

# Solomon Islands Forestry Sector

August 2008

**Forestry sector overview**

**Presented by Sir Alan  
Kemakeza, Minister of Forestry**



# Sector Overview

## Natural forests

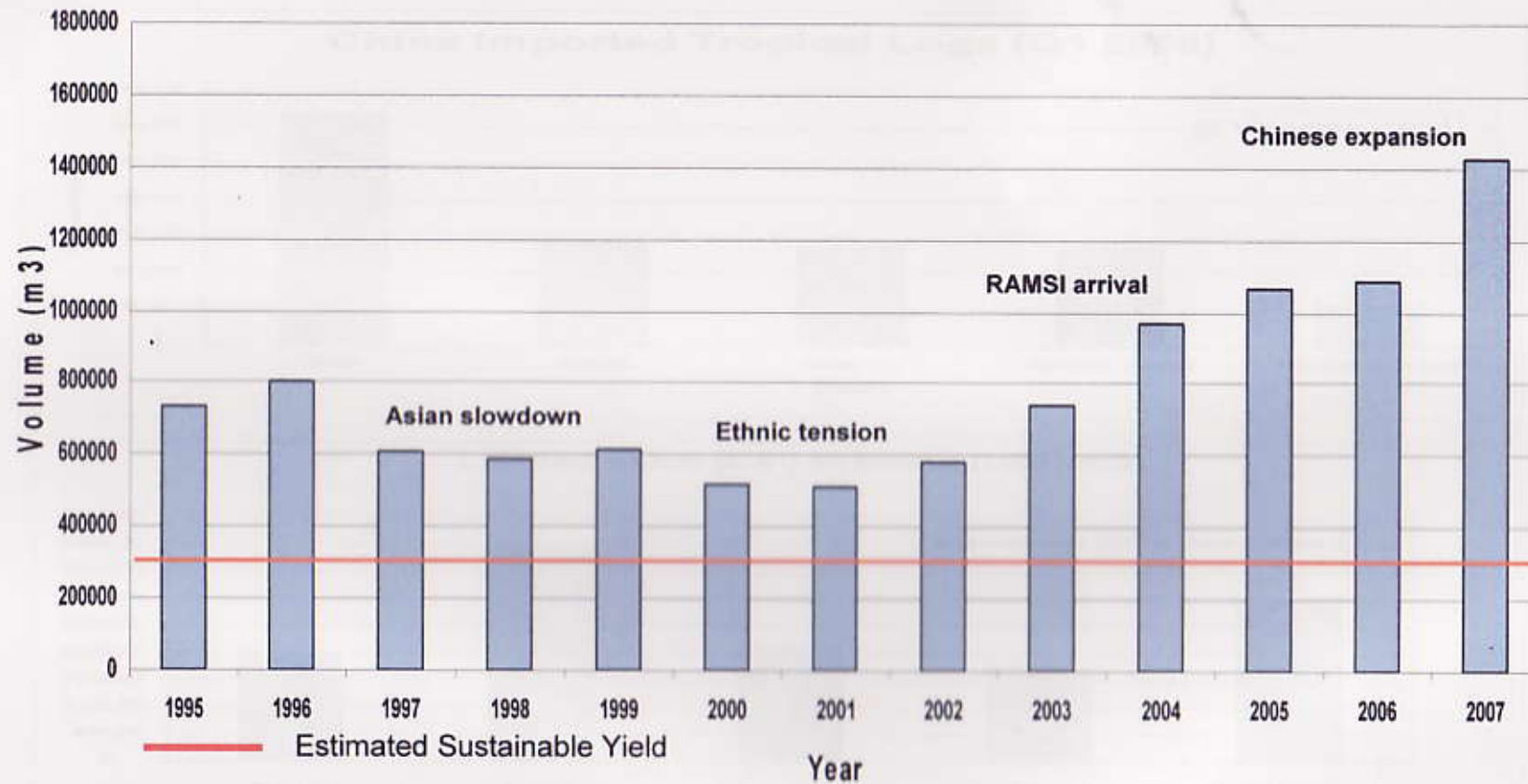
- Predominantly customary land ownership
- Logging rates: record log export levels in 2007
- Driven by Asian demand (80% of exports to China)
- Inequitable agreements between licensee & logging company
  - Grass-roots landowners: receive approx USD7-10/m<sup>3</sup>

