Mai province in north Thailand in the early 1990s. The plan was eventually cancelled after strong opposition by 4,000 Karen ethnic communities who had lived in the area for more than 100 years and were concerned about the impacts on their livelihoods from the logging of their watershed forests.

In 1994, police investigating logs found in a protected forest area in Thailand discovered that the wood belonged to the FIO, and brought charges against the agency, alleging that it was involved in illegal logging practices.

In the post-logging ban era, apart from the auction of illegal timber, the FIO has focused on commercial tree plantations and timber processing. Presently, the agency has a total of 160,000 hectares of tree plantations, mainly of teak, rubber, and eucalyptus. The FIO owns also three sawmills for processing teak and non-teak tree species and for producing furniture, doors and windows for the local market. Apart from these sawmills, the FIO is the majority shareholder in the Thai Plywood Company that was set up as a separate company under the FIO to undertake wood production.

The agency plants commercial tree species such as teak and eucalyptus on large areas of "degraded" forest, which are often areas of forest degraded by logging concessions granted by the FIO and the RFD. The agency uses the labour of the village people near its plantation areas to secure a continuous supply of timber from its tree plantations.

Since the 1980s, Thailand's local communities have strongly opposed large-scale tree plantations

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--particularly of eucalyptus-- that expropriate village farmlands and replace common forest areas, lead to water scarcity and soil erosion. Since 1996, many communities in northeastern Thailand have also succeeded in forcing the government to remove the eucalyptus trees and return the lands for village farming and recovery of community forests. Some of these areas include the FIO's eucalyptus plantations.

But remaining oblivious to the controversy over its industrial tree plantations, the FIO plans to establish 240,000 hectares of commercial tree plantations of teak, eucalyptus and other species throughout Thailand. Presently, the FIO is looking to the certification of its timber and forest products as a long-term solution for its financial problems.

It has chosen two teak plantations totalling over 320 hectares in Kanchanaburi and Phitsanulok provinces for "certification". SmartWood, a not-for-profit environmental group accredited by the Forest Stewardship Council (FSC), is undertaking the certification process. FSC certification would enable the FIO to obtain access to markets in industrialized countries seeking timber from "sustainable" and "well-managed" sources.

From 1-7 October 2000, a team from SmartWood visited Thailand in order to assess the two FIO plantations. SmartWood will write up a report and decide whether or not the two plantations can be certified by the end of 2000. If the accreditation is successful, the FIO plans to extend it to all of its 138 tree plantations in the next five years. Presently, SmartWood has submitted its report to the FIO for clarifications from the agency. FIO expects that certification will be successfully completed by the end of the year.

Whether controversies and scandals relating to the FIO's previous logging and plantation projects would figure in the assessment, Mr. Jay Blakeney, the leader of SmartWood's FIO tree plantations assessment team, said: "SmartWood assessment is usually focused at the forestry management unit. The system of assessment doesn't look at the historical and other institutional mistakes."

Meanwhile, the FIO has been drafting a management plan with SSC Natura (Scandiaconsult Natura, formerly Swedforest International AB), a Swedish forestry consultant company since 1993. Supported by a Swedish government grant of US\$400,000, the management plan envisages the FIO entering the ecotourism business. The FIO would seek funding for its ecotourism plan from the Japanese Bank for International Cooperation (JBIC) that will be used to create jobs in protected forest areas designated for tourism.

In cooperation with the Thailand Authority on Tourism (TAT), the FIO has already begun to build four ecotourism centres at US\$3.3 million each, one of which will be located in the Ban Wat Chan forest. Local communities and concerned NGOs in Ban Wat Chan have voiced concerns that the ecotourism plans threaten the Ban Wat Chan watershed forest. The village people have stated that the expansion of roads in the hilly and forested terrain is increasing soil erosion and forest degradation.

While the FIO's plans for logging, ecotourism and tree plantations continue to threaten the natural forests and the livelihoods of local communities in Thailand, the certification of its tree plantations, in effect, would assist the FIO in delaying meaningful structural changes. After certification, the agency will continue to seek revenue from destructive logging operations and large-scale monoculture tree plantations. Subsequently, framing "guidelines" for plantations management or the certification of "sustainable" logging practices are wholly inadequate in halting the FIO's continued degradation of natural forest ecosystems and the destruction of local community livelihoods. Challenging the FIO therefore involves challenging its ideological approach that is based on an inherently flawed

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“science” of forest management which dismisses the complexity of natural ecosystems as well as the livelihood requirements of ethnic and local communities that depend on them.

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