



MAFF
Ministry of Agriculture,
Forestry and Fisheries



**Intimate
Gathering**
dang

Workshop
Talkshow
Exhibition
Demo Product

ESTABLISHMENT OF A NATIONAL COUNCIL FOR PROMOTION OF SUSTAINABLE AND RESILIENT DOMESTIC MARKET FOR WOOD PRODUCTS & SHARING INFORMATION AND EXPERIENCE OF DEVELOPMENT OF DOMESTIC MARKET FOR WOOD PRODUCTS

ITTO PD 928/22 Rev.1 (I)
Development Of Sustainable Domestic Market
For Wood Products

Jakarta, February 2025





FINAL TECHNICAL REPORT

ACTIVITY 2.1

ESTABLISHMENT OF A NATIONAL COUNCIL FOR PROMOTION OF SUSTAINABLE AND RESILIENT DOMESTIC MARKET FOR WOOD PRODUCTS

ACTIVITY 2.4

SHARING INFORMATION AND EXPERIENCE OF DEVELOPMENT OF DOMESTIC MARKET FOR WOOD PRODUCTS

Prepared by:

Dr. Rina Kristanti - Project Coordinator ITTO Project PD 928/22 Rev.1 (I)

Supported by:

The International Tropical Timber Organization (ITTO)

Ministry of Agriculture, Forestry and Fisheries Japan Government

Directorate of Forest Product Processing and Marketing,

Directorate General of Sustainable Forest Management,

The Ministry of Forestry

Jakarta, February 2025



INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



MAFF
Ministry of Agriculture,
Forestry and Fisheries



Executing Agency

Mr. Erwan Sudaryanto

Krisdianto, Ph.D. (former)

Dr. Drasopolino (former)

Dr. Ristianto Pribadi (former)

Director of Forest Product Processing and Marketing,
Directorate General of Sustainable Forest Management, Ministry of Forestry

Dr. Deden Nurochman

Dr. Sudarmalik (former)

Deputy Director of Forest Product Processing Planning
Directorate General of Sustainable Forest Management, Ministry of Forestry

Project Coordinator

Dr. Rina Kristanti

Policy Analyst of Sustainable Forest Management,
Directorate General of Sustainable Forest Management, Ministry of Forestry

Address: Manggala Wanabakti Building, Block I, 11th Floor,

Jl. Gatot Subroto, Jakarta 10270

Phone number: +62 21 5704618

Fax number: +62 21 5704618

Email: itto.woodproduct@menklhk.org

Website: <https://sihutanku.phl.menlhk.go.id/>

FOREWORD

As part of a broader study and outreach of the International Tropical Timber Organization (ITTO) PD 928/22 Rev.1 (I) Development of Sustainable Domestic Market for Wood Products, this document of Technical Report of “Activity 2.1. Establishment of a National Council for Promotion of Sustainable and Resilient Domestic Market for Wood Products” and “Activity 2.4 Sharing Information and Experience of Development of Domestic Market for Wood Products” has succeeded in summarizing the process, opportunities and challenges faced by stakeholders in promoting the sustainable and resilient domestic market for wood products, especially in project locus area consisting the West Java Province, Central Java Province, and Banten Province, in supporting the developing a sustainable domestic market for wood products.

As we all know, the global economic and geopolitical crises have slowed the global economy and activities in various sectors including global markets for Indonesian wood products. Then, the domestic market becomes the most alternative potential market for the sustainability of the Indonesian wood industry. The ITTO PD 928/22 is designed to revitalize and fortify our domestic production and consumption of wood products. It is a good initiative to understand the domestic market’s dynamic and formulate supporting policies, including through the development of the stakeholder in charge of the development of the domestic market for wood products and also the outreach program to share the information and experience faced in the process of the development of the domestic market for wood products.

