



**Minute of the 1st Ad-Hoc Working Group Meeting on Product Scope
On February 15th 2016 at Meeting Room 1, Tiem Komkrit Bldg. RFD**

Attendees

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| 1. Mr. Pralong Dumrongthai | Deputy Director General of RFD |
| 2. Mr. Sukul Sirichantaradilok | The Customs Department |
| 3. Ms. Benjamaporn Prompem | Department of Foreign Trade |
| 4. Ms. Chutima Fungsumnieng | Agriculture Land Reform Office |
| 5. Mr. Prasit Tinthara | Forest Industry Organization |
| 6. Ms. Rattana Saardnak | Permission Bureau, RFD |
| 7. Mr. Panus Siriarpontam | Forest Checkpoint Bureau, RFD |
| 8. Ms. Preeyanan Muengsan | Forest Land Management Division, RFD |
| 9. Mr. Niwat Luangborisud | Reforestation Promotion Office, RFD |
| 10. Mr. Wijarn Sansakul | Legal Bureau, RFD |
| 11. Mr. Chokchai Lertkiattiwong | Director of Investigation and technology
of Forest Protection Division, RFD |
| 12. Mr. Phongsa Choonam | President of Tree Bank |
| 13. Mr. Nirut Buapha | Natural Resources and Environment
Network Esan |
| 14. Mrs. Yingluck Patiphanthewa | Private Forest Plantation Cooperative
Limited |
| 15. Mr. Jirawat Tangkijngamwong | Thailand Chamber of Commerce |
| 16. Mr. Prasert Iemdeengamlert | Sawmills Association |
| 17. Mr. Thanun Ounkomol | Thai Furniture Industry Club |
| 18. Mr. Wiroat Kanaphongsa | Thai Panel Product Industry Club |
| 19. Ms. Warangkana Rattanarat | RECOFTC Thailand |
| 20. Assist. Prof. Nikom Leamsak | Faculty of Forestry |
| 21. Mr. Banjong Wongsrisoontorn | Forestry Certification Office, RFD |
| 22. Mr. Boonsuthee Jeravongpanich | Thai-EU FLEGT Secretariat Office
(TEFSO) |

Absentees

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| 1. Mr Sapol Boonsermsuk | International Forestry Cooperation Office, RFD |
| 2. Mr. Patkamol Tattipong | Department of Trade Negotiations |
| 3. Mr. Baramee Chairat | Assembly of the poor |
| 4. Mr. Sawat Sookchan | Mae Tha Sustainable Agriculture
Development |
| 5. Thai Timber Association representative | |
| 6. Asst. Prof. Ethipol Srisaowalak | |

7. Natural Resources and Environmental Crime Suppression Division representative
8. Gift and Decorative Industry Club representative
9. Wood Processing Industry Club representative
10. Thai Hevea Wood Association representative

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Participants

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| 1. Mr. Narong Meenuan | FSC manager, Pulp and Paper Industry Club |
| 2. Mr. Boonhan U-udomying | Rubber-Based Industry Club |
| 3. Mr. Pingsun Wang | Thai Panel Product Industry Club |
| 4. Mr. Poramet Payapsatan | RECOFTC Thailand |
| 5. Ms. Pachyasorn Panthong | Forestry Certification Office, RFD |
| 6. Ph.D. Somrudee Nicro | EFI |
| 7. Mr. Sak Seansuriyawong | Forest Checkpoint Bureau, RFD |
| 8. Mr. Patapee puttipairot | Reforestation Promotion Office, RFD |
| 9. Ms. Sutinee Wattana | Department of Foreign Trade |
| 10. Ms. Panjit Tansom | TEFSO |
| 11. Ms. Kessara Sanmongkol | TEFSO |
| 12. Ms. Isiyanee Samrit | TEFSO |

The meeting started at 13.20 hrs.

