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Southeast Asia

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Scapegoats for Indonesia's timber problems

By Bill Guerin

JAKARTA - In a further attempt to get Singapore and Malaysia to crack down on the illegal import of Indonesian logs, Forestry Minister M Prakosa is to visit both countries and China early next month for talks that seem futile from the start.

Prakosa said Singapore remains uncooperative and has not responded to earlier requests that it stop receiving illegal logs. In a fine turn of phrase, he accused them of "timber laundering". After a hearing with House of Representatives Commission III for forestry and agriculture last week the minister said, "Singapore accepts the timber. The transit there is to launder the illegal timber."

Thus Indonesia appears to have upped the stakes in blaming other countries for its endemic illegal-logging problems. President Megawati Sukarnoputri has acknowledged that Indonesia has limited resources to combat illegal logging. She has urged police to stop getting involved in the timber-smuggling networks. But Nur Hidayati, from the non-governmental Indonesian Forum for the Environment (WAHLI), put it in a nutshell: "Blaming other countries may make us feel better, but it doesn't help our trees or our future generations."

Illegal logging costs Indonesia an estimated Rp30.42 trillion (US \$3.37 billion) annually from lost earnings and taxes on some 10 million cubic meters of smuggled logs, and has hastened the demise of the country's natural forests. Forest cover in what has been called the Earth's green lung plummeted from 162 million hectares in 1950 to only 98 million in 2000. With the world's fastest rate of deforestation, Indonesia is now left with only some 60 million hectares of forests. An estimated 1.45 million hectares was cut last year, less than half of which was felled legally.

Despite a presidential decree in April 2001 that specifically addressed the issue of illegal logging and a Forest Ministry moratorium on forest exploitation in the same month, both demanded by international donors, two years later little visible progress has been made.

The World Resources Institute, Global Forest Watch, and Forest Watch Indonesia in a joint report last year said Indonesia's forests are still being denuded by nearly 2 million hectares every year, double the rate in the 1980s. Without further drastic action, Sumatra's forests will disappear by 2005, followed by those in Kalimantan and Papua.

This is an entirely man-made disaster, blamed by environmentalists on widespread corruption and poor law enforcement. But Jakarta is busy passing the buck by putting pressure on importing countries


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rather than on the nationwide band of corrupt police and military officials, as well as bureaucrats, who protect the timber smugglers.

In densely populated Java, less than 5 percent of the total land area is forest, and illegal logging has destroyed much of that. Recent severe drought conditions across the province threatened the water supply of the 128 million people living there and prompted the government, citing illegal logging as an exacerbating factor, to ban logging altogether last month.

The state-owned forest company Perhutani, which controls all commercial plantations and logging activities on the main island of Java, has been asked not to use its land for wood production any longer. The company, quite reasonably, is looking to the government for something by way of incentive to refocus to non-logging business activities, including eco-tourism, now that its core business, hacking down what's left of the Java forests, has been taken away.

Although Indonesia is the largest plywood producer in the world, the Indonesian Wood Panel Association (Apkindo) says that plywood exports dropped to 2.7 million cubic meters in the first half of the year. That is down from 3.2 million in the same period last year, and drastically down from more than 12 million cubic meters in earlier years.

This is also taking a heavy toll on the economy. About 130 plywood companies across the country employ some 16 million workers. They have invested a total of US\$27 billion, only to see production capacity slashed by up to 60 percent after promulgation of a government sustainable-forestry quota of only 6.89 million cubic meters. Actual demand is more than seven times this level, but pressure from international donors and global environmentalists forced Jakarta into action to set sustainable limits.

Less than 20 percent of Indonesian plywood is sold to the domestic market. The rest is shipped abroad, but the raw-materials shortage has reduced earnings in the sector to an average of \$2.3 billion per year. From 1993-99 the sector accounted for almost 10 percent of the country's total foreign-exchange earnings, bringing in an average \$5 billion per year.

