

How illegal timber is coming into China

Greenpeace Findings & Recommendations

Case of Merbau

Prepared for FT/IUCN/CH Seminar

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The jewel in the crown

- once with a wide distribution, it is now extremely rare
- It is a slow-growing species, taking 80 years to mature
- Within the forest, the tree itself is rare, with often only 1-5 trees per hectare
- It is so highly valued that loggers target only the merbau, and leave all other trees they fell behind
- This logging decimates the forest: one study showed that to reach one merbau tree, an additional 45 trees were cut

Merbau (印茄木)

Merbau's original distribution on New Guinea



Projection of remaining Merbau in 35 years



Merbau's world trade flow

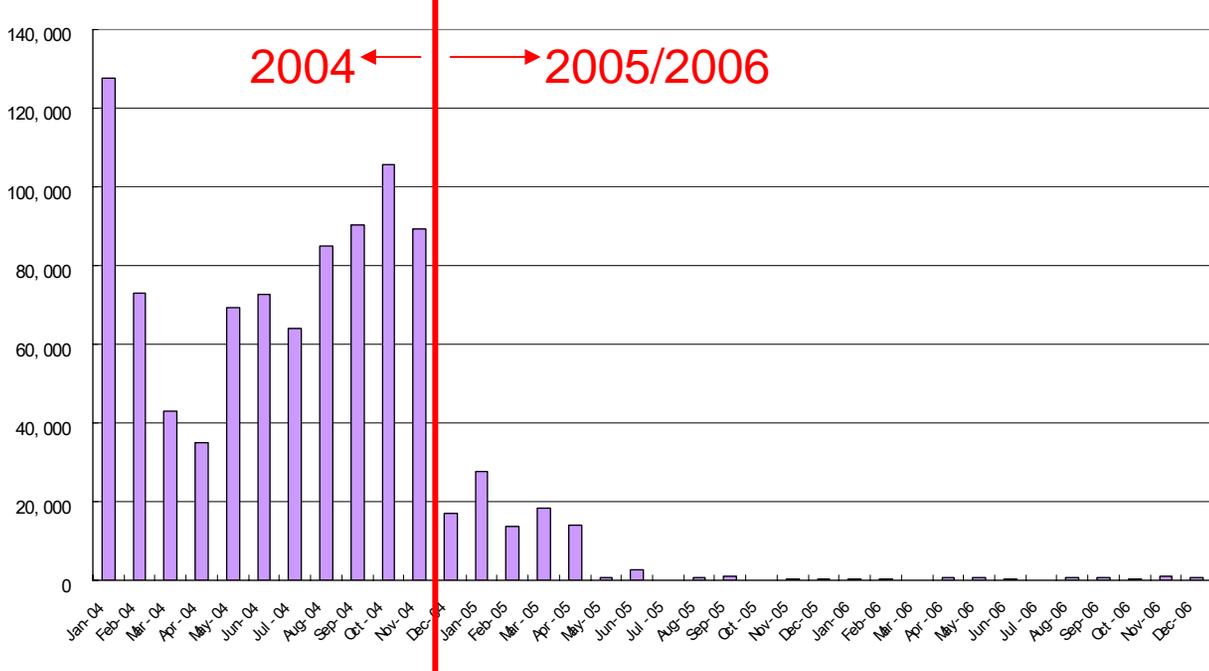
**Manufactured for
consumption in China...**

**...and for export to North
America, Europe, Japan,
New Zealand and Australia**

Illegal log trading: method 1

Using forged Malaysian documentation

China's merbau log imports from "Malaysia" 2004-2006 (Unit: m3)



“We always import from Malaysia, where it is no monitored by international organizations. In fact, merbau with Malaysian documentation is smuggled in from Indonesia, for they have many channels.”

A import and export trading company in Guangdong, 2006

Illegal log trading: method 2:

