

Rimbunan Hijau Group: Thirty Years of Forest Plunder



Papua New Guinea. Pepsy Diabe, from the Kamala clan, Kosuo tribe, stands amidst the devastation of a recently logged mountainside.
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Introduction

Only one-fifth of major forest types remain as intact forest landscapes.¹ That is less than 10 per cent of the planet's land area. Much of what remains is under severe threat from illegal and destructive logging, clearance for agricultural and industrial developments, and other human induced impacts such as forest fires.

Ancient forests stabilise the structure of the soil, helping to prevent erosion, silting of rivers and flooding. In mountainous areas they also reduce the risk of landslides. Furthermore, forests serve as vast carbon reservoirs, storing carbon dioxide and playing an important role in the regulation of the Earth's climate.

It is estimated that 1.6 billion people world-wide depend on forests for their livelihood and 60 million indigenous people depend on forests for their subsistence². Unless brought under control, timber giants such as the Malaysian Rimbunan Hijau Group³ will continue to plunder the world's ancient forests, destroying cultural diversity, biodiversity, stealing from some of the world's poorest and most vulnerable people and degrading the environment upon which we ultimately depend.

Developed countries, in their search for ever cheaper timber products are fuelling the drive for cheap timber and thus provide the financial incentive for robber barons to continue their destruction across the world's last ancient forests.

¹ Calculation based on modified map of terrestrial biomes (major habitat types) from: Olson, D.M. et al 2001, Terrestrial Ecoregions of the World: A New Map of Life on Earth. *BioScience*, 51, 933-938.
² World Bank press release, Global Forum call to curb illegal logging and promote responsible forest investment. 23 October 2003.
³ The Rimbunan Hijau Group is referred to simply as Rimbunan Hijau for the remainder of the report.

Some of the forests under greatest threat are the 'Paradise Forests' of Asia Pacific. These stretch from South East Asia, across the islands of Indonesia, on to Papua New Guinea and the Solomon Islands in the Pacific region. This wonderfully diverse region supports hundreds of indigenous cultures and creatures found nowhere else in the world.



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Who's destroying paradise?

Founded by Tiong Hiew King in 1976, the Rimbunan Hijau started out as a logging company in Malaysia. Today, the timber giant has an estimated annual turnover in excess of US\$1 billion⁴ and is also involved in agriculture, aquaculture, banking, publishing, information technology, shipping, retailing, real estate, mining and print media.⁵ Forbes magazine has described Tiong Hiew King as the 7th richest man in Malaysia and 20th in Southeast Asia.⁶

In early 2006 Rimbunan Hijau announced inside the company that in mid-year 2006 it will celebrate its 30th anniversary. The announcement stated that the 'theme for the celebration is vital to convey our achievements and our aspiration for bigger things to come'. Given Rimbunan Hijau's forest destruction over the years, the 'aspiration for bigger things' could spell disaster for the remaining Paradise Forests and ancient forests across the globe.

Rimbunan Hijau is responsible for many large scale destructive logging operations in countries across the Paradise Forests. It is amongst the leading timber giants in Malaysia, whilst in Papua New Guinea it has close to a monopoly on all logging operations in the country. The company also operates in ancient forests in Papua, Indonesia, the Solomon Islands, Vanuatu, Burma and also countries in Africa, such as Gabon and Equatorial Guinea.⁷

4 Malaysian-German Chamber of Commerce and Industry (January 2006) <http://www.mgcc.com.my/mgcc/memdir.nsf/02e9982968473324348256bea0041d511?OpenDocument&Click=>

5 Malaysian-German Chamber of Commerce and Industry (January 2006) <http://www.mgcc.com.my/mgcc/memdir.nsf/02e9982968473324348256bea0041d511?OpenDocument&Click=>

6 Southeast Asia's 40 Richest, Forbes.com August 9th, 2005 http://www.forbes.com/lists/2005/09/07/southeast-asia-richest-cz_05sealand.html

7 Malaysian-German Chamber of Commerce and Industry (January 2006) <http://www.mgcc.com.my/mgcc/memdir.nsf/02e9982968473324348256bea0041d511?OpenDocument&Click=> See also Greenpeace International, 2004 The Untouchables. <http://www.greenpeace.org/raw/content/international/press/reports/the-untouchables-rimbunan-hi.pdf>



Rimbunan Hijau kamusie sawmill in western province Papua New Guinea, September 2005. © Greenpeace/Birch

How Rimbunan Hijau hides its reputation

Rimbunan Hijau is a conglomeration of hundreds of companies spread across three continents. The companies are often owned or controlled by the Tiong family or are strongly linked to Rimbunan Hijau.