## Plantation forests

- Industrial estates – 20,000 hectares combined
- Village based
  - small holder plantations 6000 ha of various ages



# Log exports 1995-2007

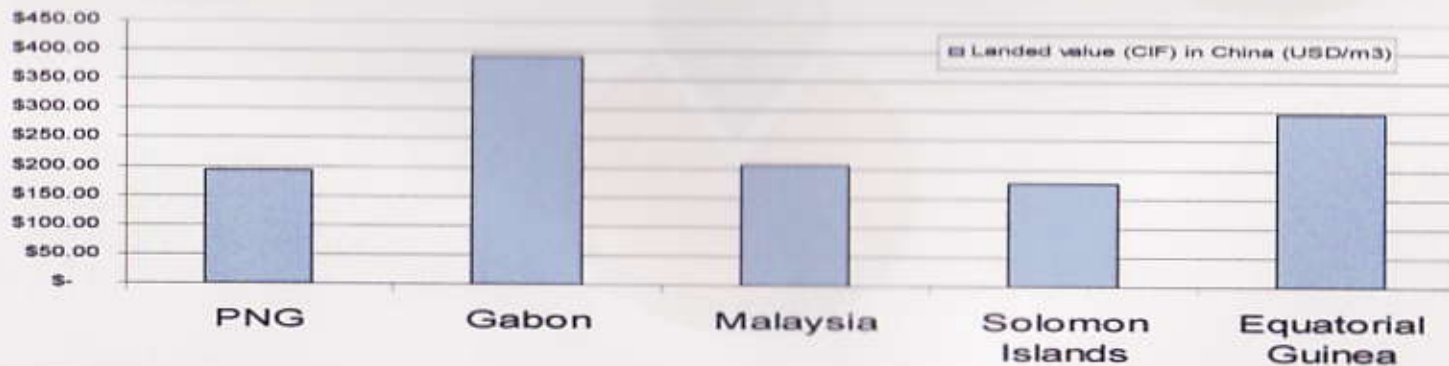


# China Imported Tropical Logs

China Imported Tropical Logs (Q1 2008)



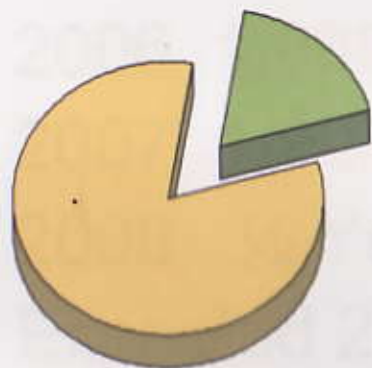
Landed value (CIF) in China (USD/m3)



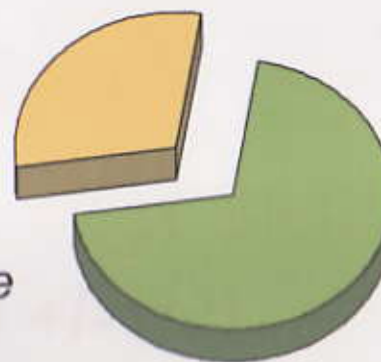
# Natural forest logging is an important part of the SI economy

