



MEDIA BRIEFING

JULY 2000

THE AMAZON'S MAJOR THREAT: ILLEGAL LOGGING

THE AMAZON—AN ENDANGERED NATURAL PARADISE

The Amazon rainforest is one of the biologically richest areas in the world, containing more than one-third of the earth's remaining ancient forests and supporting 50 percent of the world's land-based animal and plant species. Illegal logging, however, continues to be one of the greatest threats to this incredible natural treasure.

According to the Washington-based World Resources Institute, nearly 80 percent of the Earth's original ancient forests have either been destroyed or degraded. The remainder is disappearing at an alarming rate of 10 million hectares every year. Every two seconds, an area the size of a football field is destroyed.

In the Amazon alone, criminal timber exports have contributed to destroying a section of the forest that is nearly the size of Texas; and each year an area half the size of Maryland disappears.

THE U.S. SUPPORTS ILLEGAL LOGGING

At the G8 summit in Birmingham, England, in 1998, the United States, along with the United Kingdom, France, Germany, Canada, Italy, Russia and Japan, announced the *Action Program on Forests* and committed itself to eliminating illegal logging and the international illegal timber trade.

Two years later, there is increasing evidence that not only have the G8 failed to tackle illegal logging but these governments are actually supporting the international illegal timber trade. The G8 form the most powerful group of consumers in the world, purchasing timber from forest regions involved in illegal logging but that group is turning a blind eye to companies importing criminal timber into their countries.

The Brazilian Government estimates that 80 percent of all logs cut in the Brazilian Amazon are illegal, and in Indonesia as much as 70 percent of the raw timber is logged illegally. Despite this, the U.S. continues to be a major consumer of timber products from these two countries, where illegal logging is the norm rather than the exception.

TIMBER CRIMINALS TARGET THE AMAZON

With the depletion of the Southeast Asian and Central African forest, transnational corporations are targeting the Amazon as a key source of forest products. Huge majestic trees like the Samauma, also known as "Queen of the Forest" are being cut down to make cheap plywood for construction companies in the U.S., Japan and Europe.

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Over the past 18 months, Greenpeace has been tracking down illegal logging from its ship, MV Amazon Guardian in remote regions of Amazonas and Para States. The environmental group's extensive investigations has uncovered hard evidence of U.S. based companies trading with several transnational companies that buy logs from sources with illicit track records.

The examples of illegalities shown below are clearly only the tip of the iceberg. The amount of illegal logs found would be much greater if the Brazilian Government's inspection structure was stronger. In the State of Amazonas, for example, they currently rely on only one inspector per 4 million hectares, an area the size of Switzerland.

- ***RIMBUNAN HIJAU/SELVAPLAC***

The Malaysian logging company Rimbunan Hijau Group is one of the top rainforest destroyers in the world with operations in Malaysia, Gabon, Papua New Guinea, Solomon Islands, Russia and Brazil. Rimbunan Hijau is one of the main companies that regularly exports Amazonian plywood to the U.S. through its subsidiaries Selvaplac and Carolina. Over the last year they have increased exports into the U.S. through the ports of Savannah, Ga., and Camden (Philadelphia), Pa.

Through Jaya Tiasa Holdings Bhd, the Rimbunan Hijau Group owns three plywood and lumber producers in the Brazilian Amazon—Selvaplac Verde SA, Carolina Indústria Ltda and Maginco Verde SA. During the period of April 20, 1998 to October 4, 1999, five of Selvaplac's suppliers were fined by IBAMA, the Brazilian environment agency, for the possession of illegal timber.

One of Selvaplac main veneer suppliers which was fined was their sister company Carolina Indústria Ltda, based in Itacoatiara in Amazonas State. During the log transport seasons from 1997 to 1999, Carolina received the second highest amount of fines of the six plywood and veneer companies operating in Amazonas State, totaling around US\$ 256,270.82 (Brazilian Reals 463,468.50). The company has applied to the court in order to not have to pay the fine. During the same period one-third of all Carolina's third-party log suppliers received fines for the illegal exploitation, transport and sale of logs.

Carolina is currently under investigation by the Federal Prosecutor in Manaus for its role in the illegal log trade in Amazonas State. Since September 1999 illegal acts such as this are now prosecuted under the new Brazilian Environmental Crimes Law. In February, Carolina received a fine of around US\$ 16,660 (Brazilian Reais 30,0000) and the Director of the company faces criminal charges under the new law.

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- ***EIDAI DO BRASIL (JAPAN)***

Owned by Eidai Inc. of Japan, Eidai do Brazil is the largest processed forest products exporter in Para State and exports plywood and veneer to the U.S., Japan, the UK and the Netherlands.