In Papua New Guinea, for example, Greenpeace has identified over 60 separate companies owned or controlled by the Tiong family, including one of the two daily English newspapers, but only a small minority are officially recognised as being a part of Rimbunan Hijau. The ownership and control of the rest is obscured by undisclosed buyouts, outdated company records, foreign ownership and the widespread use of tax havens, proxy directors and shareholders.⁸

For example – the fourth largest logging company in Papua New Guinea,⁹ – Turama Forest Industries is legally independent of any of registered Rimbunan Hijau companies in Papua New Guinea. However, the main shareholder (50%) in Turama is Cheung Choi Ho, who is also a major shareholder of one of Rimbunan Hijau's largest stock listed companies Jaya Tiasa Holdings.¹⁰

Plundering Paradise

Over the last few decades, logging giants such as Rimbunan Hijau have devastated Malaysia's rainforests. In 15 years, industrial log production in Malaysia fell to less than half of the 45 million m³ of the record year 1992.¹¹ With less than 20% of Malaysia's primary forests remaining intact¹² and left largely with lower quality timber in secondary forests and plantations, Malaysian companies turned their eyes to the forest resources of other countries world-wide. Along with Russia, South America and Africa, Papua New Guinea and the Solomon Islands in the Asia Pacific region also fell victim to their greed for cheap raw material. Indonesia, after long refusing entry of the Malaysian companies into its territory, recently accepted the presence of Malaysian loggers, such as with Rimbunan Hijau in Papua¹³.

8 Forest Information Service (2003c) Rimbunan Hijau Logging Operations. Greenpeace Investigations 2003.

9 PNG Forest Industries Association, log exports for January to May 2005

10 Jaya Tiasa Holding Bhd, Annual Report 2005

11 FAOSTAT, faostat.fao.org

12 FAO, Global Forest Resources Assessment 2005

13 PT Wapoga Mutiara Industries (Papua, Indonesia) is managed by the Rimbunan Hijau Group.

Intact Forest Landscapes with Rimbunan Hijau concessions overlaid



Map showing Intact Forest Landscapes with Rimbunan Hijau related concessions overlaid. © Greenpeace 2006

Papua New Guinea

"...current commercial forest management is ecologically and economically unsustainable and illegal. Logging is also not serving the long-term interests of Landowners or the State".

Forest Trends, February 2006

In Papua New Guinea, Rimbunan Hijau is the undisputed ruler over the forest resources, directly controlling around 40% of all log exports and much of the exports of timber processed into lumber and veneer. Together with affiliated Turama Forest Industries, Rimbunan Hijau controls close to 50% of Papua New Guinea's log exports. In total, Malaysian companies control more than 80% of all log exports from Papua New Guinea (see table).

In 2000, the Papua New Guinea Government ordered an independent review of a number of new logging permits and extensions, three of which involved Rimbunan Hijau's logging projects.¹⁵ The review found that all three were awarded illegally and stated that they reached the *'unavoidable conclusion that there have been serious departures and breaches from due process and there are serious anomalies in the timber permits and agreements.'*¹⁶

The findings of the independent Review also stated that *'the time has come for a full investigation into the affairs of both these companies [Rimbunan Hijau subsidiaries]. They should be compelled to produce documents and account for their actions.'*

'The overwhelming conclusion is that the robber barons are now as active as they ever were. They are not only free to roam, but in fact are encouraged to do so by persons whose proper role is to exercise control over them... Only a Commission of Inquiry could hope to unearth the entire picture and unravel the web of deceit.'

Letter from PNG Forestry and Conservation Project Review Team to the Prime Minister's Chief Secretary, July 2003¹⁷

¹⁴ PNG Forest Authority, Timber Digest May 2005 (data for January to May 2005)

¹⁵ An independent review established by the PNG government to investigate allegations that the six major new logging concession allocations and permit extensions were unlawful. The review team was comprised of a forester, a lawyer and a landowner specialist.