Mr. Prolong Dumrongthai, Forestry Department Deputy Director-General, acting Chairman of the Conference, is open and welcomes Thai-EU FLEGT VPA working group on providing product scope with a total of 36 attendees, the meeting aims to classify wood and wood products, according to the VPA recognition it is separated by the harmonized system code (HS CODE). In the EUTR, plywood, sawn wood, veneer and railway sleeper must be included in the product scope. However, Thailand can add more wood products that exported to the European Union. To define the product scope is depending on stakeholders under FLEGT process. The meeting follows the agenda as follows;

Agenda item 1 Notifications

The Chairman of the Working Group informed the meeting on visiting Mr. Kasemsan Chinnawaso, Permanent Secretary of Ministry of Natural Resources and Environmental on 10 February 2016 to described FLEGT VPA progress in and discuss on “Stakeholder Participatory of Legality Definition” No.6, which will arrange on 24 February at Rama Garden Hotel. The Permanent Secretary of Ministry of Natural Resources and Environmental will be a chairman, provide FLEGT Diagram to describe including to give policy at the event.

Agenda item 1.1 Summary of sub-committee meeting on Product Scope No. 1/2558

Mr. Banjong Wongsrisoontorn, Director of TEFSO presented the summary of sub-committee meeting on 7 July 2015 as follows

The Government requires that the product scope is compact and sufficient by consider based on wood or wood products statistics which Thailand exported to European Union countries. Ms. Wasini Atisuk from the Department of Foreign Trade offers to consider bamboo and scrap wood into the product scope. Because of these woods are not require the exported permission from the Ministry of Commerce.

Private sector led by Timber Association representative, sawn mill Association representatives and Thai Rubber Association representative commented in the same direction that the product scope should determine from raw material wood in 5 groups which is log, sawn wood, plywood, veneer, and railway sleeper first. Mr. Jirawat Tangkijngamwong, a Thailand Chamber of Commerce representative propose to prepare a questionnaire to surveys that what are wood and wood products that exported to the European Union, and what wood products require including in product scope the FLEGT.

Resolution The meeting informed

Agenda item 1.2 Summary of Video Conference between Thai and EU

The Secretariat informed about then technical video conference between Thailand and EU which Led by Mr. Pralong Dumrongthat (Thai side) and Mr. Luca Perez (EU side) on 6 October at EU Delegation meeting room, Khian Nguan building 2, Bangkok. This meeting is not considered as negotiation, it is out of the framework discussion between Thailand and EU representatives. For the negotiation level, Permanent Secretariat of the Ministry of Natural Resources and Environment will serve as head of the country's negotiating team, Thailand.

Formerly managed to negotiate in March 2016 but due to several reasons, therefore, it is necessary to postpone the negotiations. In order that the chairman of the working group has been reported on FLEGT progress to the Permanent Secretariat for Ministry of natural resources and environment regularly.

To export wood into ASEAN countries require the legality certificate attached, because the CO is not enough to prove the legality of timber source. This issue will be discussed at the Pan ASEAN meeting, which Thailand will be the host.

Probably to be canceled annex 112 under Plantation Act, which possible to open registration for every wood species will make Thailand can verify all wood species

Preparation of the all 4 Annex under VPA, which is Legality Definition, Product Scope, Supply Chain control and TLAS system can work parallel to be acted in December 2016 by TEFSO has prepared the work plan already.

Member of negotiation committee composition will bring to the discussion in the sub-committee 3 boards.

Resolution The meeting informed

Agenda item 2 Present on draft of Product Scope

Mr.Boonsuthee Jeravongpanit, Deputy Director of TEFSO and Secretariat Assistant described to VPA structure and negotiation step. For the product scope, which has to provide parallel to other annex, which will discuss in this meeting on the tilt. Moreover, he is presenting on the draft of product scope, which show the table of list and value of export timber and their products (HS code 44, 47, 48 and 94). The table shows the classification of product information, which is inside and outside of EUTR, which has recorded to export to EU. Including to product group, which proposed in the Video Conference on 6 October 2015 (Annex 1).

Secretariat Assistant described in the chart of exporting timber and their products, charcoal HS Code section 44 which show that when EUTR was announced, the export value still high and reduce when EUTR active in 2013. However, when returning to see the overview of the market will see it rise up because Thailand didn't export timber to EU only, but still export to other countries such as China, Australia and Japan. Therefore, chairman of the working group has an opinion that Thailand can bring this issue to negotiate with the EU which may not succeed all the EU measure.

