Abstract.

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To date, there are 10.26 millions ha of state production forestland area allocated for industrial timber plantations (hutan tanaman industri, or HTI). But, only 3,1 millions ha (or 30%) have been planted. The Ministry of Forestry has, since 2004, set a policy to speed up establishment of HTI by allowing natural forest conversion until 2009. Afterward, there will be no more natural forest conversion for HTI development. The goal is to have 5 million ha of HTI established in 2009, and by 2014 total area of HTI will be 10 million ha. In addition, just recently the Ministry of Forestry set aside another 9 million ha of degraded forest land area for expansion of timber plantation, of which 60 percent will be allocated for the development of community timber plantation (hutan tanaman rakyat, or HTR). The HTR program will involve community who live surrounding state forestland area to engage and get benefit from small scale timber plantation development. The goal is to have 5,4 million ha of HTR by 2016.

Development of alternative timber resources, specially from timber plantation, are needed to bridge the growing gap between demand for forest products and sustainable wood supply. The Ministry of Forestry and most stakeholders recognized that the future of wood processing industry will depend on an expanded timber plantation development. But, expanding plantations will be challenged by conflict over land resources and the need to address issues of due process related to gazettal to help ensure legality of wood products in international markets. There is considerable potential to involve the rural poor in plantation production on both community and individually owned land, as well as on state production forest area.