¹⁶ Review of Disputed Allocations, 2003. Cover letter to the Chief Secretary dated March 25, 2003.

¹⁷ Forestry and Conservation Project Review Team, Report on Confidential Matters to the Chief Secretary of the Prime Minister, July 2003

Papua New Guinea log exports by company between January and May 2005¹⁴

	Country of Origin	cubic meter	%
Rimbunan Hijau (PNG) Ltd.	MY	366,016	39.6
Cakara Alam (PNG) Ltd.	MY	118,820	12.9
Stettin Bay Lumber Co. Ltd	MY	76,090	8.2
Turmama Forest Industries (RH affiliated)	MY	68,998	7.5
WTK Realty Ltd.	MY	64,712	7.0
Open Bay Timber Ltd.	JP	42,776	4.6
Amboga Sawmill Ltd.	PNG	31,696	3.4
Kerawara Ltd.	MY	29,197	3.2
Low Impact Logging Ltd. (Deegold)	MY	29,027	3.1
Basoma Holdings P/L	PNG	28,091	3.0
Innovision (PNG) Ltd.	MY	32,202	3.5
Samling (Bismarck Industries Ltd.)	MY	27,950	3.0
Tactical Services Ltd.	MY	5,702	0.6
Brown River Forestry Partnership Pty Ltd.	PNG	3,042	0.3
Total		924,319	

Despite the findings of illegality and the call for accountability, Rimbunan Hijau controlled companies persist to operate with impunity, inflicting environmental damage on the forest and harming the customary landowners' interests.¹⁸

The current Papua New Guinea Government is pro-logging and is not ensuring that logging companies comply with forestry and environmental laws. In 2005 the World Bank Forest Conservation Programme (FCP) loan was cancelled,¹⁹ one of the main reasons for this was that the Papua New Guinea Government could not ensure that logging companies comply with the law.

The impacts on the people living in and from the forests are devastating. According to Sakas Aonomo, a customary landowner from Bula Creek in the Middle Fly District, companies such as Rimbunan Hijau have fundamentally altered the forests and waterways since the time his grandparents lived:²⁰

'They would use this creek when they were sick. It would make them feel better. This creek has faded away. It cannot heal people because they came and disturbed the beliefs we have. It will not be the same as before. There's no fish since the company came. Before my mother and father used to do this, now there is nothing. Our medicine is not like before. By looking at that place I feel very sad and upset and frustrated about my land being destroyed.'

¹⁸ In February 2006, Forests Trends released a report summarising official assessments of the large scale logging industry. The report found that current commercial forest management is ecologically and economically unsustainable and illegal and that logging is also not serving the long-term interests of Landowners or the State. Forest Trends. *Logging, Legality and Livelihoods in Papua New Guinea: Synthesis of official assessments of the Large-Scale Logging Industry*. Volume I, 2006. www.forest-trends.org.

¹⁹ For the sum of 130 Million Papua New Guinea Kina (about USD 42 million)

²⁰ For more statements from PNG customary landowners see: www.paradiseforest.org/paradise_forest/forest_voices.php



Kuwene Nakeye, landowner from the Haya clan, Kawa Webe from the Hebila clan and Dikeseme Moko from the Kuyeke clan sit on a bulldozer near the Emenane Reserve that Kuwene protected from logging. August 2003, Papua New Guinea.
© Scheltema/Greenpeace

Sadly, Aonono's story is far from unique. Corruption and coercion are often used to gain access to forest resources. According to Annie Kajir, an environmental and human rights lawyer in Port Moresby, the capital of Papua New Guinea and recent Goldman award winner, 'landowners were forced to sign papers with a barrel of a gun at their back. In the presence of police and company officials, without proper legal advice, with guns pointed at them.'²¹

Due to the constitutional and legal requirements in Papua New Guinea to gain prior and informed consent from the customary landowners, and the failure of companies to acquire this consent,²² Greenpeace estimates that over 90 per cent of the logging in Papua New Guinea is illegal. In addition to this fundamental violation of the law, a 2003-04 review of the major existing projects found not one fully complied with all relevant laws. Many were in severe breach of environmental regulations and several were controlled by logging companies through horrendous abuses of human rights.²³

The 2003/2004 Review of Existing Concessions²⁴ documented numerous allegations of abuse of local landowners, including rape and physical violence, by either logging company officials or by police associated with the logging companies. The report concluded, amongst other things, that:

'The use of physical force by the Police Task Force to intimidate employees and landowners was one of the major issues raised by all members of the community. The people most certainly welcome the presence of police in the area, but not in the manner they were behaving and under total control of the company.'