## Export volumes

17% of the economy



70% of export earnings



18% of Government revenue



# 2005 to 2007

## Export volumes

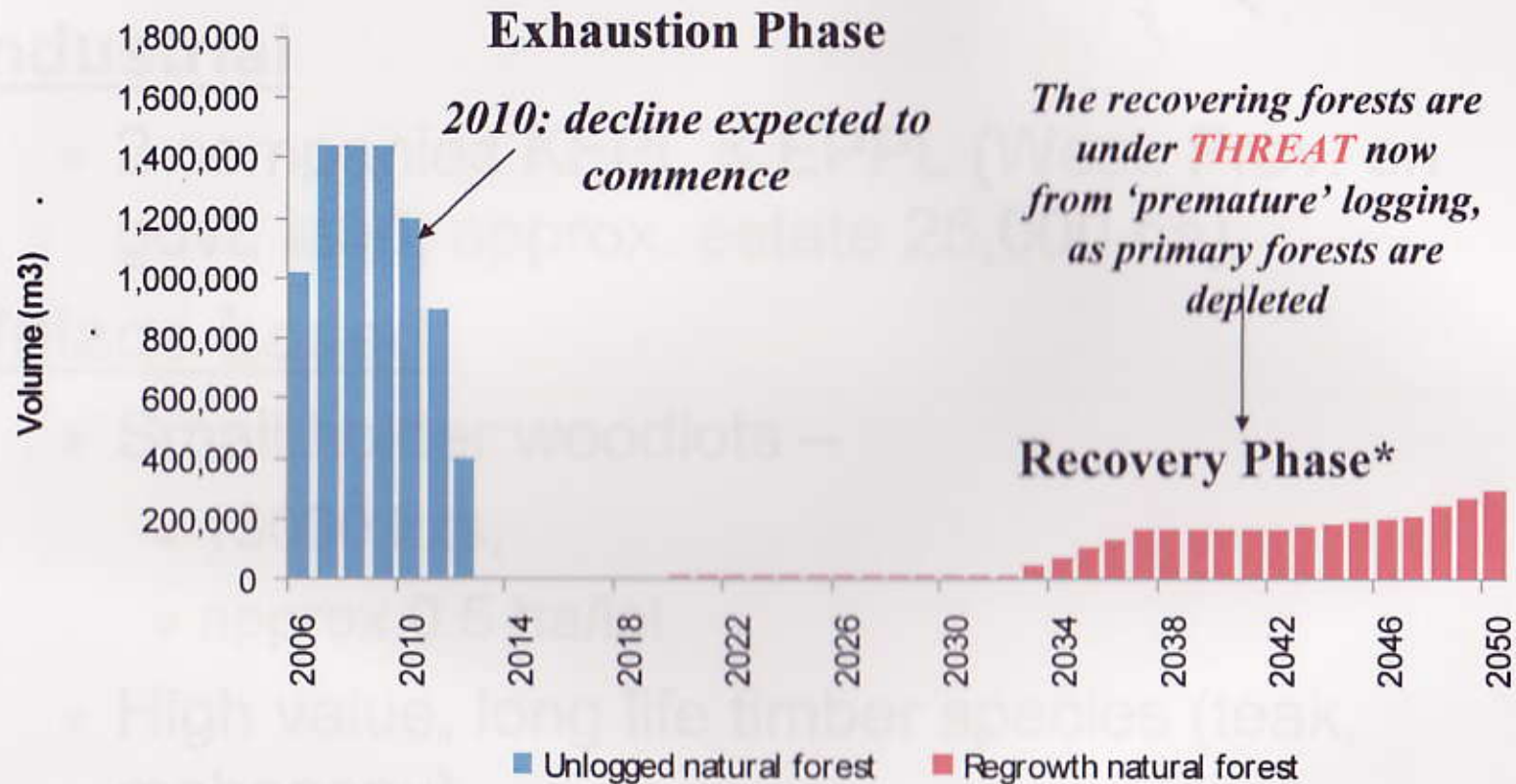
- 2005 **917 000** m<sup>3</sup>
- 2006 **1,089,000** m<sup>3</sup>
- 2007 **1,440,000** m<sup>3</sup>
- 2008 ½ Year **650, 000** m<sup>3</sup>
- Expected 2008 total **1,400, 000 +/-** m<sup>3</sup>)
- 5 times estimated annual sustainable level

## Economic growth

- 10% GDP growth fuelled by increased logging output



# Solomon Islands Natural Forest Status



*\*assumes no premature re-logging of these forests*



# Plantation sub-sector activities

## Industrial

- 2 companies KFPL & EPPL (West. Prov. on govt. land, approx. estate 25,000 ha)

## Village based

- Small holder woodlots –
  - 13000 lots,
  - approx 0.5 ha/lot
- High value, long life timber species (teak, mahogany)