Last year China and Malaysia signed a memorandum of understanding with Indonesia that should have banned companies there from bringing in illegal logs. Apkindo, however, has disclosed a new twist, claiming that both countries have been flooding the regional export market with cheaper plywood made from logs taken illegally from Indonesia, causing local plywood producers to lose even more business.

Jakarta's policy for years had been to grant forest and land concessions to pulpwood plantations only after their mills were up and running, and the massive expansion of the pulp-and-paper industry in the early 1990s caught the government wrong-footed. Faced with the risk of these revenue-generating enterprises being starved of pulpwood to feed their mills, they had to allow them to fell trees in the natural forests that had been allotted for tree-planting.

Wood-production levels are as low as 30 million cubic meters per year, but much higher than the legally allowed supply of about 12 million cubic meters per year. This huge discrepancy between supply and demand, with the mills swallowing up wood much faster than forests could ever grow it, is the prime driving force behind illegal logging.

These same pulp-and-paper companies have been slammed for

paying scant attention to good forestry-management practices. The giant Asia Pulp and Paper (APP) was forced to clean up its act after major Japanese customers warned that they might stop buying plywood from the company.

However, in a recent pioneering agreement with the World Wide Fund for Nature (WWF), APP has led the way. It has set aside 58,500 hectares of its concessions in Riau as a conservation area and has pledged to do its best to stop illegally felled timber ending up in its mills.

The government has made periodical attempts to protect and preserve forests, but the results have been limited and geared, of course, to repair the damage rather than cull the many root causes of the epidemic of forest destruction.

An ambitious reforestation program is under way, with Rp1.2 trillion (\$142 million) set aside to replant 300,000 hectares in Java this year. This will be gradually increased to Rp8 trillion to reseed 1 million hectares in 2005.

The Ministry of Forestry has also allocated Rp10 billion for operations against illegal logging this year, but the 10,000 forest rangers spread across the massive archipelago are poorly equipped and have little training, though they are expected to oversee and protect what remains of Indonesia's forests.

Excessive exploitation of natural resources by local administrations without concern for the preservation of forests increased rapidly after devolution. State-sponsored exploitation of the nation's forests under Suharto, whose cronies gained massive concessions that enabled them to become timber barons, has moved to the provinces under regional-autonomy policies.

State Minister of Environment Nabel Makarim says the government has won full support from the House of Representatives to impose harsher punishment on illegal loggers, and Megawati has also entered the ring. Though conceding that higher production of wood-based furniture products and the growth of wood-related industries have been problems, she laid the blame firmly at the door of rising international demand for timber.

Over-exploitation by wood-based industries poses perhaps the greatest threat to the remaining forests, but it was the Indonesian government that licensed these enterprises in the first place, though knowing full well that the amount of wood needed for their total manufacturing output was light-years away from the modest quota needed to deliver sustainable support for forest resources.

Trained in agriculture and a bit of a gardener herself, Megawati, speaking at this month's commemoration of the 10th anniversary of the Center for International Forestry Research (CIFOR) in West Java, said Indonesia should look on forests not as an exploitable natural resource, but as assets to be preserved and protected. She said the government now has a conservation plan to eradicate illegal logging and restructure the forestry sector.

Unfortunately, the president didn't expand on just how illegal logging would be "eradicated". Not a word about the usual suspects, endemic corruption and poor law enforcement. No specific commitment to fight the shadowy and covert cartels linked to international networks that supply the illegal logs from Indonesia, supported on the ground in Indonesia by military elements and government officials.

They pay out large sums to security personnel manning

checkpoints in logging areas to ensure safe passage for the illegal timber out of the country. Industry sources say anything between 60 percent and 70 percent of an average shipment of 10,000 cubic meters of wood is not legally documented. Collusion between logging companies and officials has also thwarted efforts to curb timber smuggling.

Severe penalties are prescribed under a 1982 environmental law and 1999 forestry law that both ban logging in protected forests. Violators risk a maximum of 15 years' imprisonment and a fine of Rp5 billion.

Military (TNI) Chief General Endriartono has at least admitted that soldiers are involved in illegal logging in protected forests and pledged to take action against them.

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