



Amazon Media Briefing

July 2000

SAVE THE AMAZON - STOP CRIMINAL TIMBER IMPORTS

THE AMAZON – A THREATENED NATURAL PARADISE

The Amazon rainforest is one of the biologically richest areas in the world containing more than one-third of the world's remaining ancient forests and supporting up to 50% of the planet's land-based animal and plant species.

In the Amazon an area nearly the size of the State of Texas has already been destroyed (about 1/7th of the total) and an area half the size of Belgium disappears annually. According to the Washington based World Resources Institute (WRI) nearly 80% of the earth's original ancient forests have either been destroyed or degraded. The remainder is disappearing at the rate of 10 million hectares every year - an area the size of a football field, every two seconds.

THE USA'S PROMISE TO FIGHT ILLEGAL LOGGING

In 1997, the G8 group of leading nations¹ committed themselves to eliminating illegal logging and the illegal forest products trade. A progress report was issued during the 2000 summit, which ended on 23 July in Okinawa, Japan, but no effective action has been taken. Although the final Communiqué of the G8 leaders refers to the issue of illegal logging and timber trade, words alone will not solve this global crisis².

The G8 countries continue to play a major role in this trade. Not only do they form the most powerful group of consumers worldwide, purchasing forest products from many forest regions where illegal logging is the rule not the exception. There is also increasing evidence of the total failure of G8 countries to prevent companies from importing illegal timber products.

Illegal logging and international illegal timber trade continues to flourish. For example, the Brazilian Government estimates that **80% of all logs cut in the Brazilian Amazon are extracted illegally**. In Indonesia, it is possible that as much as 70% of the raw timber supplying the country's wood processing industry is logged illegally. This is particularly relevant to the USA, as it is a major customer of timber products from regions such as the Brazilian Amazon and Indonesia³. It is essential that G-8 governments, such as the USA, play a strong role in ensuring that their transnational companies and wood products traders deal only in legal and sustainably produced forest products.

The US Government has stated on many occasions that a desire for freer international trade does not conflict with the need for high levels of environmental protection. The US Government should therefore play its role in ensuring that all forest products entering its borders are obtained legally. Major international forest products companies, including retailers such as Home Depot and IKEA, have already committed to buy only forest products from legal and sustainable sources, and not from ancient forest destruction. There is no reason why the US Government cannot do the same.

¹ The G8 countries: USA, Canada, Japan, Germany, Italy, France, Russia and the UK.

² G-8 Communiqué: Okinawa, July 23, 2000: "67. We fully endorse the conclusions of our Foreign Ministers regarding sustainable forest management. In this regard, we attach particular importance to projects that help indigenous and local communities practice sustainable forest management. We will also examine how best we can combat illegal logging, including export and procurement practices."

³ According to the US government final report to the *G8 Report on the Implementation of the G8 Action Programme on Forests*: "The United States has major forest interests at the international level. The US is the world's largest producer, consumer and trader in wood products, accounting for 15% of the international trade in forests products."

Greenpeace is carrying out a global campaign against illegal and destructive logging of the world's last remaining ancient forests. In the past weeks, Greenpeace has held dramatic actions around the world highlight criminal imports of forest products into Japan and in European countries including Denmark, Germany, Italy, Portugal, Spain, and the UK and inform timber customers of poor environmental records and illegal activities. The revelations and interventions have led to numerous contract and sales cancellations

TIMBER COMPANIES STILL THREATENING THE AMAZON

With the depletion of SE Asian and Central African forests, the Amazon is being targeted by transnational corporations to be a key source of tropical forest products in the coming decades. Huge, majestic trees like the Samauma, also known as 'Queen of the Forest', are being exploited to make cheap plywood for construction industries in the USA, Japan and Europe.

Over the past 18 months, Greenpeace has been tracking down illegal logging using the MV Amazon Guardian and by air and land in remote regions of Amazonas and Pará States. Greenpeace investigations have also uncovered evidence of companies based in the USA trading with several transnational companies that are regularly buying logs from sources with an illicit track record.

In the Brazilian State of Amazonas, all plywood and veneer exporting companies were found to have been involved in illegal logging in the previous two and half years including the Malaysian giant Rimbunan Hijau that regularly exports plywood to the USA. In Pará State, the largest exporters were found to be regularly buying from illegal sources, including the Japanese forest products company Eidai, which also exports plywood to the USA.

The examples of illegalities shown below are clearly only the tip of the iceberg. The amount of illegal logs found would be much greater if the Brazilian Government's inspection structure was stronger. In the State of Amazonas, for example, they currently rely on only one inspector per 4 million hectares, an area the size of Switzerland.

THE ILLEGAL LOGGING SUSPECTS:

- **RIMBUNAN HIJAU/SELVAPLAC**

The Malaysian logging company Rimbunan Hijau is one of the main companies which regularly exports Amazonian plywood to the USA, through its subsidiaries Selvaplac and Carolina. Over the last year Selvaplac have increased its exports into the USA through the ports of Savannah, Georgia, and Camden, Philadelphia.

The Rimbunan Hijau Group is one of the top rainforest destroyers in the world with operations in Malaysia, Gabon, Papua New Guinea, Solomon Islands, Russia and Brazil.

Through Jaya Tiasa Holdings Bhd, the Rimbunan Hijau Group owns three plywood and lumber producers in the Brazilian Amazon – Selvaplac Verde SA, Carolina Indústria Ltda and Maginco Verde SA. During the period of 20 April 1998 and 4 October 1999, five of Selvaplac suppliers were fined by IBAMA, the Brazilian environment agency, for the possession of illegal timber.