## Summary of key issues

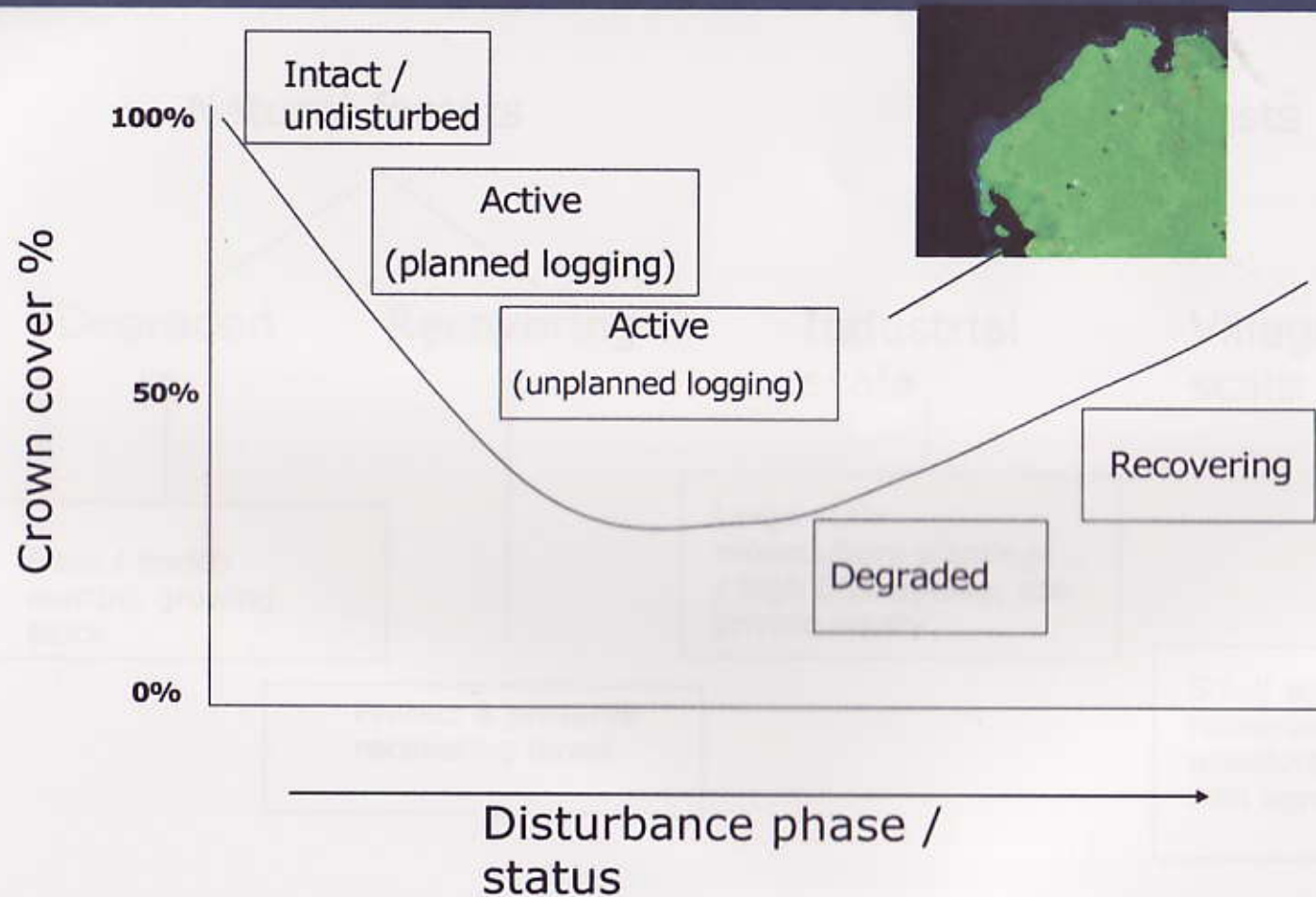
- Natural forest depletion will have severe economic and fiscal consequences
- Sector: in transition over next decade
- Emergence of the viable plantation sector - 2020 & beyond
- **But the key challenge will be getting through next 5 years**



