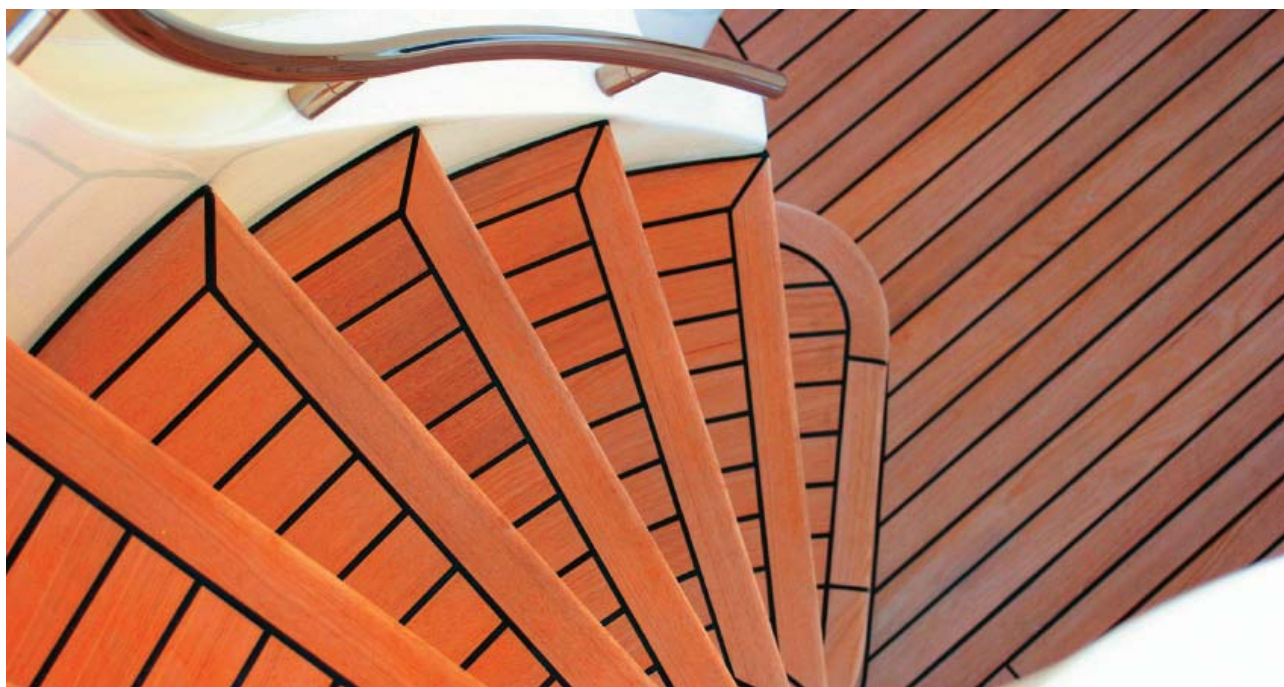


# Teak Myths

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## DECKS – A RETEAK ON THE PC VIEW



Mike Kimble from Teak Solutions gives here an alternative view to the teak situation highlighted in Roger Marshall's article 'Teak Tactics' in issue 85 of *The Yacht Report*.

**I**N JUNE OF 2007, I READ WITH INTEREST AN ARTICLE IN ISSUE 85, page 81, of *The Yacht Report* regarding 'Teak Tactics'. As we briefly discussed during Tork's visit to M/Y A in Kiel, you got most of it right. On other points, in my opinion, politics steered you left or right of the truth. *The Yacht Report* is not a political instrument; however, the consequences of both the American and subsequent EU embargo against Myanmar are driving teak supply problems in our industry. And people throughout the business consistently underestimate the ultimate impact on both the American and European yacht industry. Let me entertain you with a "rebel's" view. I apologise in advance for taking exception to some opinions voiced in your June '07 article. To prevent confusion I will refer to Myanmar as the country and Burmese Teak as a natural resource of that country.

**First:** *The Yacht Report* leads the reader to believe that the teak decking industry is using teak on yachts from sources other than Burma. I found this ironic since throughout the article everyone interviewed clearly stated that all other teak was unsatisfactory. So first and foremost let me offer an inconvenient truth: the only teak suitable for use on a superyacht comes from Myanmar. In fact most megayacht contracts specify "Old-growth Burmese Teak". While teak trees do not know on which side of a border they grow in Myanmar, Thailand, India, Cambodia, Laos or another, those of us in the industry do. If the log is of the size, quality, age, and harvesting technique which qualify it for use on a superyacht, the chances are 99 per cent it came from the forest of Myanmar. And the odds are further that as an SG1 or SG2 (superyacht standard) log it was an old-growth tree.