This report cannot be separated from the collaboration, hard work, dedication, and support of stakeholders. Therefore, we would like to express my highest gratitude to the Japan Forestry Agency, the Ministry of Agriculture, Forestry and Fishery, Japan Government for funding ITTO PD 928/22 Rev.1 (I), ITTO for creating the opportunity to develop ITTO PD 928/22 Rev.1 (I), and to the Directorate of Forest Product Processing and Marketing, Directorate General of Sustainable Forest Management, the Ministry of Forestry as the Executing Agency, for the sustainable technical and in administration support. We also would like to deliver sincere appreciation to those who contributed their time, expertise, and support to ensure the stride of the objectives of the activity. Thank you to the supporting ministries and central government institutions, the provincial agencies working on forestry as well as on industry and trade, the forestry and wood industry associations, and the universities for their constructive contributions.

Hopefully, this report can be a reference for various stakeholders in the domestic wood product market in Indonesia. We humbly expect that the information presented herein will serve as a valuable source of information for policymakers, researchers, and stakeholders – and can be used as a basis for future decision-making.

Project Coordinator
ITTO PD 928/22 Rev.1 (I)

Dr. Rina Kristanti

I. Input of Activity 2.1 and 2.4

Based on the updated master budget of the project, the allocated budget to support Activity 2.1 Establishment of a National Council for Promotion of Sustainable and Resilient Domestic Market for Wood Products USD 7,058.54, consisting of USD 6,433.37 for consulting JFA and USD 625.17 for the coordination meeting. To implement Activity 2.4 Sharing Information and Experience of Development of Domestic Market for Wood Products, the allocated budget is USD 1.244,41.

II. Target of Activity 2.1 and 2.3

Activity 2.1 is targeted to determine the targeted relevant stakeholders as part of the national council for the promotion of a sustainable and resilient domestic market for wood products. The information on the targeted relevant stakeholders is developed to engage them in ITTO PD 928/22 Rev.1 (I) PSC and PTC Meetings as the media to support the committed stakeholders to support the development of the sustainable domestic market for wood products.

Activity 2.4 is targeted to share information and experience in the development of domestic consumption of wood products with the assistance of the ITTO Secretariat in collaboration with other potential international organizations.

III. The Work Implemented in Activity 2.1

The implementation of Activity 2.1 is very related to the implementation of the ITTO PD 928/22 Rev.1 (I) PSC and PTC Meeting of the project that gathers the relevant stakeholders with a similar vision and interest to develop the domestic market for wood products in Indonesia. Activity 2.1 is also very related to Activity 1.4 Development of Mid-Term National Strategy for Enhanced Domestic Market of Wood Products.

From the PSC and PTC Meetings of the project that have been conducted to monitor and evaluate the progress of the implementation of the project and project implementation, it is identified that the relevant stakeholders consist of:

No.	Institution	Role and Responsibility
1.	The Ministry of Agriculture, Forestry and Fishery Japan Government	As the donor to monitor and evaluate the project implementation, to obtain lessons learned from the beneficiary in developing the domestic market for wood products
2.	The International Tropical Timber Organization	To support the SFM of member countries including the donor and beneficiary, to be the facilitator between donor and beneficiary, to obtain lessons learned from the beneficiary in developing the domestic market of wood products, to connect the producer and consumer
3.	The Ministry of Forestry	Project beneficiary to support the implementation of its role as the regulator in developing the domestic market for wood products