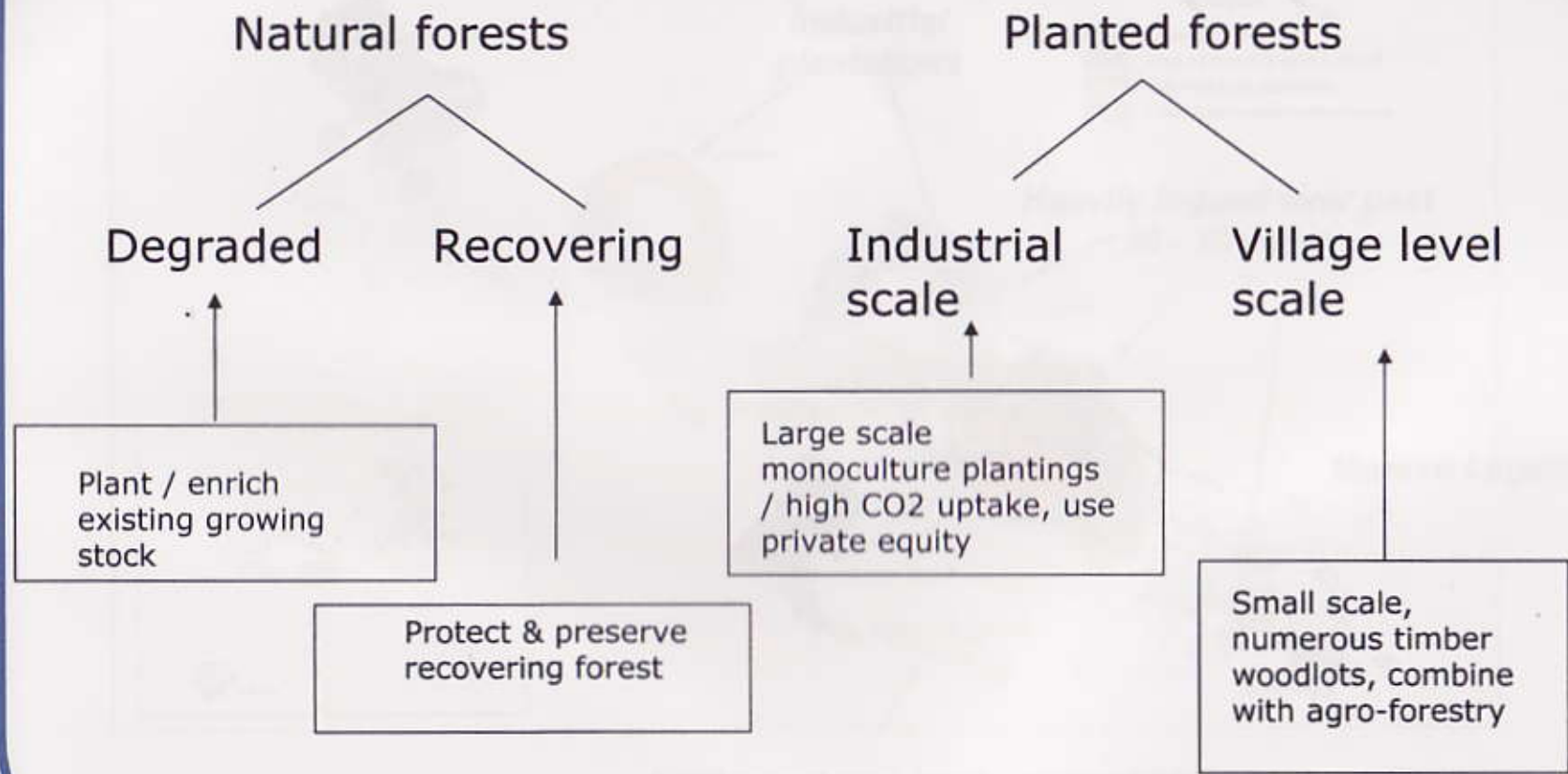
# Carbon Opportunities in Solomon Islands