One of Selvaplac main veneer suppliers which was fined was their sister company Carolina Indústria Ltda, based in Itacoatiara in Amazonas State. During the log transport seasons from 1997 to 1999, Carolina received the second highest amount of fines of the six plywood and veneer companies operating in Amazonas State, totalling Reals 463,468.50 (around US\$ 256,270.82). The company has applied to the court in order to not have to pay the fine. During the same period one-third of all Carolina's third-party log suppliers received fines for the illegal exploitation, transport and sale of logs.

Carolina is currently under investigation by the Federal Prosecutor in Manaus for its role in the illegal log trade in Amazonas State. Since September 1999 illegal acts such as this are now prosecuted under the new Brazilian Environmental Crimes Law. In February, Carolina received a fine of Real 30,000 (around US\$ 16,660) and the Director of the company faces criminal charges under the new law.

- **EIDAI DO BRASIL (JAPAN)**

Eidai do Brasil is owned by Eidai Inc. in Japan. Eidai is the largest processed forest products exporter in Para State and exports plywood and veneer to the USA, Japan, the UK and the Netherlands.

On 11th, Eidai do Brasil received a record fine from IBAMA of about US\$1.88 million (3,400,000 Brazilian Reals) for utilising timber obtained illegally. This fine refers to 9 legal infractions applied by IBAMA, regarding 6,200 cubic meters of logs processed by Eidai in the period September 1999 to February 2000. The illegal logs are part of a larger volume involving 22,000 cubic meters of illegal logs discovered during an investigation by IBAMA of Eidai's records upon the request of Greenpeace.

The 6,200 cubic meters of illegal timber falls under Brazil's new environmental crimes law which took effect in September 1999. In December last year, Greenpeace investigators in Brazil, using simple ultra-violet paint, revealed that logs being delivered to Eidai were illegal and asked IBAMA to search the accounts of Eidai. Fines for the remaining logs processed by Eidai prior to the new legislation are currently under consideration by IBAMA. With these 9 new violations, Eidai over the last 11 years was found to be in violation of Brazilian forestry laws 108 times.

On the same day Eidai received the US\$1.88 million, Greenpeace carried out a number of actions against the importation of Eidai plywood into Kobe, Japan. Three days of confrontation resulted in a public commitment by Mr. Okamura, Administrative Director of Eidai, that the timber company would "no longer buy illegal logging." It remains to be seen how the company will enforce this public commitment.

- **ROBCO**

Robco Madeira is the Brazilian subsidiary of Robinson Lumber Company Inc, based in New Orleans. The company is based in Para State and exports sawn lumber (including mahogany) mainly to the USA. It also exports to Japan, Australia, and most European countries. The parent company of Robinson is one of the USA's largest window and door manufacturer's, Jeld-Wen.

Robco relies primarily on third-party suppliers. In 1998, Robco was fined R\$ 4,000 (around US\$ 2,212) for possession of illegal lumber. In the period 1998-99, five of Robco's sawn lumber suppliers were also fined.

As a result of recent 60-day investigations into the extent of illegal logging practices in Para State, IBAMA early this month suspended around 800 and cancelled 300 Forest Management Plans (FMP) of logging operators in the region. Less than 20% of the original FMPs remain authorised. This is indicative of the level of illegalities amongst third party suppliers who supply export companies such as Robco.

ECONOMICAL SOLUTIONS FOR THE AMAZON

A vital part of Greenpeace's Amazon campaign is to identify viable alternative economic activities for the 20 million people living there that could act as a solution to illegal and destructive logging. There are a number of initiatives that could help keep the forest alive ranging from the sustainable harvesting of non-timber products like fruits and nuts, rubber and medicinal products to certified logging.

On May 30th Greenpeace applauded the logging company Precious Woods Amazon for its commitment to ecologically responsible logging in tropical rainforest ecosystems. During a meeting onboard Greenpeace's vessel, the MV Amazon Guardian, Precious Woods presented their new initiative, which was the outcome of negotiations and on-site forest inspections with Greenpeace experts that lasted more than a year. . Precious Woods forest operations were the first in the Brazilian Amazon to be certified according to Forest Stewardship Council (FSC) Principles and Criteria

On June 8th the governor of the state of Acre in Brazil, Jorge Viana, pledged a commitment to forest certification that could see nearly 4 million hectares of Amazon forest under sustainable management. The announcement was the first sign of the certification challenge being championed in Brazil by people with the power to make it work. It could mark a major turning point in the certification drive. Acre's goal is to have 25% of its forests FSC certified, and to maintain at least 80% of the state's forest cover.

Another solution is rubber tapping, a traditional activity carried out in extractive reserves. In 1999, Greenpeace set up a partnership with the University of Brasilia, the National Council of Rubber Tappers

and the National Centre of Traditional Populations. Greenpeace funded the Tecbor, a project for 40 rubber tapping families, using a new technology developed by Professor Floriano Pastore of the University of Brasilia. 2.5 tons of high quality rubber has been produced in the first harvesting season.

GREENPEACE IS CALLING FOR: -

- Logging only through independently certified operations, such as by standards set by the Forest Stewardship Council (FSC);
- Expanding areas of ancient forest used for other ecologically responsible activities, such as extractive reserves;
- Proper demarcation of all indigenous lands.
- G8 Governments to take immediate action

DONOT buy illegal forest products

DONOT fund forest destruction through aid for unsustainable forestry

DONOT allow G8 countries to be markets for illegal timber

DO buy forest products from legal and sustainable certified forests

DO provide urgent assistance to forest countries to tackle illegal logging

DO increase the capacity for monitoring and transparency throughout the production and transport of forest products globally.

CONTACT: Greenpeace USA Press Office: 202 462 1177