No.	Institution	Role and Responsibility
4.	Coordinating Ministry for Food	To coordinate relevant stakeholders in developing the domestic market for wood products
5.	The Ministry of Industry	To support, link, and match programs on spurring the development of the wood industry in producing intermediate and finished wood products, to provide education and development center for the wood industry, and to create incentives for the wood industry through its regulation and infrastructure development
6.	The Ministry of Trade	To support, link, and match programs on spurring the development of the wood industry by regulation for the easiness of wood products trade and marketing
7.	Ministry of Housing	To support, link, and match programs on the development of wooden-based material utilization in the construction sector, to provide the education and development center, and to create incentives for the wood industry through its regulation and infrastructure development
8.	Government Goods and Services Procurement Policy Agency	To create regulations to create the domestic market by government procurement of wood products leading to the utilization of wood products in a sustainable manner
9.	The Provincial Forestry Agency	To support, link, and match programs on spurring the development of the wood industry by regulation to support the supply chain in the wood industry and to create incentives for the wood industry through its regulation at the provincial level
10.	The Provincial Industry and Trade Agency	To support, link, and match programs on spurring the development of the wood industry by regulation for the easiness of wood products trade and marketing, to provide education and development center for the wood industry, and to create incentives for the wood industry through its regulation and infrastructure development at the provincial level
11.	University	To support the development of efficient and low-cost technology for the wood industry in creating updated and developed wood products and create recommendations for corrective action of the implementation of wood industry governance
12.	Indonesian Forest Entrepreneurs Association (APHI)	To support the domestic market for wood products by providing a sustainable supply of raw materials for the wood industries
13.	Indonesian Forestry Community Communication Forum (FKMPI)	To connect all relevant associations in the wood industry to support the development of the domestic market for wood products

No.	Institution	Role and Responsibility
14.	Indonesian Wood Panel Association (APKINDO)	To support the domestic market for wood products by providing good quality wood panel products sold in the domestic market and to provide input for corrective action of the implementation of wood industry governance
15.	Indonesian Sawn Timber and Processed Timber Association (ISWA)	To support the domestic market for wood products by providing good quality sawn timber sold in the domestic market and to provide input for corrective action of the implementation of wood industry governance
16.	Indonesian Furniture Industry & Handicraft Association (ASMINDO)	To support the domestic market for wood products by providing good furniture and crafting products sold in the domestic market and to provide input for corrective action of the implementation of wood industry governance
17.	Indonesian Furniture and Craft Industry Association (HIMKI)	To support the domestic market for wood products by providing good furniture and crafting products sold in the domestic market and to provide input for corrective action of the implementation of wood industry governance
18.	Indonesian Light Wood Association (ILWA)	To support the domestic market for wood products by providing lightwood panel products sold in the domestic market and to provide input for corrective action of the implementation of wood industry governance

Regarding the implementation of the 1st, the 2nd, and the 3rd ITTO PD 928/22 Rev.1 (I) PSC and PTC Meeting, the meetings resulted in the recommendation and exit strategies of:

- ✓ The 1st ITTO PD 928/22 Rev.1 (I) PSC and PTC Meeting conducted on 4 September 2023 agreed to make the following endorsement and recommendations for more effective implementation of the project:
1. All the members and participants of the PSC And PTC Meeting agreed and endorsed the project to be implemented.
 2. Integrate the government institutions as the regulator, industry, and associations to support the sustainable domestic market for wood product
 3. Focus on opening the long-way market and making innovations. Innovation is not only the regulation but also the programs.
 4. The project not only produces output but also must produce outcomes.
 5. There is sustainability of project outputs and outcomes in the future.
 6. The project must run according to the timeline to facilitate implementation, so needs to be managed properly from an administrative and substantive aspect.
 7. Optimal regulations or policies for industries and forest products.
 8. Education and campaign for consumers about sustainable wood products.
 9. ITTO Project PD 928/22 Rev.1 (I) results be integrated into the MoEF information system which can be accessed after the project is completed.
 10. Coordination, synergy, and collaboration of the parties to implement the project.

11. Include concern about increasing the domestic market's capacity and carbon, because of use the of wood products.



The 1st PSC and PTC Meeting ITTO PD 928/22 Rev.1 (I)

