

(Unofficial Translation)



Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Prime Minister's Office

No.1345/PMO.PSO

Vientiane Capital, dated 07 Sep 2016

Notification

To: - Deputy Prime Minister, the President of State Inspection Authority
- Minister of Agriculture and Forestry
- Minister of Industry and Commerce
- Governor of Xaysomboun Province

Subject: The results of the inspection, monitoring, and support the implementation of the Order No.15/PM on reinforcing the administration and monitoring of the exploitation, displacement and operating wood related businesses nationwide.

- Referring to the report of the Task Force dated 25 August 2016 for inspecting and instructing the implementation of the Order No. 15/PM nationwide.
- Referring to the guidance and agreement in the Prime minister and Deputy Prime ministers meeting on 29 August 2016.

The Prime Minister's Office has the honor to notify you as follows:

1. The Task Force which was set up subsequent to the Decision No. 40/PM dated 02 June 2016 continues to function until the end of 2016 in order to accomplish the implementation of the Order No.15/PM on the basis. After that, the ministries, provinces and the capital shall continue implementing it to achieve the objectives.
2. In the future, the Task Force at the central level shall cooperate with the Task Force at the provincial level to continue inspecting in details the real volume of wood exploited illegally which should be seized to belong to the government; shall re-inspect the wood already exploited in excess of the quota and was not in the permitted area to exploit; these should be seized to the government.
 - As for the wood that has yet been taxed, the local and concerned authorities are responsible for educating and supporting the wood owners, by clearly setting the timeframe, to pay all duties as described in the laws and regulations. The wood can be processed only if it is already collected taxes and it will be seized to the government when it exceeds the timeframe.
 - As for the wood that has been seized by the government, it is agreed to authorize the Ministry of Industry and Commerce together with the relevant agencies to auction it by implementing it in the first instance in Attapeu and Xiengkhouang province.
3. For the wood quota which was granted by the ministries, provinces and districts in 2015-2016, and has not been used or successfully implemented shall be fully annulled.

4. For veneer and slicing board that had been produced and already permitted by the government to export for the amount of 12.456 cubic meters in the past, it shall not be allowed to be exported if its origin source is not correct. It shall be fined and taxed in accordance with regulations. The wood which amounts for 45.520 cubic meters that was imported correctly into the factories shall be processed in order to supply domestically or to turn into finished products for exporting.
5. For the wood in Xaysomboun province which amounts for 28.731 cubic meters that was cut, the State Inspection Authority shall, together with Xaysomboun province's authorities, inspect how much wood of the mentioned amount was exploited in the determined (permitted) zone and how much of the mentioned amount was exploited in the non-permitted zone. The wood exploited in the non-permitted zone shall be fined and seized to the government. Whereas, the wood being exploited in the permitted zone can be processed into finished products for the internal use and export.
6. The Ministry of Industry and Commerce cooperates with provinces to inspect and re-adjust the 1.595 wood processing factories who have a license to operate in order to adjust them to the specificity of each local and their ability to supply raw materials for processing into the finished products. As for the small factories operated by a family accounted for 1.154 units that do not have a license to operate business shall be shut down.
 - 28 wood processing factories that are located in conservative forest, protective forest and definitely prohibitive forest including those who have a license or do not have a license shall be inspected and shut down within 2016. Due to the fact that those factories violate the law on forestry and the law on industry and processing.
7. As for the wood that is already loaded up on the truck in each province, the wood owners shall be called for providing information so that the wood can be measured its volume and clearly differentiated its kind against the provided information. The result shall be reported to the government for consideration.
8. Ministries and local authorities in the entire country are not allowed to authorize the wood exploitation to exchange for an infrastructure construction project.
9. Mr. Sonexay Siphandone, Deputy Prime Minister is assigned to conduct a consultation with the leaders of Ministry of National Defense with regard to the wood exploration and exploitation along the borders and then report to the government.

Therefore, you are notified in order to be aware of and implement efficiently the above mentioned notification.

Minister,
Head of Prime Minister's Office
(Sign and seal)
Phet Phomphiphak

Attention to:

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| - Prime minister – Deputy Prime ministers | 4 copies; |
| - Party Central Office | 01 copy; |
| - Task Force, each one | 01 copy; |
| - Xiengkhouang province | 01 copy; |
| - Attapeu province | 01 copy; |
| - For collection | 08 copies. |