So why is Myanmar the only country on the planet with substantial quantities of old-growth teak remaining? Could it be because the governments of Myanmar did and actually continue to do a better job of managing their forest than the surrounding countries? Environmentalists are very slow to acknowledge the fact that the International Tropical Timber Organization (ITTO) regularly rate Myanmar above its neighbours in forest-management success. Or could it be that while China, India, Thailand, Indonesia, and others were “clear cutting” their teak forest Myanmar strictly stuck to the Scientific Forest Management system initiated in 1856 as the Exploitation-cum-Cultural System or Myanmar Selection System (MSS)? This was established to assure the sustainability of natural forests in perpetuity. Or maybe it is relevant that in spite of the availability of this large forest resource the MSS is still being adhered to steadfastly today with only very conservative amounts of forest selected annually for legal harvest?

Maybe we should consider that of all the teak-growing countries in the world, only Myanmar foresters came to realise the adverse impact plantations of teak trees upon the soil and water resources, the environment and biodiversity conservation as a whole. This meant they have never supported the contention that forest resources are easily renewable, but have held to the belief that they are in fact critical. Maybe it is because of the sum of all these reasons that Myanmar today is the only country which can claim possession of expansive natural teak forest, a wealth of biodiversity, a stable environment and a balanced climate.

**Second:** The reader is lead to believe that teak is not sustainable and that forest levels are the reason prices are skyrocketing, lengths are short and quality is low. This is not entirely the case. Myanmar is the largest country in mainland Southeast Asia with a total land area of 676,553km<sup>2</sup>. Forested area in Burma is about 344,237km<sup>2</sup> or approximately 50 per cent of the total land area; and Myanmar is in an envied seventh place for all of East Asia for the measured decrease of their forest area. Over 80 per cent of the forested land is ‘closed forest’ and managed through the Myanmar Selection System (MSS) by Myanmar Timber Enterprises (MTE) to harvest a small number of selected teak trees from 10 forest districts using girth limits, annual rings and a 30-year cycle. This system is designed



to ensure the harvest of timber on a sustained basis. As example: last year an average of 600 tons of SG1 and SG2 teak logs were legally exported each month from Myanmar. This number is relatively small and might in fact be sustainable.

So what is the problem and why are prices skyrocketing? The problem is a rampant rise in illegal logging brought on by the American and European Embargo. It is now estimated that up to 40 per cent of the teak which leaves Myanmar is done through illegal means. These trees come from protected acres of the remaining natural forests. When cut the land is not rehabilitated, the trees are not replanted, and no environmental concerns are addressed. The logs are short cut to allow them to be hidden between other species. Then these illegal logs

are sold as SG1 and SG2 logs when in fact they are SG4 or SG5 logs. The gullible customer is told and believes that this is the new highest available standard; this is not correct. In short, it is possible that America and the EU are causing the destruction of one of the world’s few successful forest management systems by implementing across the board trade and investment sanctions. Thus it is embargoes – not a traditional supply and demand model – which drive the price of teak.

**Third:** My industry puts it collective head in the sand regarding the embargoes. Rocking the embargo boat simply is not fashionable, rated for political correctness along with supporting forced labour, the use of children to mine rubies or the arrest and beating of Tibetan

Monks. However, there are two sides to all political policies. In my opinion one must be able to look at both cause and effect. Since the trade embargoes are negatively affecting both our industry and the teak forest, I am always looking to see if they are working, achieving their intended goal.

The resounding answer from all sectors is that they are totally “ineffective” and hurt rather than help the people of Myanmar. Therefore, I subscribe to an opinion drafted by Mr Leon T. Hadar for the Cato Institute. He wrote: “The US policy of imposing unilateral trade and investment sanctions against Burma has proven to be a failure on all fronts. By forcing US firms to disengage from Burma, that policy has harmed American economic interests and done nothing to improve the living conditions or human rights of the people of Burma.

“ ... it is embargoes – not a traditional supply and demand model – which drive the price of teak. ”

Sanctions have denied Burmese citizens the benefits of increased investment by American multinational companies – investment that brings technology, better working conditions and Western ideas. State and local sanctions against Burma have compounded the problem caused by federal sanctions and raised troubling constitutional questions. Unilateral sanctions have alienated our allies in the region and strengthened the hand of China but achieved none of the stated foreign policy aims. If Washington had allowed the Association of Southeast Asian Nations to take the lead in setting policy toward Burma, the United States could have enjoyed a ‘win-win’ situation – better relations with our allies and more influence over the regime in Rangoon. As an alternative to the failed policy of sanctions, the United States should allow US companies to freely trade with and invest in Burma. A pro-business approach to engagement would more effectively promote political, civil and economic freedom around the world. Congress should enact legislation requiring a full accounting of the cost of sanctions and explicit justification on national security grounds before they can be imposed.” That explains why I find it very disappointing that the EU is now set to march lock step with Washington down this same road.

