The true costs of illegal logging

Clifford Coonan, Foreign Correspondent

The use of endangered wood to make elegant furniture and hardwood floors for homes in the US, Europe and Middle East is encouraging illegal logging, which the World Bank estimates costs more than US$10 billion (Dh36.73bn) in lost sales and assets every year.

It is also threatening to wipe out whole species of trees and precious rainforests, and the livelihoods of one billion people who depend on the forests for survival.

Environmentalists are trying to do more to encourage governments to stop illegal logging but a major problem has always been tracking the origin of timber.

But now one group has come up with a revolutionary way of identifying where a piece of wood comes from by using DNA testing.

Double Helix Tracking Technologies (DHTT), based in Singapore, extracts DNA samples in the forest and builds databases. Later DNA tests allow them to identify which forest a piece of furniture comes from, says Shankar Iyerh, the head of research, development and operations at DHTT.

Mr Iyerh believes the practical role in stopping illegal trade of timber is in the hands of customers.

"The market would react to customer’s requirements and if the customers really start thinking about legality and sustainability of timber, they can really force the other members in the supply chain and eventually the concession owners to think about legal timber," he says.

There are various measures in place to curb illegal logging, and bodies such the Forest Law Enforcement and Governance have been formed by civil society stakeholders and private sector representatives from the timber-producing countries, in partnership with the World Bank.

There have also been voluntary partnership agreements between producers and timber consumers.

Activists are also trying to help. WWF-Indonesia and The Borneo Initiative last month made a commitment to save the forests in Kalimantan, in the Indonesian part of Borneo Island which are among the most valuable in the world.

In terms of turning good intentions into legal reality, the US is credited with taking the first vital step in addressing the illegal logging issue when it extended the century-old Lacey Act, a wildlife protection law named after the congressman who championed it, to include timber.

That made it mandatory for an importer to declare the origin of timber. If found guilty of illegal logging, the importer is subject to heavy fines.

“The Lacey Act sets a ground-breaking precedent for the global trade in plants and plant products, acknowledging and supporting other countries’ efforts to govern their own natural resources and putting in place powerful incentives for companies trading in these commodities to do the same,” the Environmental Investigation Agency (EIA) says.

But Mr Iyerh says the act is difficult to enforce. “The timber industry is dependent on an archaic paper-based system for traceability, which is prone to fraud.”
But he believes his company’s DNA database is the first step in creating a system to irrefutably prove the origin of timber, and this could be used to enforce the Lacey Act.

Governments are aware of the problem, largely because they know of the billions of dollars lost in tax revenue and income from fees due to illegal logging. Loggers also do not compensate local communities.

A classic example is merbau, a resilient red hardwood that is one of the most valuable timbers in South East Asia, because of the exquisite hardwood flooring that can be produced from it. It can also be used to make furniture.

Merbau was once to be found in eastern Africa, southern India, throughout South East Asia, Oceania, Tahiti and other regions. These days, the only significant quantities of commercially produced merbau come from New Guinea, which is made up of the Indonesian province of Papua, and the independent country of Papua New Guinea.

"Illegal logging and the associated rampant trade in merbau means that most areas where the timber used to be found have none left, and what there is left is also facing extinction," says Liu Bing, the forest campaign manager for Greenpeace China.

Mr Liu says that at the current legal rate of logging, merbau will have mostly disappeared within one official felling cycle, which is 35 years. If you take illegal factors into account, merbau’s extinction moves much closer.

Back in 2005, the EIA and its Indonesian partner, Telapak, uncovered crime syndicates that were removing 300,000 cubic metres of stolen merbau logs out of one province every month.

Western manufacturers and retailers buy the timber from Indonesia suppliers who claim they are logging the merbau legally.

"The problem is that very little of the merbau being sold has been genuinely legally certified. Most of the wood floor comes from illegal logging," Mr Liu says.

China plays a major role in this because it is where most of the wood flooring in the world is made. It is then re-exported to the US, Europe, and the Middle East.

"In the last 10 years, China’s wood product consumption and imports have experienced exponential growth," Mr Liu says.

"A significant proportion of China’s wood product imports come from illegal logging and ancient forest destruction. China is buying the timber from threatened rainforests but the buyers of Chinese products in the US, Europe and Japan are fuelling this crisis."

China’s continuous growth in wood consumption is also an extra burden on the world’s disappearing forests, which can no longer support those levels of consumption in developed countries.

"Illegal and destructive logging, in turn, further undermines the ability of the world’s forests to meet consumption needs in a sustainable way," Mr Liu says.

He adds that, although China has made commitments to address illegal logging, “it is clear from Greenpeace investigations that the trade in illegal timber goes on with impunity throughout the booming Chinese wood product sector”.

Last month, eight men in east China’s Zhejiang province were jailed for illegally logging and selling eight wild yews under national key protection.

Under the leadership of a man named Chen, they logged and sold eight wild Taxus chinensis, or Chinese yew, from September 2005 to August last year.

Brazil is often held up as an example of a country that has taken steps to fight illegal logging and had some, albeit limited, success.

It first enacted laws against the practice in 1965 and since then the amount of illegal timber harvesting in the Amazon area has since fallen from over 80 per cent to less than half.

Environmentalists hope Indonesia will have even more success than Brazil, but there is a long way to go. The World Bank estimates that up to 80 per cent of Indonesian timber comes from illegal sources.

Susilo Bambang Yudhoyono, the Indonesian president, has established a joint team to try to stop illegal logging in provinces such as Riau, which has the highest rate of illegal timber exports, ahead of Kalimantan and Papua.

But the success of the measure has been complicated by bickering between government agencies and external factors do not
help. Detailed probes by the EIA and Telapak have uncovered wide disregard in Malaysia and Singapore for Indonesian legislation aimed at stopping illegal logging, such as the log export ban.

The EIA believes the forest crisis is being made worse by countries such as Malaysia and Singapore, which it accuses of "green-washing" illegally cut rainforest timber from neighbours such as Indonesia.

Response to the problem is not always at a governmental or corporate level.

The Singapore artist Lucy Davis, an associate professor at Nanyang Technological University who had carried out her own investigation into the origins of timber in the city-state, says it is still possible to find Burmese golden teak and other rare timbers.

Unscrupulous sellers in the furniture district would also obtain teak or ramin wood from Indonesia, Ms Davis says.

She hit the streets to find unwanted tables, chairs and even rolling pins, then sent the wooden objects to DHTT to check against their DNA database and discovered rare woods from the rainforests of the Philippines, the Malaysian states of Sabah and Sarawak, and Indonesia.

"I chose a personal, domestic, emotional and poetic response to what is a very violent and what at times seems a very abstract and out-of-control macro problem," Ms Davis says.