²¹ SBS Television, Dateline, 2001

²² According to 2004 Review Team Report all of the Forest Management Agreements signed to date are seen by the Landowner Specialists as deficient with regard to informed consent. *Towards Sustainable Timber Production - A Review Of Existing Logging Projects: Draft Observations And Recommendations Report* Prepared For: The Government Of Papua New Guinea C/- The Inter-Agency Forestry Committee Prepared By: The 2003/2004 Review Team, May 2004

²³ Review of Existing Concessions, Papua New Guinea Department of Planning and Monitoring, 2004

²⁴ Review of Existing Concessions, Papua New Guinea Department of Planning and Monitoring, 2004

Rimbunan Hijau companies were amongst those involved and the report went on to state that the company's Wawoi Guavi Timber Company's 'treatment towards citizen employees in many aspects of their employment reflects labour exploitation and slavery, and should be condemned at all levels.'²⁵

'Several reports were received about actions of the Task Force Police, most described actions against landowners and individuals and involved forcing people to strip naked at gun point and forcing them to engage in acts of an explicit sexual nature, parading naked in front of fellow villagers or climbing Pawpaws/Banana plants naked.'

Tom Diwai Vigus Field Team Leader, 25 April 2004 on the Task Force in Rimbunan Hijau's concession Wawoi Guavi²⁶

Despite the severity of the problems cited by the Review Team, no penalties were imposed. Rimbunan Hijau's logging operations continue to run at full speed in Papua New Guinea.

Internationally, however, Rimbunan Hijau's activities are not equally accepted. Following the findings of the review teams in Papua New Guinea, the New Zealand Timber Importers Association expelled from its membership Rimbunan Hijau's subsidiary company, The LumberBank. When the company challenged this action, the New Zealand High Court ruled in favour of the Timber Importers Association and found that The LumberBank was unable to prove that they operated legally and sustainably.²⁷

Allegations of Rimbunan Hijau paying Papua New Guinean police officers arose in November 2004 when Australian 'SBS Dateline' ran the story that a former officer of an elite Papua New Guinea police taskforce, claimed he had been paid by Rimbunan Hijau to intimidate landowners who complained against breaches of their rights.²⁸

The former police officer stated: 'We handled those suspects good and proper. We bashed them up, we hit them with huge irons and when we mobilised in there we made sure that these people who complain against the rights of their benefit were manhandled you know.'²⁹

Solomon Islands

Logging in the Solomon Islands is controlled by a handful of Asian syndicates, including Rimbunan Hijau. In 2004 logging reached a historical high with over one million cubic metres exported, four times the estimated sustainable rate.³⁰ Illegal activities by logging companies including Rimbunan Hijau,³¹ who have been proven to be linked to bribery activities,³² are widespread in the Solomon Islands. Violations of laws by other companies operating in the Solomons include illegal logging³³, illegal log exports³⁴, destruction of local water supplies³⁵ and prostitution.³⁶

25 Papua New Guinea Review Of Current Logging Projects, Carried Out Under The Auspices Of The Department Of National Planning And Monitoring, Draft Individual Project Review Report No 14, Wawoi Guavi, April 2004

26 Tom Diwai Vigus Field Team Leader, Review Team of Current Logging Concessions, 25th of April 2004 "Brief (point form) Situation Report Wawoi Guavi Project", TP 1-07, letter to Chief Secretary to Government, Joshua Kalinoe, Director General National Security Services and Joseph Asaigo Police Commissioner, RPNGC, Sam Inguba

27 New Zealand High Court Ruling, The LumberBank New Zealand LTD vs The New Zealand Timber Importers Association Inc, December 9, 2004

28 Special Broadcasting Service, (SBS) 2004, Jungle Justice, 2 November 2004. See also www.abc.net.au/pm/content/2004/s1235088.htm <http://www.abc.net.au/pm/content/2004/s1235088.htm> for further reporting of the story.