Importing logs from PNG's illegal concessions

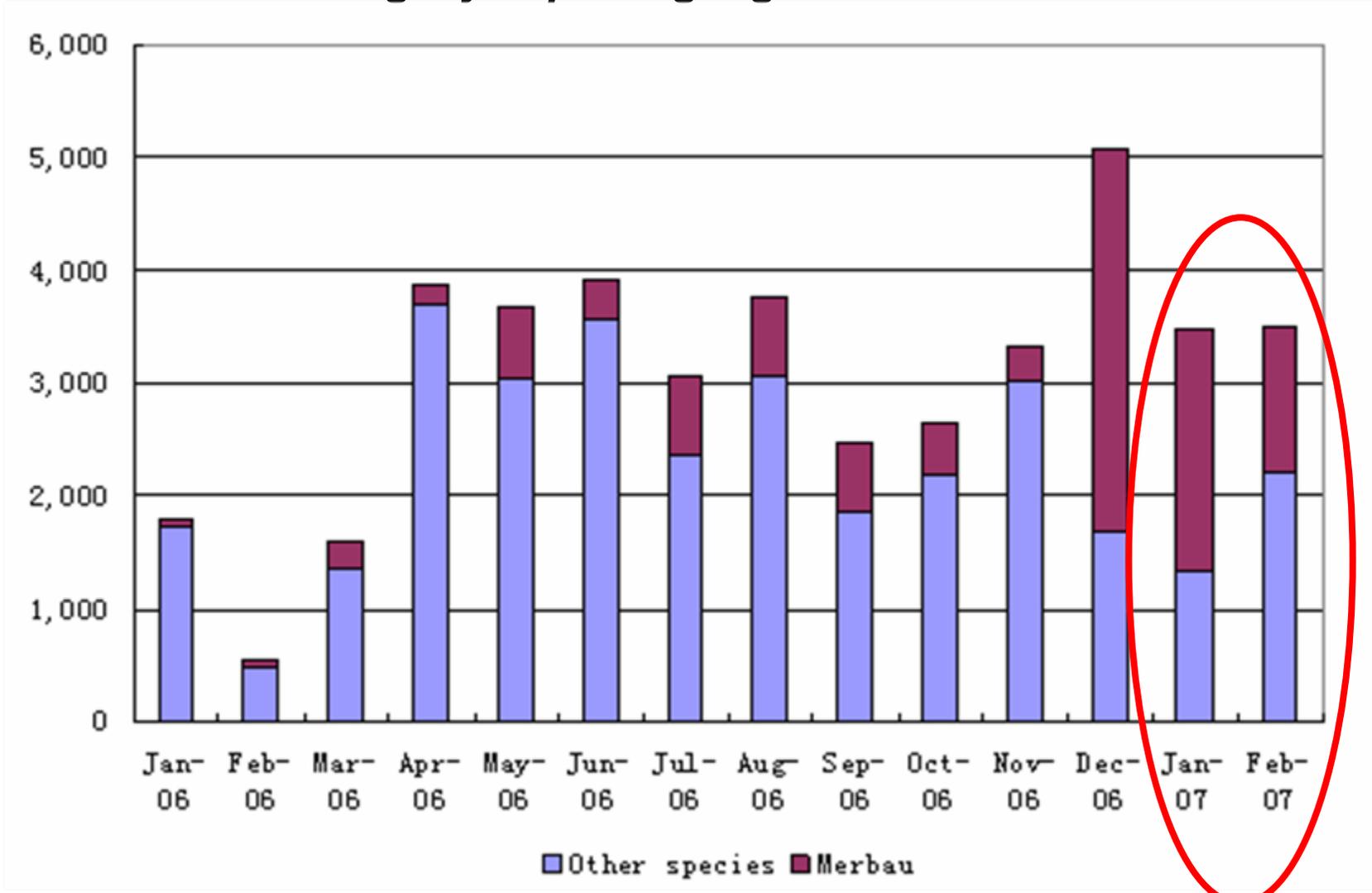
“The overwhelming conclusion is that the robber barons are now as active as they ever were. They are not only free to roam, but in fact are encouraged to do so by persons whose proper role is to exercise control over them... Only a Commission of Inquiry could hope to unearth the entire picture and unravel the web of deceit.”

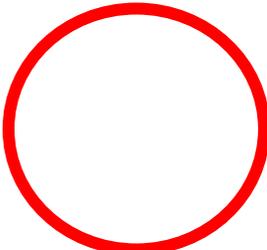
Findings of the PNG Independent Review Papua New Guinea Department of Planning and Monitoring, 2003

Merbau log in Zhangjiagang port. The number on the label tracks it back to a concession called “Turama” in Papua New Guinea, 2006

Illegal log trading: method 3

Illegally importing logs from Indonesia





Merbau logs marked as coming from Indonesia, found in the market of Yuzhu, Guangdong Province in 2006

Illegal log trading: method 4

Smuggling squared logs from Indonesia

- The Indonesian government also banned the export of logs that have been squared off: these are considered to be logs, not “sawn timber”.
- Recent investigations show an increase in squared off merbau logs at both Zhangjiagang port and at Yuzhu port.

Zhangjiagang port, 2006

With thousands of containers arriving in Chinese ports every day, it is relatively easy for these to escape the notice of Customs' officials.

Merbau: the tip of the iceberg

Due to the crackdown in Indonesia, the overall amount of merbau coming into China in 2006 decreased, although “sawn timber” volumes rose steadily from 2005.

Customs’ Data shows, however, a huge increase in the volumes of other tropical and non-tropical species.

For example, volumes of tropical logs from Southeast Asia, Africa and South America rose from 434,000 cubic meters in 2004 to 567,000 in 2006.

With half of the world’s tropical trees that are traded ending up in China, the impact that the wood manufacturing sector has on the world’s remaining merbau, as well as many other species, is enormous.

The timber manufacturing sector's future in China

According to export data from Papua New Guinea, already the decline in merbau warrants an *“urgent need to strengthen existing laws to control and regulate this high quality timber”*.

Many other species are similarly becoming endangered, and in many countries where these timber species are sourced the rates of Illegal logging is extremely high.

If the Chinese manufacturing sector continues to rely on using either endangered species, or on using illegal timber, in the near future a large section of the industry will collapse, when the supply of cheap timber inevitably runs out.

Greenpeace Recommendations

- **Indonesia and PNG should immediately propose Merbau for listing on the CITIES Appendix III.**
- **All governments should participate in multilateral processes and introduce measures at home to combat illegal logging and its associated trade.**
- **China Wood manufacturing companies and retailers here should adopt chain of custody tracking procedures to ensure the legality of the wood they purchase and move towards only purchasing timber certified by the FSC.**