



## **Press Release**

### **Activist Slams Government's Plan to Exempt Furniture from SVLK**

**Bogor, 11 September 2019.** - Kaoem Telapak strongly criticizes the Government's plan to eliminate the obligatory application of the Timber Legality Verification System (SVLK) for furniture product groups. Indonesia has implemented the SVLK for almost 10 years in an effort to tackle illegal logging and trade in timber as well as to improve governance in the forestry sector. Removal of SVLK obligations therefore represent a major step backwards.

“Over the whole period of SVLK implementation, Indonesian wood product exports actually show an increasing trade trend with rising export values. This shows a high market confidence that Indonesian wood products are produced from legal sources and by sustainable practices. The government's plan to exempt furniture products signals that the Indonesian government is willing to accept failure to ensure the legality of furniture products”, said Abu Meridian, executive director of Kaoem Telapak.

The Coordinating Minister for Economic Affairs, Darmin Nasution argued that the Government's plan aims to give Indonesia a competitive advantage thereby increasing exports of wood products and stated that the SVLK should only be applicable to furniture products destined for the European Union, the United Kingdom, Canada and Australia.

Indonesia is regarded as a pioneering country in the world through its success in reforming the national forestry and timber sector. The country transitioned from a state known for the highest levels of illegal logging - where almost 80% of the total wood produced in Indonesia came from illegal sources - to becoming the first country in the world which obtained a FLEGT (Forest Law Enforcement Governance and Trade) license from the European Union. This manifests the EU's recognition of the legality guarantee of wood products originating from Indonesia. As such, under the FLEGT agreement between Indonesia and the European Union, wood products with FLEGT licenses can enter all 28 member states of the European Union without having to go through additional inspections, which greatly cuts costs for involved industries and stakeholders.

Since the implementation of SVLK and recognition from the European Union, the export value for wood products and their derivatives has increased from USD 10 billion in 2017 to USD 12 billion in 2018. Furniture products with SVLK certificates are among the products with the highest export value and statistics show an increase in total export profits. On the other hand, furniture products without SVLK certification experienced a trend of drastic decline in export values. It can therefore be said that the application of SVLK has helped increase the competitiveness of Indonesian wood products in the international market.

Kaoem Telapak calls on the Government to review plans to eliminate the implementation of SVLK for furniture products. Obstacles to SVLK implementation, especially for small and medium business actors related to meeting legality standards and certification costs, should be overcome through assistance of communities and SMEs as well as financial support for certification by the central government for example. This should be in collaboration with local governments and other stakeholders as has been the case so far.



“Actually, the Government must ensure the strengthening of SVLK implementation through policy reforms, system improvements, small industry assistance and law enforcement and action against violations that occur because SVLK is based on enforcement of applicable laws and regulations. The demand of a few people to exclude furniture products from obligatory SVLK control must be rejected as it will have a negative impact on Indonesia's reputation. This in turn will reduce market confidence and may even cause exports of Indonesian furniture products to plummet thereby counteracting the intended benefits of loosening controls.”, said Abu.

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#### Note to Editor

- In addition to law enforcement efforts since 2003, there has been an initiative to tackle illegal logging and promote legal timber, the Timber Legality Verification System (SVLK). This initiative aims to ensure that wood and wood products come from legal sources. Legality is seen as the first step towards sustainable forest management, and with continued efforts it is hoped that all wood products in Indonesia will be produced from sustainable forest management.
- The SVLK is central in the voluntary partnership agreement (VPA) between Indonesia and the European Union because it can be used as a Timber Legality Assurance System (TLAS). Under this system, all products covered by the agreement must have a legal license in order to enter the European Union market. The Government of Indonesia enacted the SVLK in 2009 with the issuance of Permenhut No. P.38 / Menhut-II / 2009, and began implementing it in September 2010. Regulations regarding the SVLK have been amended several times with the issuance of P.68 / Menhut-II / 2011, P.45 / Menhut-II / 2012, P.42 / Menhut-II / 2013, P.43 / Menhut-II / 2014, P.95 / Menhut-II / 2014 and P.30 / MenLHK / Setjen / PHPL.3 / 3/2016.
- Kaoem Telapak is an organization established in 2016 by former members and founders of the Telapak Association. Kaoem Telapak aims to continue to lead cooperation with local communities and indigenous peoples and other stakeholders towards equitable and sustainable management of natural resources in Indonesia. Having a new form of organization is considered an ideal way to achieve Kaoem Telapak's goals. Information about Kaoem Telapak can be found on the website [www.kaoemtelapak.org](http://www.kaoemtelapak.org)