29 SBS 2004.

30 An AIDAB (Australian International Development Assistance Bureau) National Forest Resource Inventory published in 1995 found logging was nearly three times the estimated sustainable yield of 325,000 m³, while licence holders had permission to cut over 10 times this. Subsequent official log export volumes have confirmed the extreme over-harvest has continued over the last decade further reducing the estimated sustainable yield now to 225,000 m³ per year, with logging in 2004 four times this at more than 1 million cum (Central Bank of Solomon Islands Annual Reports 2003 & 2004)

31 Logger Jailed, Solomon Star, 13th September 2004.

32 Commissioner of Forests suspended, SIBC Online, 21st January 2004.

33 Police swoop on illegal logging operators in Sols, ABC Radio Australia 1/06/2005; Solomons suspend company's logging license Honiara, Solomon Islands (SIBC), May 29; Solomons officials probe Marovo logging, PFinet News, March 29 2004

34 Central Bank of Solomon Islands, Annual Report 2004

35 Press Release, Women & Children stand with the chief to block Bulldozers Maniwiriviri, Makira Ulaw December 19, 2005

36 Press Release, Young Makira men imprisoned after speaking out against logging - Magistrate treats symptom of much bigger issue, December 5, 2005, Makria Community Conservation Foundation.



Forest in Papua, Indonesia. © Greenpeace/Mizukoshi

'We are starting to see many social and environmental problems from logging,' said Victor Kohaia, Director of Makria Community Conservation Foundation, "and it is only going to get worse. Our drinking water is being spoiled, our land isn't as fertile, the reefs are being covered in silt and dirt which kills them, our kids are being exposed to outside ways and even some of our young girls are going into prostitution.'

Makria Community Conservation Foundation, Press Release, December 5, 2005.

Indonesia (Papua)

In Indonesia, Rimbunan Hijau is active in Papua, through its subsidiaries PT Rimbunan Hijau Jaya and Wapoga Mutiara Industries.

In 2003, the Indonesian NGO Telapak, together with the UK-based NGO Environmental Investigation Agency (EIA) reported links between PT Rimbunan Hijau Jaya and the Indonesian military.³⁷ According to a 2005 report,³⁸ EIA and Telapak visited communities in West Papua and obtained documents clearly linking a military officer to PT Rimbunan Hijau Jaya and illegal logging of merbau trees. In a brief presented to the Indonesian Government they described how illegal logging was being facilitated by the use of 'military power' to intimidate local communities who oppose logging operations on their lands.³⁹

According to EIA illegal logging by PT Rimbunan Hijau Jaya has been reported at three sites and is occurring despite the opposition of the majority of the local people. Letters of complaint were sent to forestry officials in 2002 but a promised investigation has never eventuated.⁴⁰

Rimbunan Hijau also acquired Papua based logging and processing company, Wapoga Mutiara Industries,⁴¹ the 4th largest concession holder in this province.⁴² In March 2005, following police raids combating illegal logging in Papua, the General Manager of PT Wapoga Mutiara Timber, Tan Eng Kwee, and two further members of his managing staff, were detained for suspected involvement in illegal logging.⁴³

37 Pers comm, EIA and Greenpeace December 2003

38 EIA/Telapak, The Last Frontier, 2005

39 EIA and Telapak (2003c) Brief on military officer involved in illegal logging. See also: EIA/Telapak, The Last Frontier, 2005

40 EIA/Telapak, The Last Frontier, 2005

41 Wapoga Mutiara Industries and Wapoga Mutiara Timber, Indonesia are operated by Mafrica Corporation Sdn. Bhd, which is one of Rimbunan Hijau's companies.

<http://www.mafrica.com.my/Mafrica.htm>

42 Data Perkembangan HPH Januari 2003

43 Tan Eng Kwee (Director), Agustinus Joulilena (Operations Manager) and Tang Tung Hwong (General Manager).

Source: Legislator wants inquiry on cops over logging crime, The Jakarta Post, Sec. National News, p 5, 03-15-2005



A log barge towed towards the WMI mill on Biak Island. Papua, Indonesia, October 2005 © Greenpeace

How do they get away with Forest Crimes?

