



## Shippers in Indonesia fight decree on illegal logging

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According to a report from the International Tropical Timber Organization (ITTO), shippers in Indonesia are threatening to stop transporting logs if the government insists on enforcing a new decree on the transportation of illegal timber.

The Indonesian National Ship-owners Association says that the Indonesian government's proposal to impound ships carrying illegal timber would cause massive losses to the local shipping industry, according to the *ITTO Tropical Timber Market Report*. The association contends that authorities should only confiscate illegal wood, not the ships.

Legal timber harvesting affects 700,000-850,000 hectares of forest per year in Indonesia, but widespread illegal logging boosts the overall logged area to at least 1.2-1.4 million hectares and possibly much higher—in 2004, Environment Minister Nabel Makarim said that 75 percent of logging in Indonesia is illegal. Despite an official ban on the export of raw logs from Indonesia, timber is regularly smuggled to Malaysia, Singapore, and other Asian countries. By some estimates, Indonesia is losing around \$1 billion a year in tax revenue from the illicit trade. Illegal cutting is also hurting legitimate timber-harvesting businesses by reducing the supply of logs available for processing, and undercutting international prices for wood and wood products.

In April United States and Indonesia [signed an agreement to fight illegal logging](#).

This article uses information from the *ITTO Tropical Timber Market Report*.

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