Resolution The meeting informed

Agenda item 3 Product Scope discussion

The Secretary of the Working Group proposed to discuss on HS Code list into product scope which remarks how different enter/do not enter HS CODE into product scope and it will increase the difficulty or not. If not it should put all HS CODE into the product scope to insure all products. The chairman of working group gives an opinion that HS Code is the standard used if it is not having any problem on verification, agreed to put in.

Mr. Sukal Sirijantaradilok from Customs Department suggested the meeting to consider what product should be listed in this annex.

Mr.Phongsa Choonam, Chair of Tree Bank agreed with Mr. Sukal

Mr. Panas Siriarporntam, a representative from Forest Checkpoint Bureau, has an opinion that because of HS Code section 44 has more than 1,000 lists so require, to ask operator which wood and their products need to be listed in product scope and the meeting must consider to define product scope to negotiate. The secretariat of working group proposes to the meeting to put HS code 4 or 6 digits for not more details.

Ms. Benjamaporn Prompem, a representative from Department of Foreign Trade, has remarked that to define only 4 digits of HS Code into the product scope may cover some product which not under EUTR and may raise task to the private sector to certify their product which unnecessary.

Mr. Ping Sun Wang, a participant from Thai Panel Product Industry Club, has an opinion on charcoal case may not see as wood product but it is by-product, so he request the meeting to consider on listing charcoal into the product scope which will

increase task to operate. In the other way, wood pellets export to Japan need to use the PEFC to certify so if put its HS Code will show the assurance to increase the value. The working group should consider carefully adding any product into the product scope.

Mr. Tanan Ounkomol, a representative from Thai Furniture Industry Club, insists to not put furniture group into VPA because of formerly furniture did not include in EUTR and products under HS code 9403 has a small value (33,000 million Baht) when compared to other states. He informs to the meeting that currently there use Due Diligence to verify the source of timber so no need to increase any task to the group.

Mr. Narong Meenuan, a participant from FSC manager, explains to the meeting that exporting value of pulp and paper to the EU is not high, so the association is not discussed on this issue but if have any update will be informed to the meeting later.

Ms. Warangkhan Ratnarat from RECOFTC informing the meeting about the experience of visiting Indonesia that there has taken in various processes under the VPA successfully, just steps to allow using a certificate from EU. Indonesia is using the V-legal system of collecting information and monitoring. Indonesia looks FLEGT VPA gives an opportunity to trade because Indonesia faced problems on traceability for the source of the wood so continue to negotiate with the other trading state to present V-legal. If compare information will see the export value of the EU is smaller than China, but still interesting to provide FLEGT VPA, which counts as the country to change crisis into opportunity and consider as trade advantage.

Mr. Jirawat suggests to limit the product scope and not put furniture product into the list because of furniture can use Due Diligence to export and suggests to put raw materials 5 groups such as log, sawn wood, plywood, veneer and railway sleeper at the first period. This method will speed the FLEGT process and Thailand can sue FLEGT License faster.

Ph. Dr. Somrudee Nicro, a participant from EFI, explains to make more understand of the meeting that the government is providing facilitate for private sector an opportunity at world stage. In this step the traceability of timber may not success, but as EUTR will have active not too long, but in the future, it will be more concisely verified, timber not under FLEGT may have a problem with certifying timber source and request the meeting to understand that it is not a trade block measure of EU but aims to promote legality timber in the EU which different from FSC and PEFC which focusing on Sustainability Forest Management.

The Chairman of the Working Group agreed to proceed with the necessary items first so that the procedure can continue. Any other type of product that no need to include this product scope at the first step can be included in the following phase

Ms. Panjit Tansom, Technical Consultant proposes the participant to send HS Code list that needs to be listed in the next phase with the reason to TEFSO by 18 February 2016 and TEFSO will gather all information presenting to the Permanent Secretariat.

Resolution The meeting informed

Agenda item 4 Next meeting

The next product scope meeting will be informed by TEFSO after this.

The meeting finished at 17.15 hrs.

Ms. Isiyanee Samrit
Database Officer
Minute recorder

Mr. Banjong Wongsrisoontorn
Director of TEFSO
Minute verifier

Ms. Panjit Tansom
Technical Consultant
Minute translator