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Malaysia tackles illegal logging

By Mustafa Ali

KUALA LUMPUR - Malaysia is implementing a ban on the importation of timber from Indonesia, but this remains some way off from dismantling the entire system that allow Indonesian timber to reach this country illegally.

Malaysia announced this ban last month to address widespread criticism that its timber industry has been part of the illegal system allowing logs and sawn timber to get here from Indonesia - and adding to the destruction of forest cover in its neighboring country.

Starting this month, the Malaysian government said, it will issue import licenses only to those importers who can show proof that the origin of incoming logs is not Indonesia.

But the larger question is whether political will and well-intentioned administrative measures can bring to a halt a powerful network that trades in illegal timber between Indonesia and Malaysia - and makes huge profits from it.

Environmental groups estimate that over the past 10 years, timber smuggling from Indonesia's Kalimantan alone into Malaysia has cost the Indonesian government a nominal minimum of US\$580 million in value, a reckoning that relies on the market rate - whether illegal or not - that such produce would fetch.

"At least 50 percent of the revenue goes to illegal loggers, while 30 percent goes to private companies," said Bintang Simangunsong, senior lecturer at the Bogor Institute of Agriculture (IPB).

The typical operation comprises local Indonesians who are the cheap labor for the venture, the middlemen - usually a group of 10-15 who supply equipment and food to the small logging teams - the timber barons who wield political and economic clout and often own timber processing factories, and finally the relevant local and regional authorities in Indonesia who ensure that the business runs.

What has agitated Kuala Lumpur recently, however, is the Malaysian part of the syndicates, which launder the illegal timber from Indonesia and turn it into produce of Malaysian origin.

Indeed, during a parliamentary commission meeting in February, Indonesian Forestry Minister Muhammad Prakosa said he suspected Malaysian citizens of being involved in illegal logging in Indonesia.

He recalled, for instance, a trip he once made to Kalimantan, the Indonesian province that borders the Malaysian state of Sarawak. "We saw heavy-duty equipment and we suspected that the equipment belonged to Malaysian citizens that have committed

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illegal logging," he said, adding that nine Malaysians had been arrested in Papua on suspicion of illegal logging.

It is to counter the suspicions, and to conduct damage control, that Malaysian Primary Industries Minister Lim Keng Yaik announced the imposition of the ban by Malaysia on imports of sawn timber from Indonesia. "We are taking this drastic action in the interest of Malaysia and to remove the negative perception against our timber industry," he was quoted as saying by the Bernama news agency. The ban covers Indonesian squared logs more than 390 square centimeters in size.

Whether the ban will make a real difference remains unclear for now.

In an interview, a spokeswoman for the Malaysian Nature Society, Stella Melkion, said, "If the quantity [of the imported sawn timber] is significant, the banning is worth it. But if the quantity is low, it doesn't make much different because there are always other markets that are open for it."

An indication of the volumes involved can be gauged from Indonesian government figures. The economic losses said to have been incurred from illegally cut logs are pegged at an annual Rp30 trillion (\$3.4 billion) and an outflow of 50.7 million cubic meters of timber.

But those are purely economic measures - and factor in none of the socio-ecological impact of continued illegal logging.

Indonesia's forests are among the most diverse and biologically rich in the world. Although the country occupies only 1.3 percent of the Earth's land surface, it holds a disproportionately high share of its biodiversity. This includes 11 percent of the world's plant species, 10 percent of its mammal species, and 16 percent of its bird species.

It was the illicit networks raping those forests, however, that were the focus of an investigation by Indonesian environmental non-government group Telapak and the London-based Environmental Investigation Agency (EIA). It found that the key points of illegal Indonesian-Malaysian timber trade are West Kalimantan's provincial capital Pontianak and Sarawak's capital Kuching.

They reported that timber was transported from Central Kalimantan to Malaysia. Once there, said the groups, blocks are exported to the world market.

More damning is the finding by the ETA and Telapak that timber was processed in sawmills established by Malaysian businessmen inside Indonesia. Their estimate is that more than a million cubic meters of timber passes through that every year, and that 50 percent of the timber supply to the hundreds of sawmills in Sarawak is illegal material from Kalimantan.

On other routes, data from Indonesia's Forestry Ministry in 2001 showed that between 80,000 and 100,000 cubic meters of illegal timber were moved every month through the port of Tarakan in East Kalimantan to the Malaysian province of Sabah.

That has helped explain how the timber-processing industry in Sabah has a capacity of up to 15 million cubic meters annually, although it has access to a legal supply of just 4 million cubic meters.

Critics say that it is a widespread, well-connected and well-

entrenched regional network, aided to a large extent by Indonesia's creaky legal system and the corruption, that plagues it.

In fact, in its March campaign against illegal logging, Forest Watch Indonesia director Togu Manurung expressed his disappointment at the Indonesian government's failure to tackle the problem. "The campaign [against illegal logging] must emerge as a social movement because we cannot rely on the government to take legal action against illegal loggers," he said.

There has also been international pressure, not least from Indonesia's donor governments and institutions that since 2001 have been calling for a halt to illegal logging.

(Inter Press Service)

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