Rimbunan Hijau enjoys wide political patronage. In Malaysia, the Tiongs have been highly astute in forming strategic alliances with the Malaysian political elite and are personally involved in the main Chinese Party in Sarawak – the SUPP. In the early nineties, the brother of Sarawak's Chief Minister (who controlled the allocation of logging concessions) was a director of a Rimbunan Hijau company. A sister of the Chief Minister was a Tiong business partner. Tiong Hiew King has himself been a State Senator, a position that was also occupied by one of his sons, and Tiong family companies have shared control of their subsidiaries with Provincial Ministers and party officials.⁴⁴

In Sarawak, these ties have resulted in a blurring of the distinction between government and logging interests which have led 'to changes in legislation that favour corporate activities and which result in the disregard and repression of many actors within civil society.'⁴⁵ On many occasions Rimbunan Hijau's founder, Tiong Hiew King accompanied current and past prime ministers of Malaysia to China, South Korea, Japan, Europe, the USA and Latin America.⁴⁶

Rimbunan Hijau is also closely connected to the political elite in Papua New Guinea. Examples include:

- An ex-Deputy Prime Minister was criticised in an Ombudsman's investigation for unlawfully pressuring the National Forest Board to favour Rimbunan Hijau with an illegal timber permit extension.⁴⁷
- In 2004, Minister for Internal Security (formerly Minister for Justice), Mark Maipakai, was the shareholder and director of a company, Gopera Investments Ltd, holding a timber permit sub-contracted to Rimbunan Hijau.⁴⁸
- National Intelligence Organisation report alleged that a provincial Governor and two Members of Parliament were on Rimbunan Hijau's payroll.⁴⁹

⁴⁴ High Stakes, World Rainforest Movement and Forest Monitor, 1998 (<http://www.forestmonitor.org/reports/highstakes>). See also Marshall (1989) Rimbunan Hijau. Unpublished report, cited in Greenpeace International 2004. *The Untouchables: Rimbunan Hijau's World of Forest Crime and Political Patronage*.

⁴⁵ World Rainforest Movement and Forest Monitor (1998). *High Stakes: The need to control trans-national logging companies*.

⁴⁶ China Daily, Tan Sri Datuk Tiong Hiew King - The World of Rimbunan Hijau, May 17th 2005/47 Ombudsman Commission

(2002) Final Report Investigation into a Decision of the National Forest Board to Award Kamula Dosa to Wawoi Guavi Timber Company (a subsidiary of Rimbunan Hijau).

⁴⁸ Gopera Investments Ltd Annual Return 2004. Gopera Investments is named as the permit holder for the extension of the East Kikori TRP in Gulf Province.

⁴⁹ PNG National Intelligence Organisation report (2000), Office of Counter Intelligence Baimaru Field Report.



Bintangor faced plywood in Shandong Senxin Plywood mill, Linyi City, Shandong province, China ready to be shipped to the UK.
© Greenpeace

Rimbunan Hijau's Partners in Crime

Rimbunan Hijau sells its timber products to clients world-wide who can turn a blind eye to the social and environmental consequences that their purchase of cheap plywood and other wood products causes in the countries of origin.

Rimbunan Hijau's timber reaped from the Paradise Forests of Indonesia, Papua New Guinea and the Solomon Islands, is shipped mainly to China, Japan, Korea and Australia. While China, Japan and Korea take the bulk of Rimbunan Hijau's log shipments, Australia predominantly receives sawntimber from both Papua New Guinea and in Papua, Indonesia.⁵⁰

Merbau is one of the main sawn-timber species frequently exported from Papua, Indonesia, Papua New Guinea and the Solomon Islands. The World Conservation Union's Red List has categorised merbau as "facing high risk of extinction in the wild" with logging and habitat destruction being the major threats.⁵¹ It is mainly used in outdoor decking and furniture, but also for interior flooring and mouldings. Wapoga Matiura Industries in Papua exports Merbau to Europe, China, Hong Kong, Taiwan and Australia.⁵² According to EIA/Telapak investigations the company, Rimbunan Hijau Jaya has been reported to be illegally logging merbau in Papua.⁵³

Logs, on the other hand, end up being processed into cheap plywood and sold in builders' merchants, used on building sites and advertising hoardings across the globe. Species like Bintangor (*Calophyllum*) and Red Canarium, have until recently dominated plywood markets into countries in Europe, where Chinese Bintangor faced poplar plywood could be purchased from almost any large trader of tropical plywood.

