

# SPREAD THE WORD

*Plaut International has been involved in trading with Indonesia since the early 1980s. MD **John Yates** reflects on the FLEGT-licensing success*



*John Yates: trade needs to spread the message*

**Taking responsible sourcing seriously** and helping protect the environment is something we have always believed is very important.

We've had FSC and PEFC accreditation for many years. We are a signatory to WWF's Forest Campaign and also a member of the Timber Trade Federation, including taking

part in its Forest Forever Committee.

Plaut became involved in trade with Indonesia in the early 1980s and has become closely associated with its producers. Our products include plywood and wooden doors, door components and mouldings.

Indonesia's reputation was tarnished by illegal logging, but it has been working in earnest to restore its image. FLEGT-licensing is the culmination of its efforts.

Plaut never shied away from working with and promoting Indonesian producers facing these challenges and several mills attained FSC accreditation. FLEGT is the icing on the cake. It allows continued association with Indonesia, its products and people, showing that it has got to grips with illegal logging.

Factories that survived the last 10 years are now stronger for the experience. They've had more investment, are technically competent and offer reliable service levels.

For buyers seeking quality, technical

products, Indonesia's GSP (generalised scheme of preferences) status, FSC certification of some suppliers and now FLEGT licensing make it a really viable source.

It is now our job to spread the message to our customers. There's no FLEGT brand (similar to EUTR), so how can the profile of Indonesian licensed products be increased? Customer education is key.

If the UK has, correctly in my view, spent £40m supporting Indonesia's progress to FLEGT licensing, what can we do to advertise this? This latest news does clarify the market position of Indonesia producers – it means serious exporting mills can be certified and not undermined by others which don't have SVLK legality assurance accreditation.

These mills are investing in technology and making efficiency savings rather than using unclassified raw materials.

We welcome interaction with other countries working towards FLEGT licensing. ■

## A UNIQUE PROCESS

*Global Timber Forum (GTF) executive director **Rachel Butler** talks about FLEGT and her organisation's involvement in Indonesia*



*Rachel Butler: FLEGT's goal is commendable*

### **Indonesia's journey towards FLEGT**

licensing has been fascinating to be involved in. Previously media headlines around forestry and timber were mainly negative, focusing on illegal logging. Now Indonesia is first to ship FLEGT-licensed timber to the EU.

FLEGT is a unique trade agreement as

it involves all three stakeholder groups: government, civil society and private sector. This adds complexity in negotiations, but gives EU FLEGT Voluntary Partnership Agreements with suppliers vital credibility.

FLEGT has been criticised for being slow and bureaucratic. But, as multi-stakeholder processes are rare in trade agreements, implementation delays at this point must be expected and the time taken now will ultimately increase acceptance of the systems. Moreover, further steps to improve the implementation process are now likely.

The goals of FLEGT are commendable. The responsible management of forests it supports benefits the environment and the greater value it puts on forest products incentivises forest preservation over conversion.

Indonesia should be proud of what it has achieved but as with any system it is important to continually improve, as no

doubt challenges will arise.

GTF's own mission is to build strategic coalitions between forest and wood-based industries and stakeholders to address challenges in delivering responsibly sourced and traded products. This includes supply chain reform and analysis as to whether there is potential for increased demand or just sustaining existing market share.

GTF is undertaking a review of how the European trade buys from Indonesia, its expectations and what it needs to know about the country's new system. It is important that marketing programmes developed by Indonesia are tailored to reflect the realities of the trade.

The aim should be to build a clear picture of the benefits of doing business with Indonesian companies on a commercial level, while also underpinned by Indonesia's SVLK legality assurance system. ■