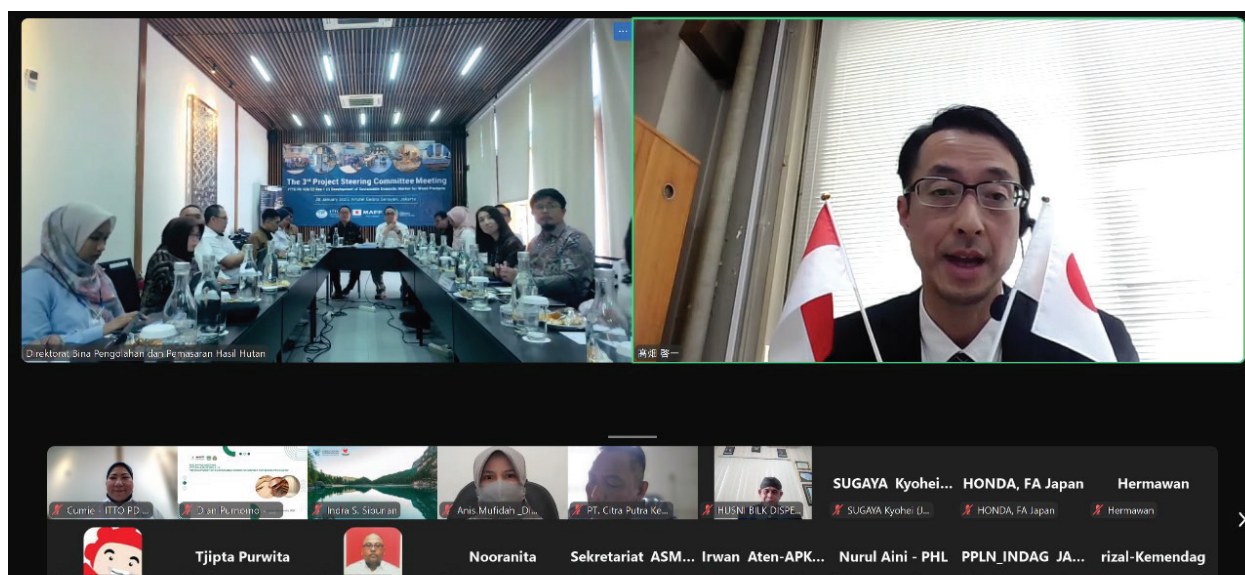
- ✓ The 2nd ITTO PD 928/22 Rev.1 (I) PSC and PTC Meeting conducted on 25 April 2024 agreed to make the following endorsement and recommendations for more effective implementation of the project:
1. All the members and participants of the PSC and PTC Meeting agreed that the decline in wood product consumption is proven by the decline of forest product exports. The associations are supporting the development of the domestic market with its challenging problems as well.
 2. The SVLK holders should be supported for government procurement and the government should support the use of SVLK products as mandatory not only voluntary.
 3. The project of ITTO PD 928/22 Rev.1 (I) should be expanded and up-scaled to other regions in Indonesia.
 4. The engineered wood products and the use of lesser-known wood species is the answer to support the domestic market due to the limitation of timber productivity where public education is very important to engage the potential consumers.
 5. The next level of the ITTO project is expected to be focused on the development of wooden materials utilization in the construction sector.

