

Discussions on the agreement began in 2007 but were only concluded last month.

Forestry Minister Zulkifli Hasan hailed the signing of the Flegt-VPA as a major step toward tackling illegal logging.

“This is a very important step forward, where a tropical country like Indonesia shares responsibility with the consuming countries in addressing illegal logging and the illegal timber trade,” he said in a speech before the signing ceremony.

Zulkifli said the rampant illegal logging in Indonesia was fueled by high demand for timber and timber products. He said efforts to curb the practice had so far proven less than effective, and therefore needed to be complemented by efforts from consumer countries to handle the demand side of the problem.

EU trade commissioner Karel de Gucht said the European Union was a key market for Indonesian forest products, with the total average annual value of timber and paper exports from Indonesia reaching \$1.2 billion.

The agreement will affect all timber exports from Indonesia and is expected to help the country’s products compete in the United States and other consumer nations that have adopted policies to ensure the legality of such imports in an effort to slow deforestation globally.

Based on the agreement, the European Union and its member states will guarantee unlimited access for timber and timber products from Indonesia as long as they have the Flegt license.

For its part, the Forestry Ministry said it would audit the 4,500 companies involved in the timber industry in Indonesia to ensure the legality of the wood, pulp and paper being exported to Europe.

Zulkifli added that trial exports under the new mechanism would be carried out between 2012 and 2013.

Indonesia is the first country in Asia to sign the voluntary partnership agreement with the European Union and will be the largest timber exporter among those that have already signed it.

The minister also said Indonesia would implement its own Timber Legality Verification System (SVLK) in early 2012. The system is expected to ensure that only timber with a certificate of legality will be allowed to be traded domestically or internationally.