**Fourth:** If firms are signing contracts with shipyard/owners which require Old-growth Burmese Teak and telling you they are using something else, who are they lying to? The fact is they all use teak which originated in Burma. It was legally or illegally exported to Thailand, China, India, Malaysia, Indonesia, or another country which does not support the Myanmar embargo. From these countries the timber is then again legally or illegally moved to Europe or America. However, it is sad that illegal logging is allowed to hide yet run rampant within this system. Therefore, I believe our industry needs to lobby for exceptions to the embargo to get the trade of teak back on top of the table. We could lead in this struggle if allowed. By engaging the MTE with meaningful exchange to better protect our supply (their forest) we might actually enhance Myanmar human rights in the process.

**Fifth:** The Editor’s note of the June 07 article asked, why 20mm rather than 9mm teak? Most responsible teak decking companies design a teak deck to support the life cycle of the yacht. The life cycle of a 10-metre sailing yacht may be 10 years, therefore a 9mm deck may be satisfactory. Superyachts are designed to a 20-year standard. Since the cost of the actual teak wood is only 25 to 30 per cent of the cost of a teak deck, putting 10mm



of teak on a super yacht would require a new deck to be installed halfway through its life cycle. This would be a huge expense considering the removal cost of the worn-out deck and a repeat of 100 per cent of the original cost. We base our recommendations for teak thickness on 1mm per year wear in high traffic areas and as low as 0.5mm per year in low traffic areas. The majority of super yachts have main decks which are 20mm, owners’ decks 16mm or 14mm, interior spaces 12mm and swim decks 25mm thick. The thickness is not the only issue affecting life cycle. Another issue is building to a solid design. It is heartbreaking for me to witness a yacht builder save 10 per cent on the cost of a teak deck while cutting its life cycle in half. For example, we have all seen 18mm of perfect teak being removed in splinters from a two-year-old teak deck because a faulty adhesive was used in the installation. It is possible that as many as 30 per cent of the teak decks manufactured and installed are removed and or replaced prior to the wood wearing out (*here we both agree – my point was that through bad design or install a lot of teak is wasted – Ed*).

For me this is a criminal act. Teak decks need to be designed to last the life of the wood. At Teak Solutions we take an approach that we owe it to our clients to eliminate every possible failure point in the deck design. And we look for responsible owners’ representatives and shipyards that are willing to pay for this engineering and innovation.

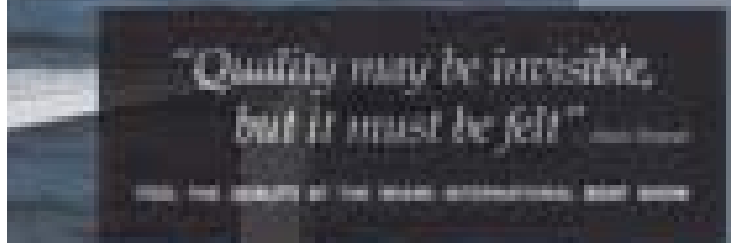
For example, vacuum bagging a 21-metre-long fibreglass reinforced teak deck panel to a mechanically and epoxy fastened sub deck is an expensive and complicated installation technique. However, it is the method we use because we feel it is the best. We also caulk from top to bottom, use vacuum tables to construct panels, and pioneered the use of large mobile shops to support very large teak deck projects. We even entered other markets (commercial/residential building, custom furniture, etc.) just to make sure all the teak from our logs went to good use. I would suggest that our industry sets minimum standards which could be published to protect our customers from suppliers building to a 12- or 24-month warranty period rather than the life cycle of the yacht.

**Sixth:** Ethically, a question must be asked; how can a yacht builder in America or Europe guarantee a new client a “superyacht quality” teak deck and support either the America or EU embargoes against Burmese timber products? The answer is simple.: do so within the constraints of international law. Buy only legally exported Burmese Timber, that is timber sold through the MTE. Then legally manufacture it (maybe only cutting logs into planks) and move it to America or the EU, within the legal limits of the enforcement legislation. Lobby your government representatives to work on ways to find solutions to these problems before all teak imports are banned. If and when this happens, I can guarantee a buyer who can afford a 300-million personal yacht will find a way to have a beautiful teak deck. In fact the solution will come quickly and easily as a fine example of supply and demand economics. Countries outside of America and the EU will move quickly to service this need. And the only losers will be the American and EU yards/suppliers. They may just be removing their collective heads from the sand and asking; what happened to our industry?

Finally a recommendation to owners: if you are building a megayacht now or plan to do so in the next five years, purchase your wood now and set it aside. It will be dried and ready when the time comes. You do not have to accept short lengths. Last year we provided a discerning customer 5.5-metre nearly perfect teak for his project. A house we built last year in the Bahamas has hundreds of 11-metre-long beams. You do not have to accept low quality. The best is still available; it simply costs more than most shipbuilders have in their teak deck budget. And lastly, teak has out-performed all currencies and markets for several years running.

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**Photos: www.istock.com**

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