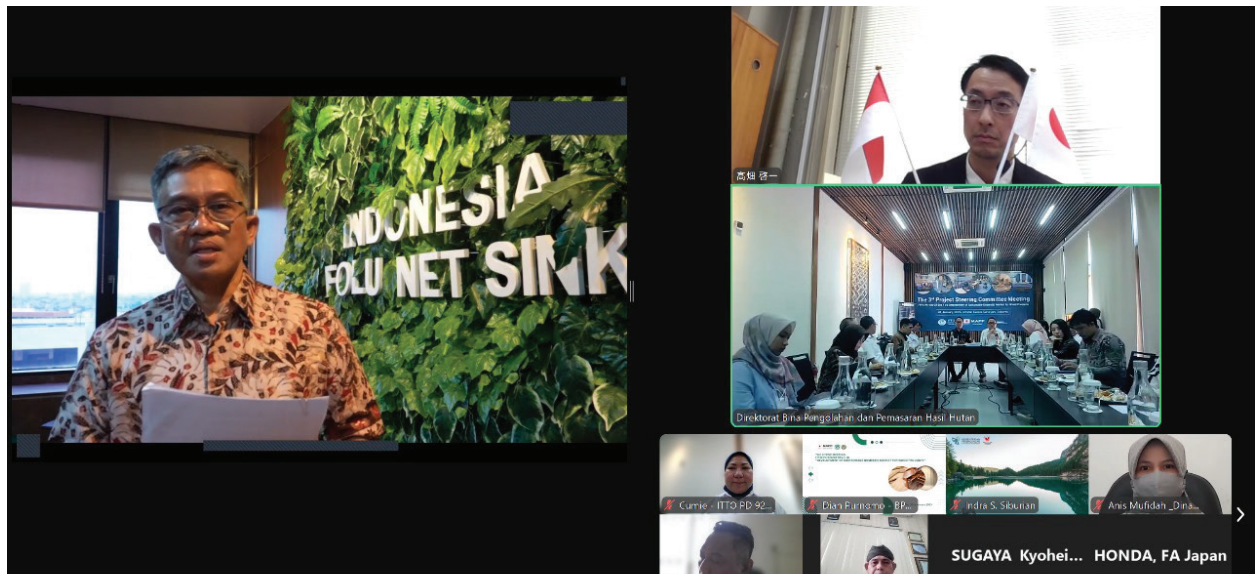
6. The government supports the domestic market through government procurement, the new capital city of Indonesia (Ibu Kota Nusantara - IKN), the use of local/ domestic components of the products, and facilitation for skilled human resources in the wood industry and its product design, machinery, and product development, wide market and stable business climate.



The 2nd PSC and PTC Meeting ITTO PD 928/22 Rev.1 (I)

- ✓ The 3rd ITTO PD 928/22 Rev.1 (I) PSC and PTC Meeting conducted on 30 January 2025 agreed to make the following endorsement at the end of project implementation:
1. Develop and extend PD 928/22 Rev. 1 (I) in other regions to develop a comprehensive roadmap for the sustainable market for wood products and its connectivity with other sectors and to connect the supply chain among upstream, downstream, and markets of the wood industry;
 2. To boost the existing mutual collaboration with the construction sector (Ministry of Housing, University, associations) as part of the domestic market. The use of wood materials for the construction of the IKN has very potential by using engineered wood resulting from academic research which can be upscaled in the wood industry sector;
 3. Accelerate the result of PD 928/22 Rev. 1 (I) to the policy stage especially in developing the domestic market in the IKN;
 4. The target of the new government cabinet, namely the construction of 3 million landed houses and flats per year is a potential market not only for wood manufacturing as a construction material but also for interiors and furniture;
 5. The government commits to support and coordinate government efforts in developing the national processed wood product market, both for the global and domestic markets. The government also committed to strongly supporting the initiative to develop the domestic market by PD 928 through the forestry sectoral e-catalog to enhance the incentive for SVLK and strengthen the wood industry to meet global market requirements;
 6. The forest and wood industry associations suggested follow-up activities for ITTO PD 928/22 Rev.1 (I) by promoting engineered wood to support the use of wood for construction materials and the continuation of the project and to collaborate with associations;
 7. The domestic market for processed wood has great potential, especially for the younger generation and their awareness of the benefits of using wood products. This needs to be supported by counter-discourse related to the campaign that using wood products triggers deforestation;
 8. Executing Agency conveys the launching and development of SiHutanku.ID and Forestry E-Catalog is a breakthrough to support the development of the domestic market for wood products in Indonesia;
 9. The importance of PD 928 in supporting the preparation of the outlook and roadmap for the domestic market in strengthening the national wood industry;
 10. The involvement and strengthening of the capacity of the younger generation, both as consumers and producers, is a determining factor. ITTO PD 928/22 Rev.1 (I) needs to be developed and focused on activities to increase the capacity and awareness of the younger generation, aspects of sustainability, and the urgency of developing the domestic market.





The 3rd PSC Meeting ITTO PD 928/22 Rev.1 (I)

IV. The Work Implemented in Activity 2.4

The implementation of Activity 2.1 is very related to the implementation of the International Tropical Timber Council (ITTC) in terms of disseminating the progress of ITTO PD 928/22 Rev.1 (I). The involvement of ITTO PD 928/22 Rev.1 (I) in ITTC-59 in 2023 and ITTC-60 in supporting Sustainable Wood Use to the Japanese government as the Donor of the Project and to ITTO Members. The involvement of the ITTO PD 928/22 Rev.1 (I) represented by the Project Coordinator is shown by the figures below.