In early July this year, Eidai do Brasil received a record fine from IBAMA of about US\$1.88 million (Brazilian Reais 3,400,000) for using timber obtained illegally. This fine refers to nine new infractions applied by IBAMA, regarding 6,200 cubic meters of logs processed by Eidai in the period September 1999 to February 2000. The illegal logs are part of a larger volume involving 22,000 cubic meters of illegal logs discovered during an investigation by IBAMA of Eidai's records. The investigation was requested by Greenpeace.

The 6,200 cubic meters of illegal timber falls under Brazil's new environmental crimes law that took effect in September 1999. Last year, Greenpeace investigators in Brazil, using simple ultra-violet paint, revealed that logs being delivered to Eidai were illegal and asked IBAMA to search the accounts of Eidai. Fines for the remaining logs processed by Eidai prior to the new legislation are currently under consideration by IBAMA. With these 9 new violations over the last 11 years, Eidai was found to be in violation of Brazilian forestry laws 108 times.

On the same day Eidai received the US\$1.88 million, Greenpeace carried out a number of actions against the importation of Eidai plywood into Kobe, Japan. Three days of confrontation resulted in a public commitment by Mr. Okamura, Administrative Director of Eidai, that the timber company would "no longer buy illegal timber." It remains to be seen how the company will enforce this public commitment.

- ***ROBCO***

Robco Madeira is the Brazilian subsidiary of Robinson Lumber Company Inc, based in New Orleans. The company is located in Para State and exports sawn lumber (including mahogany) mainly to the U.S. It also exports to Japan, Australia, and most European countries. The parent company, Robinson, is one of the U.S.'s largest window and door manufacturer's, Jeld-Wen.

Robco relies primarily on third-party suppliers. In 1998, Robco was fined around \$2,121 (4,000 Brazilian Reals) for possession of illegal lumber. In the period 1998 to 1999, five of Robco's sawn lumber suppliers were also fined.

As a result of a recent 60-day investigation into the extent of illegal logging practices in Para State, IBAMA early this month suspended around 800 and cancelled 300 Forest Management Plans (FMP) of timber suppliers in the region. Less than 20% of the original FMPs remain authorized. This is indicative of the level of illegalities amongst third party suppliers who supply export companies such as Robco.

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SOLUTIONS TO SAVE THE AMAZON

Due to the failure of G8 countries to live up to their commitments, Greenpeace is carrying out a global campaign against illegal and destructive logging of the world's last remaining ancient forests. In the past weeks, Greenpeace has held dramatic actions around the world, exposing criminal imports of forest products into countries including Japan, Denmark, Germany, Italy, Portugal, Spain, the UK and now the United States.

A vital part of Greenpeace's Amazon campaign is to identify viable alternative economic activities for the 20 million people living there that could act as a solution to illegal and destructive logging. There are a number of initiatives that could help keep the forest alive, ranging from the sustainable harvesting of non-timber products like fruits and nuts, rubber, and medicinal products to certified logging.

On May 30, Greenpeace applauded the logging company Precious Woods Amazon for its commitment to ecologically responsible logging in tropical rainforest ecosystems. During a meeting aboard the Greenpeace ship, *MV Amazon Guardian*, Precious Woods presented its new initiative. The initiative is based on negotiations and on-site forest inspections with Greenpeace experts that lasted more than a year. In addition, companies like Home Depot and Ikea have committed to buying only forest products from legal and sustainable sources, rather than from operations involved in rainforest destruction.

On June 8, the governor of the state of Acre in Brazil, Jorge Viana, made a commitment to forest certification that could see nearly four million hectares of Amazon forest placed under sustainable management. The announcement was the first sign of the certification challenge being championed in Brazil by people with the power to make it work. It could mark a major turning point in the certification drive. Acre's goal is to have 25 percent of its forests certified according to Forest Stewardship Council (FSC) principles and criteria, and to maintain at least 80 percent of the state's forest cover.

Another solution is rubber tapping, a traditional activity carried out in extractive reserves. In 1999, Greenpeace set up a partnership with the University of Brasilia, the National Council of Rubber Tappers and the National Centre of Traditional Populations. Also, Greenpeace funded the Tecbor, a project for 40 rubber tapping families using a new technology developed by Professor Floriano Pastore of the University of Brasilia. As a result of this partnership, 2.5 tons of high quality rubber have been produced in the first harvesting season.

GREENPEACE IS CALLING FOR:

- Logging only through independently certified operations using such standards as those set by the Forest Stewardship Council (FSC);
- Expanding areas of ancient forest used for other ecologically responsible activities, such as extractive reserves;
- Proper demarcation of all indigenous lands; and
- G8 Governments to take immediate action.

THE BOTTOM LINE:

- **DO NOT** buy illegal forest products. **DO** buy products from sustainable, certified forests;
- **DO NOT** fund forest destruction through aid for unsustainable forestry. **DO** provide urgent assistance to forest countries to tackle illegal logging; and
- **DO NOT** allow G8 countries to be markets for illegal timber. **DO** increase the capacity for monitoring, and increase transparency throughout the production and transport of forest products globally.