# Forest disturbance status – *using tree crown cover as measurement*

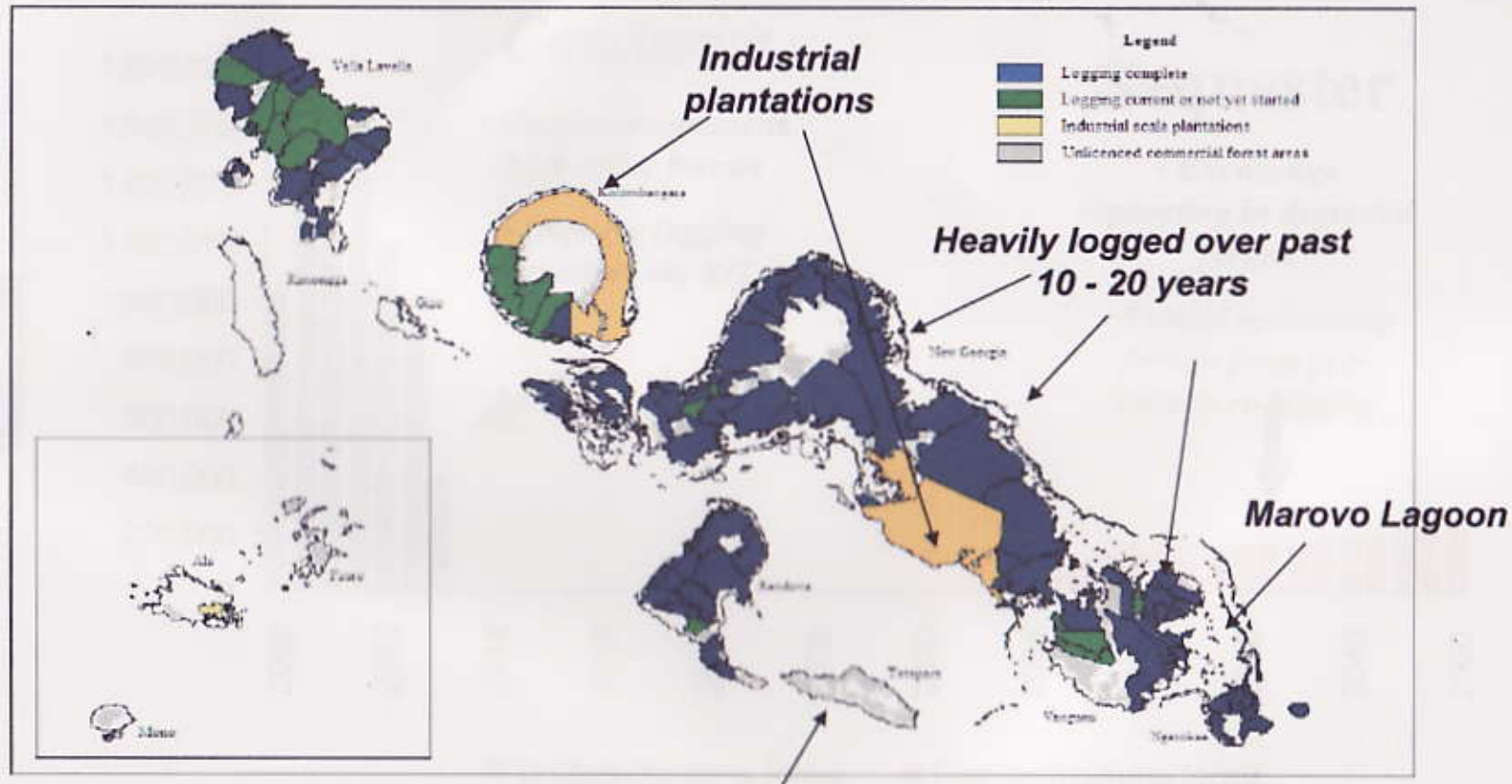


# Creating new forests & carbon capture options

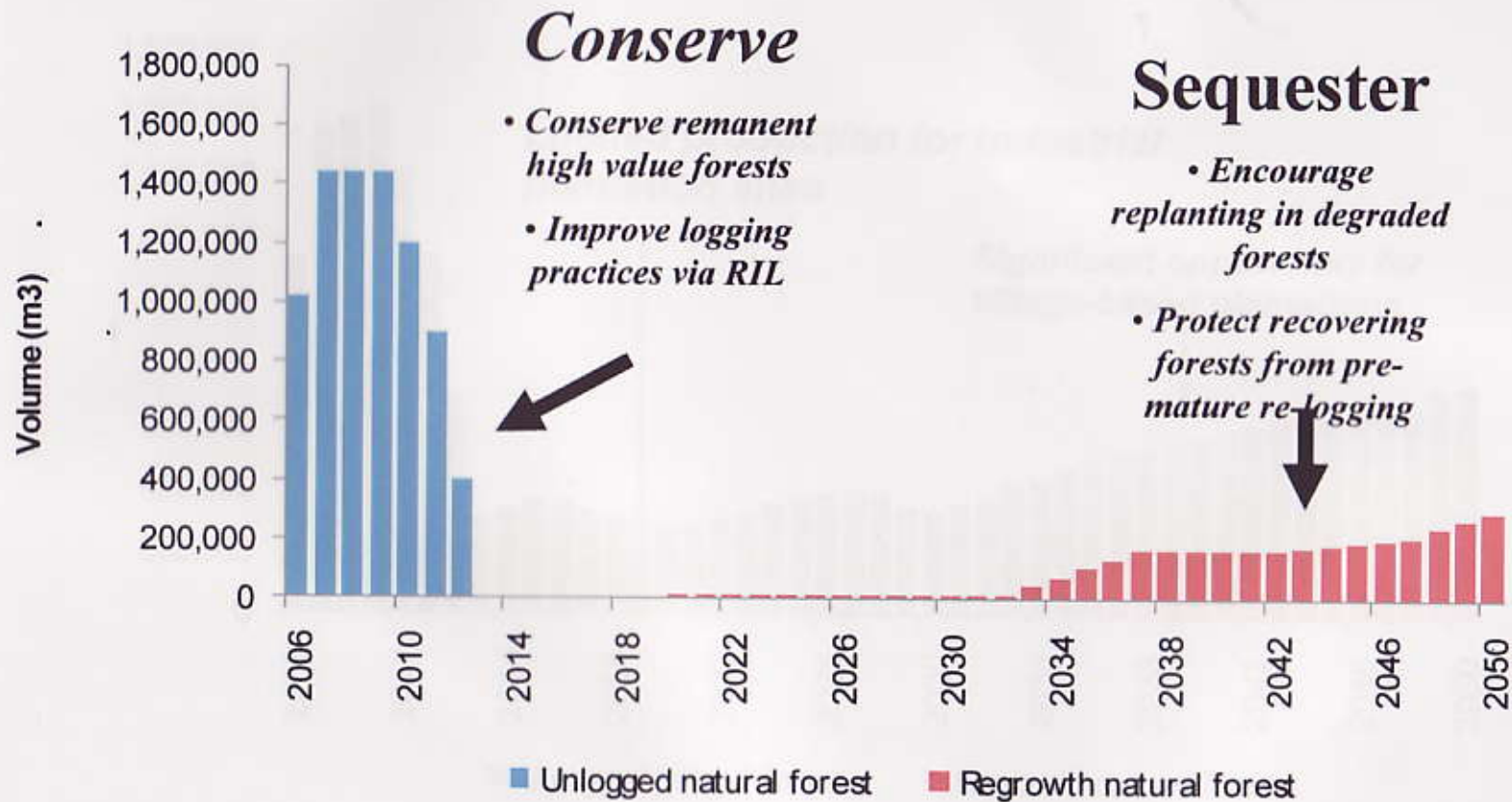


# Degraded forest example in Western Province, Solomon Islands

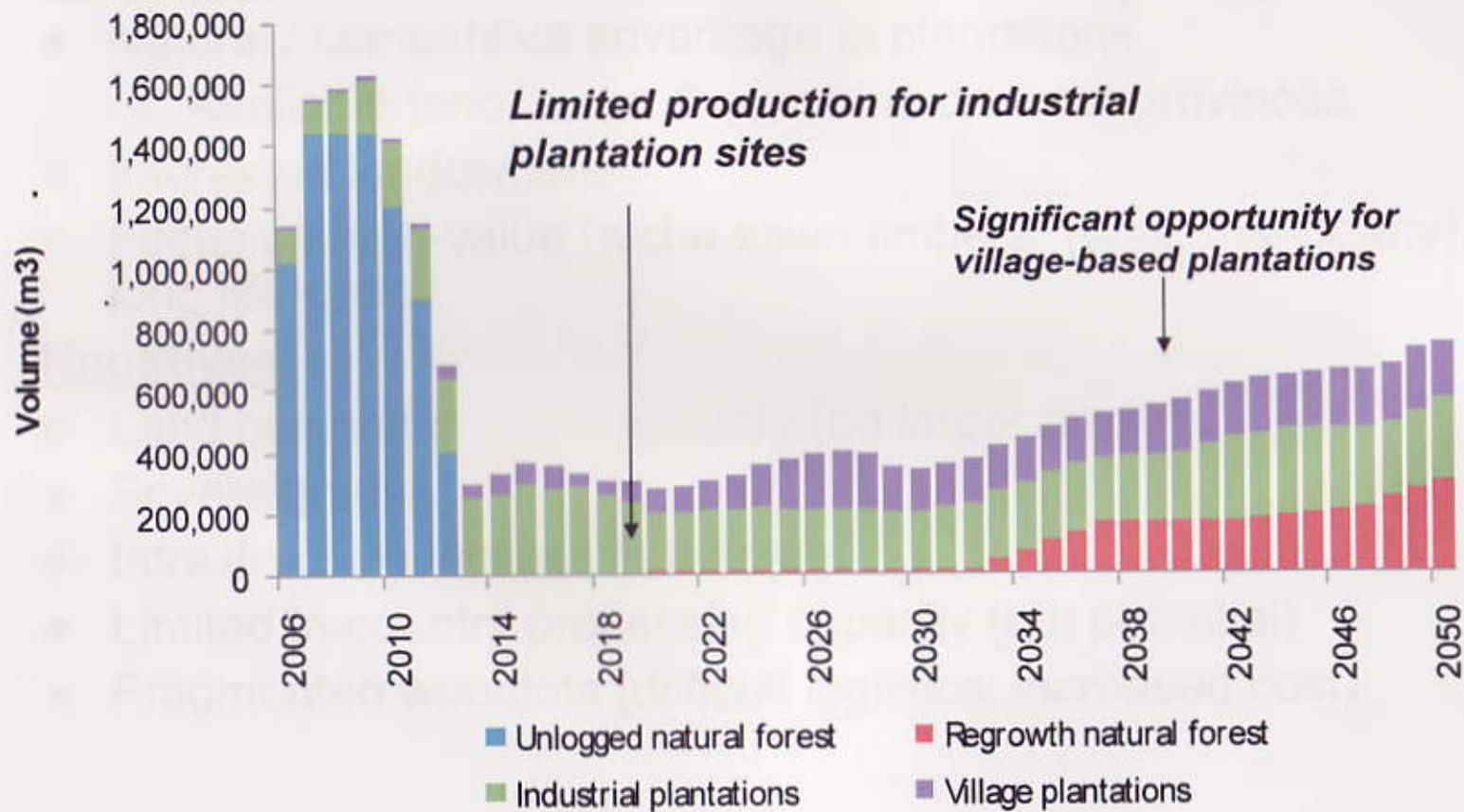
Western Province - Logging Licence Summary (Dec 2005)



# SI Natural Forestry Opportunities



# Combined forest estate: plantations will become increasingly important



# SI Plantation Opportunities

## Positives:

- Natural / competitive advantage in plantations
  - Available land, water & sunshine on most provinces
- Interested landowners
- Focus on high-value “niche sawn timbers” (teak, mahogany), long life-cycle

## Negatives:

- Land ownership / land security (on larger areas)
- Sovereign risk
- Infrastructure: access to markets
- Limited in-country processing capacity (but potential)
- Fragmented woodlots (difficult logistics, increased cost)



# Solomon Islands plantation examples



**Western Province: 6 year old  
Teak planted by local tree-grower**



**Example of the 9000 households involving in  
village-level tree planting (13,000 woodlots = 6000  
ha +/-)**



# Teak 2 years old



# Mature plantations: furniture material = long life carbon storage



↑ 24 yr old Teak

← 25 yr old mahogany