<https://www.itto.int/ittc-59/day3/>



Indonesia's Rina Kristanti delivers a presentation at the Joint Committees on Economics, Statistics and Markets and F

<https://www.itto.int/media/rina-kristanti-indonesia-ittc-59-15nov2023-photo>



[Archives](#) [Topics](#) [Negotiations](#) [Participants](#) [Articles](#) [Q](#)

Share this page:

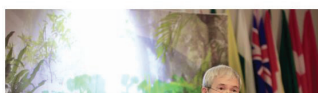


ITTO PD 928/22 Rev.1 (I) involvement in ITTC-59 in Pattaya, November 2023

Committee Meetings



Catherine Karr-Colque, Chair of CEM-CFI Committee, US



ITTO PD 928/22 Rev.1 (I) involvement in ITTC-60 in Yokohama, December 2024

V. The Supporting Activities in Achieving Target of Activity 2.1 and Activity 2.4

To support the implementation of “Activity 2.1. Establishment of a National Council for Promotion of Sustainable and Resilient Domestic Market for Wood Products” and “Activity 2.4 Sharing Information and Experience of Development of Domestic Market for Wood Products”, the Project Management Unit and Executing Agency collaborated with relevant stakeholders to capture the input and recommendation and disseminate the importance of developing a domestic market for wood products to support the national economy. Some of the activities are described below.



Coordination with Central Java Provincial Forestry and Industry and Trade Agency



Coordination with East Java Provincial Forestry and Industry and Trade Agency



Coordination with West Java Provincial Forestry and Industry and Trade Agency



Cumie83

Coordination with Banten Provincial Forestry and Industry and Trade Agency





Coordination with Ministries and National Agency



Coordination with the National Research Agency and Education Center



Coordination with the universities in the project locus





Coordination with the forestry and wood industries association



Benchmarking with South Kalimantan, East Kalimantan and North Sumatra Province



Dissemination of ITTO PD 928/22 Rev. 1 (I) and the benefit of using wood products for the community



Coordination with the community developing domestic market for wood products



Coordination with international furniture associations



Coordination with Japan Forestry Agency and international construction company



Coordination with the provincial agency for collective wood processing infrastructure



Supporting the Executing Agency to study the supply chain for the export market



Supporting the Executing Agency to develop information system for wood industry



Supporting the Executing Agency in developing the domestic market for wood products by government e-procurement



Supporting the Executing Agency to evaluate the performance of the wood industry

VI. Conclusion

Strengthening the domestic markets for wood products helps business actors grow create jobs and generate state revenue. This is very important in the face of the slowing global economy. The activities conducted in ITTO Project PD 928/22 are designed to revitalize and fortify our domestic production and consumption of wood products in Indonesia. The importance of developing the domestic market for wood products could also be measured through various initiatives and one of them is the coordination and dissemination with relevant stakeholders who share similar interests and mutual vision and mission in developing the domestic market for wood products.

This project is a good opportunity for many stakeholders to collaborate on the ideas and insights based on its findings to address the challenges in developing a domestic market for wood products. The project was approved in the PSC Meetings and ITTC has commenced smoothly and is progressing right on track achieving the settled outputs. Furthermore, the collaborative works conducted in ITTO PD 928/22 Rev.1 (I) will ensure to see the great picture of Indonesia's wood industries and support sustainable forest management and livelihoods as well as contribute to the nation's prosperity.



INTERNATIONAL TROPICAL
TIMBER ORGANIZATION



MAFF
Ministry of Agriculture,
Forestry and Fisheries



ITTO PD 928/22 Rev.1 (I)
DEVELOPMENT OF SUSTAINABLE DOMESTIC MARKET FOR WOOD PRODUCTS
- 2025 -