

How UK timber traders such as Finforest, Montague L Meyer continue to fuel the destruction of Indonesia's last rainforests

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'Expecting or asking one country to combat illegal logging while at the same time, receiving or importing illegal logs does not support efforts to combat these forests crimes... In fact, allowing the import and trade of illegal timber products could be considered as an act to assist or even to conduct forest crime.' Muhammed Prakosa, Indonesian Forest Minister, 26 January 2003

'Since we apparently cannot stop the supply, it has become clear that Indonesia will not overcome illegal logging without stemming the foreign demand for Indonesian logs and forestry products.... By buying timber sourced from Indonesia, you are facilitating the destruction of our rainforests and national parks.' Nabel Makarim, Indonesian Minister for the Environment, September 2002

In June Greenpeace released a new report, 'Partners in Crime: A Greenpeace investigation of the links between the UK and Indonesia's timber barons'. As a result of this report and the surrounding campaigning the two largest builders merchants in the UK, Travis Perkins and Jewson, have committed to stopping all purchases of Indonesian rainforest plywood by the end of this year.

Other UK traders continue to profit from the destruction of Indonesia's forests.

Indonesia's forests

Indonesia is one of the two most biologically diverse countries in the world. The majority of its unique species depend on forests for their survival. Despite the fact it makes up only 1.3% of the earth's land surface it is home to about 25% of the world's species of fish, 17% of birds, 16% of reptiles and amphibians, 12% of mammals and 10% of its plants. The country has the longest list of endangered species in the world.

The forests of Indonesia aren't only crucial for wildlife, they also provide food and a livelihood for the 40 to 50 million people who traditionally owned and managed Indonesia's forests. These people depend on the forest for fishing, hunting, and harvesting timber and for producing forest products like rattan, honey and fruit. When the forests disappear so does their livelihood.

Every year at least 2.5 million hectares of Indonesian rainforest are destroyed - an area larger than Wales. If the current rate of destruction continues the World Bank predicts most of Indonesia's lowland rainforests will be wiped out by 2010.

The profits from the illegal and destructive logging of Indonesia's rainforests has flowed straight into the pockets of the Indonesian military, corrupt government officials, timber barons and international timber traders. Local communities have simply been left to bear the social, environmental and economic costs of illegal logging and burning of the forests – such as soil erosion, flooding and drought. The World Bank estimates that the Indonesian Government loses US\$6,700 a minute in foregone revenues due to illegal logging.

The Timber Industry

Forest crime is overwhelming. It is unlikely that a single log in Indonesia is produced in a way that is not characterized by the breaking or manipulation of some regulation. According to Indonesia's Ministry of Forestry, 'Illegal logging has come to constitute a well-organized criminal enterprise with strong backing and a network that is so extensive, well established and strong that it is bold enough to resist, threaten, and in fact physically tyrannize forestry law enforcement authorities.'

Forest protection is paper thin. Illegal logging has destroyed nearly 20% of protected areas.

Forest crime fuels and is fuelled by the military. Agents of the Indonesian military, notorious for human rights abuses throughout the Archipelago, are heavily involved in commercial forestry as concession holders, business partners, and security for forest companies as well as financial backers and protectors of illegal loggers. This conflict of interest has contributed to the failure to prosecute forest crimes and human rights crimes committed by timber companies.

Companies such as Barito Pacific have been involved in a catalogue of illegal practices in timber concessions, plantations and mills across Indonesia. These include illegal logging, logging protected rainforest areas, tax evasion, illegal burning of the rainforest, bribery, inciting social conflict and involvement with the military.

Trade. About 90% of Indonesia's plywood is exported. The UK is the sixth largest importer of Indonesian plywood in the world and more than 50% of UK tropical plywood imports are from Indonesia. In 2002 alone the UK imported 237,000 cubic metres of plywood from Indonesia, worth £52 million (source: HM Customs and Excise). The same year, the UK imported 23,000 cubic metres of Indonesian door blanks worth nearly £26 million. Other important markets include Japan, which receives about one third of production, the USA, China and the EU.

UK Timber Trade

Once in the UK, Indonesian plywood gets everywhere. It is regularly used by the construction industry as hoardings to surround building sites and for formwork to hold wet concrete in place. Often, it is used only once and then thrown away. It is also used for furniture, shelves and work surfaces. Basic door blanks and fire doors made from Indonesian plywood are sold to developers, builders, contractors, and the general public.

In June of this year Travis Perkins and Jewson committed to halting purchases of Indonesian rainforest plywood due to overwhelming levels of illegality in the trade. This action followed from that taken by US companies such as International Paper, the largest forest products company in the world, who concluded that 'the only sensible solution is to avoid Indonesia as a wood supplier until the Indonesian government, which recently acknowledged its inability to stop illegal logging, and those companies who harvest wood there, take the steps required to protect the forests.'

But whilst the two largest UK Builders Merchants have halted purchases, the demand for cheap timber means that the flow of Indonesian plywood to the UK continues. Companies such as Finforest, Montague L Meyer, James Latham and Caledonian plywood continue to fuel illegality and destruction in Indonesia's rainforests through their purchases of hardwood plywood and doorblanks.

The UK's Timber Trade Federation has launched a 'scoping study' to identify potentially 'legal' plywood supply for the UK trade, but at the same time thousands of pallets of plywood, from companies notorious for illegal logging, human rights abuses, environmental destruction, fraud and corruption, continue to flood the UK marketplace.

The alternative to Indonesian timber:

UK companies and consumers do not need to buy uncertified Indonesian rainforest timber such as plywood – alternatives are readily available. FSC hardwood ply has now become available from Brazil and Malaysia. MDF or Oriental Strand Board (OSB) such as 'Smartply', provide FSC accredited alternatives to hardwood plywood.

Greenpeace demands:

- UK traders must immediately halt sales of all Indonesian rainforest timber products, until they can be independently verified as from legal and sustainable sources.
- The UK Government must take immediate action at the European level to push for new legislation to ban the import of illegally sourced timber products.

For a full copy of the Indonesian forest report 'Partners in Crime' visit www.saveordelete.com

For more information about the campaign or for images of Indonesian wildlife and logging operations contact Greenpeace Press Office on 020 7865 8255.