

Press Release

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Corruption, lawlessness fuel epidemic of illegal logging in Indonesia

WASHINGTON, DC, February 20, 2002 - Corruption and lawlessness are fuelling an epidemic of illegal logging in Indonesia, resulting in a doubling of the country's deforestation rates in the late 1990s, according to a report released today.

Indonesia today is losing nearly 2 million hectares of forest every year, up from 1 million hectares annually in the 1980s. Forest cover fell from 162 million hectares in 1950 to only 98 million hectares in 2000. The country's richest forests, the lowland forests, are almost entirely gone in the island of Sulawesi and will disappear in 2005 from Sumatra and in 2010 in Kalimantan.

"Deforestation on this scale, at this speed, is unprecedented," said Emily Matthews, co-author of the report, **The State of the Forest: Indonesia**. "Indonesia is rapidly transitioning from a forest-rich to a forest-poor country."



The report, published by the World Resources Institute (WRI), Global Forest Watch (GFW), and Forest Watch Indonesia (FWI), is the first comprehensive map-based assessment of the forests of Indonesia. It provides a detailed analysis of the scale and pace of change affecting Indonesia's forests.

The report concludes that the doubling of deforestation rates in Indonesia is largely the result of a corrupt political and economic system

that regards natural resources as a source of revenue to be exploited for political ends and personal gain. The political instability that followed the economic crises of 1997 and the eventual ouster of former President Suharto in 1998 further increased deforestation to its current level.

"Indonesia's economic miracle of the 1980s and the 1990s was based on ecological devastation and abuse of local people's rights and customs," said Togu Manurung, director of Forest Watch Indonesia. "Our findings do not provide grounds for much optimism, despite clear signs of change in Indonesia."

Driving the rapid deforestation of Asia's largest – and the world's third largest -- contiguous areas of tropical forests are corruption, lawlessness, illegal logging, political instability, and over-expansion of forest industries.

Logging concessions covering more than half the country's total forest area were awarded by former President Suharto, many of them to his relatives and political allies. Today, ten companies control 45 percent of the total logging concessions in the country.

"Cronyism in the forestry sector left timber companies free to operate with little regard for long-term sustainability," said Matthews. According to the Ministry of Forestry, legal timber supplies from natural forests declined from 17 million cubic meters in 1995 to less than 8 million cubic meters in 2000.

Massive expansion in the plywood, pulp and paper industries over the last 20 years means that demand for wood fiber now exceeds legal supplies by as much as 40 million cubic meters annually. Many industry leaders have acknowledged their dependence on illegally cut wood, which accounted for as much as 65 percent of the supply in 2000.

The government's industrial timber plantation program and the system of converting forests into plantations further drive deforestation. Nearly 9 million hectares of land, much of it natural forest, has been allocated for industrial timber plantations by 1997. While most of it is cleared now, only 2 million of it has been re-planted. In addition, nearly 7 million hectares of forest had been approved for conversion into palm oil or rubber plantations, but only about 4 million has actually been planted.

The report warns that Indonesia's rapid move to a new system of regional autonomy could result in further deforestation since provincial and district governments do not have the funds or the capacity to govern effectively. Raising short-term revenue will be a top priority and as a result, intensified exploitation of forest resources is already occurring in many regions.

"Growing lawlessness has been a major factor in increased logging and forest clearing," said Manurung, a co-author of the report. Since 1998, the incidence of illegal logging and farming in national parks have increased, such as in Central Sulawesi's Lore Lindu National Park and in Aceh's Leuser National Park and in Central Kalimantan's Tanjung Puting National Park.

Indonesia's forests are considered to be among the most diverse and biologically rich in the world. Although the country comprises only 1.3 percent of the earth's land surface, it holds a disproportionately high share of its biodiversity, including 11 percent of the world's plant species, 10 percent of its mammal species, and 16 percent of its bird species.

While the report says that much of Indonesia's natural resource base has been destroyed and degraded, much of it still remains. The harder, but more sustainable route will be to reclaim the land that currently lies idle and conserve the primary forest that remains.

Pressure is being applied by international aid donors led by the World Bank to reform the country's forestry policy, but these efforts have met with limited success. Local Indonesian environmental organizations such as the Indonesian Forum for the Environment (WALHI) are also putting forward a reform agenda, but to date the government has paid serious attention only to aid donors.

"Sixty four million hectares of Indonesian forest have been cut down over the past 50 years," said Dirk Bryant, director of Global Forest Watch. "There is no economic or ethical justification for another 64 million hectares to be lost over the next 50 years."