

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF TRADE, INDUSTRY AND FORESTS
TASHICHHODZONG : THIMPHU
BHUTAN

NO.TIF/G-4-A/79/888

27th September, 1979.

GOVERNMENT ORDER

Sub:- Forest Resources Utilization.

Resolution number two (2) of the 50th session of the National Assembly reads as follow:-

2. Points related to Timber Business.

Some Chimis expressed that since the forests in their locality were protected from fires by the public, they should be given the contract to exploit the neighbouring forests. They felt that the neighbouring forests should not be allotted to private contractors.

On this issue, His Majesty was pleased to Command that the policy regarding allotment of forest coupes to private contractors has been revised. His Majesty was also pleased to state that the Royal Government has taken the following decisions:-

- i) The existing practice of allotting forest coupes to private contractors has been discontinued. A complete ban on commercial felling has also been imposed in Southern Bhutan.
- ii) There are presently 26 saw mills established with the assistance of the Government. Although there is a need to close down these saw mills, the fact that these were established with the encouragement of the Government, it was decided that the saw mills will be encouraged to go only into wood product manufacturing ventures. Henceforth, they will be restricted from selling sawn timber.
- iii) For the benefit of the people and the country, the Government was planning to establish a plywood and other wood-based industries. In the production of plywood, even inferior timber could be used. In place of inferior trees felled and fed to the factory, more valuable trees would be planted to ensure future forest revenues. If the above industries can be established, the Government would earn substantial revenues which in turn could bring many benefits to the public. When establishing these industries, the Government would attempt to employ as many nationals as possible.

Realising the great potential benefits that we could derive from forests. His Majesty was pleased to Command that it was in the interest of the country to protect the valuable forests from fires and other hazards.

The assembly unanimously supported His Majesty's Command and resolved that henceforth all logging activities would be done by the Govt. and that no private businessmen would be granted forests coupes."

In accordance with the above resolution, fresh felling of trees for commercial purposes by all private contractors has been stopped with effect from 14th July, 1979. Henceforth all such logging will be done by the Government. To fully implement and comply with the National Assembly Resolution in question, the undermentioned working procedures have been approved by the Government.

Forest Logging Operations will be permitted in the following cases :-

- (1) Commercial Logging for export and industries.
- (2) Logging for internal Governmental needs.
- (3) Logging for local timber requirements, i.e.,
 - a) Rural : For house construction and other domestic needs.
 - b) Urban : For house construction and other domestic needs.

The above mentioned types of logging operations will be undertaken in the manner indicated below:-

All Commercial Logging for export and industries shall be done exclusively by the Government. This will be carried out and organised by the Department of Forests in the manner indicated herein. The Department of Forests will carry out the logging operations through the following means :-

- (a) Directly by the Department utilising its existing logging centres or through similar centres to be created.
- (b) Through the Joint Army Welfare Programme.
- (c) Through other commercial Government Departments like, the Export Division, State Trading Corporation of Bhutan, Department of Trade and Industries, etc.

- (d) When timber is allocated for Governmental constructions where there are no Government extraction agencies, the Department of Forests may permit the Government organization concerned to arrange its own extraction. However, the Department of Forests will exercise strict supervision.
- (e) For local timber requirements in urban areas, no individual timber allocations will be made. The Department of Forests, in consultation with other local organizations and departments concerned, will assess the timber requirements of each urban area and will arrange to log the timber in the manner hitherto indicated. There-after, according to capacities of sawmills in the respective areas, the Department of Forests will make allocations to saw and supply. Such allocations will be made specifically for local needs like house construction, furniture making, etc. and no exports of such timber will be permitted by these sawmills. Local sale prices will also be fixed by the Department of Forests.
- (f) By engaging work contractors for logging only, whenever it is impractical for the abovementioned Government organizations to undertake such operations. When such work contractors are engaged for logging, the timber will not be sold to them but they will be treated merely as work contractors. Such work contractors will not be permitted to engage in buying and selling of timber for commercial purposes. All logging operations done by the agencies mentioned above, will only be done within the frame work of scientific forest management plans. Existing working plans will be reviewed by the Department of Forests to ascertain their correctness.
- (g) In case of local timber requirements in rural areas, the Department of Forests will continue the present practice of making allocations of trees on case by case basis as indicated below and within the framework of other relevant rules in vogue in this respect.
- Until the time when the Public Works Department can lay down the timber requirements of the different classes of rural housing, the following has been approved by the Government for rural housing timber allocations:-

<u>Species</u>	<u>No. of trees</u>	<u>Rates</u>
Coiferous	1 to 50	No. 2.00 per tree
	51 to 100	Nu.10.00 per tree
	above 100	Full Commercial royalty rates.
Other species	1 to 5	Nu.20.00 per tree
	6 to 10	Nu.55.00 per tree
	11 to 20	Nu.75.00 per tree
Poles (below 6" diameter)		Nu. 0.50 per pole
Poles (above 6" diameter below 12")		Nu. 1.00 per pole

Timber or other forest products for house construction and other purposes in URBAN areas subject to levy of commercial rates of royalty.

Export of Timber.

All exports of timber will be done solely by the Government through the Export Division, Ministry of Trade, Industry and Forests. Government Instructions to this extent have already been issued vide Circular NO.TIF/G-4-A-/79/874 dated 17th September, 1979.

This Government Order has been brought into effect from August 15, 1979.

Circulated for information to:-

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