



Republic of the Philippines
Department of Environment and Natural Resources
Forest Management Bureau
Visayas Avenue, Diliman, Quezon City, 1100
Philippines

JUL 22 2003

MEMORANDUM CIRCULAR

No. *2003-14*

TO : All DENR offices and parties concerned

SUBJECT : *Declaring a moratorium on the establishment of new wood processing plants*

There are clamors from some sectors in the forestry industry for the declaration of a temporary moratorium on the establishment of new wood processing plants. It is perceived that there are many new small- and medium-scale plants being established despite the scarcity of domestic wood raw materials, and despite the unfilled capacities of existing processing facilities. In response to this, the Department is now undertaking a study on the rationalization of locations, types and capacities of wood processing facilities.

Effective the date of this memorandum, a moratorium on the establishment of new wood processing plants throughout the country is hereby declared. DENR offices concerned are hereby instructed to:

1. Stop from receiving applications for the establishment of new wood processing plants of whatever type and capacity, either for primary, secondary or further value-added processing.
2. Stop the processing of new applications for permit to establish new processing plants which are now within the DENR system, and to inform the proponents thereof that the processing of these applications is suspended, pending the results of the ongoing rationalization study.
3. Applications for permit to operate processing plants which have already been granted the permit to establish shall be processed in accordance with current rules and regulations on the matter, *provided*, that field officers concerned shall physically verify the existence and adequacy of sustainable raw material sources, and shall certify to that effect; *provided further*, that any misrepresentation of facts on the existence and adequacy of raw material for any particular plant shall be dealt with accordingly under the Department's administrative processes.
4. Complete, within ten (10) days from date hereof, the Survey Questionnaire on Wood Processing Plants which was covered by the Memorandum dated 05 June 2003 of the Undersecretary for Field Operations, and forward these accomplished questionnaires to the Forest Management Bureau without delay.

The Forest Management Bureau is hereby instructed to complete the rationalization study within 45 days from the date hereof, and present the results to the Forest Based Industry Advisory Committee (FBIAC) which is composed of representatives of the forestry industry sectors and government agencies concerned.

Elisea G. Gozun
ELISEA (BEBET) G. GOZUN 7/16
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