50 PNG Forest Industries Association, FAOSTAT data 2006, Greenpeace investigations

51 IUCN. www.iucnredlist.org

52 Wapoga Matiura Industries homepage. <http://www.wapoga.com/wmi.html>

Greenpeace investigations in 2005 and 2006 exposed that Rimbunan Hijau's illegal timber from Papua New Guinea is frequently used in the manufacture of cheap Chinese plywood and exported to countries in Europe including the UK, Netherlands, Belgium, Germany

and France.⁵⁴

As a consequence of this exposure a significant number of European companies have made commitments not to enter into any new contracts for Bintangor plywood or timber products from China.⁵⁵ Some companies have made the commitment not to buy products made with any timber species from Papua New Guinea.⁵⁶

Companies committed not to buy illegal timber from Papua New Guinea

UK	France	Netherlands	Germany	Belgium
International Plywood	Castorama (Kingfisher Group)	Pont Meyer	Holz Possling (cancelled contracts for Red Canarium plywood)	FEPCO International (Europe) BV ⁵⁷
Caledonian Plywood	Point P (St Gobain)	Hoek Lopik		
Premier Forest Products	PBM (Wolesely Group)	Oldenboom		
Wolseley UK	Leroy Merlin			
ScrewFix (Kingfisher Group)				

What needs to change

Rimbunan Hijau is only one example of the threat of illegal and destructive logging to the Paradise Forests of Asia-Pacific. Unfortunately, there are numerous other companies, locally, regionally and globally, which blatantly break laws and who revert to bribery and corruption to be able to continue to operate with impunity. If governments in both timber producing and consuming countries are serious about stopping the trade in illegal and destructive timber they must urgently act together and pass strict legislation to prevent it from continuing.

The Papua New Guinea and Indonesian Governments must:

- Investigate and prosecute Rimbunan Hijau, and other companies involved in illegal and destructive logging activities
- Establish a moratorium on large scale commercial logging activities in intact forest landscapes until national and local forestry policies have been reviewed, participatory land use planning with the customary land owners and local communities has been conducted and a significant increase in protected areas has been established

⁵³ EIA/Telapak, The Last Frontier, 2005, p16.

⁵⁴ Sharing the Blame: Global Consumption and China's Role in Ancient Forest Destruction. Greenpeace International & Greenpeace China, February 2006; Partners in Crime: The UK timber trade, Chinese sweatshops and Malaysian robber barons in Papua New Guinea's rainforests. Greenpeace UK, November 2005. [add in URLs]

⁵⁵ Which is largely supplied from Papua New Guinea, but also from the Solomon Islands.

⁵⁶ Companies and timber trade federations committing not to enter new purchase contracts for Bintangor and/or Papua New Guinea species include: FEPCO (Far Eastern Plywood Company) Europe, International Plywood, Caledonian Plywood (UK), Premier Forest Products (UK), Wolseley (UK), ScrewFix (Kingfisher Group), member of the Timber Trade Federation UK, Castorama (Fr), Point P (Fr – Saint Gobain), PBM (Fr - Wolseley Group), Leroy Merlin (Fr), Castorama (Fr), Point P (Fr), Commerce du Bois (Fr – Timber Importers Federation), Pont Meyer (NL), Hoek Lopik (NL), Oldenboom (NL). In Germany, a large plywood trader Holz Possling GmbH & Co, cancelled contracts for plywood made of Red Canarium, a Papua New Guinea species used for plywood.

⁵⁷ Pers comm with Mike Walduck (FEPCO UK), 29 March 2006. Pers comm with Kenneth Oh, General Manager, FEPCO International (Europe) BV, 6 April 2006.



Greenpeace activists dump over a tonne of plywood blocking the entrance to DEFRA, the UK Government's department responsible for the environment. The action followed a major investigation uncovering a criminal trail of illegally logged timber from remaining rainforests in Papua New Guinea, Indonesia and Gabon which is laundered through China before arriving in the UK. London, October 2005.

- Combine anti-corruption measures with measures to improve the management of forest resources; enhance law enforcement and increase the penalties for crimes in forest concessions
- Continue to work within the East Asia and Pacific Forest Law Enforcement and Governance (FLEG) process.
- Recognise and support small scale sustainable community eco-forestry projects

Governments around the world must act to:

- Establish a global network of protected forest areas
- Ban the import of illegal timber and timber products and promote socially and ecologically responsible forest management worldwide
- Support measures being taken by timber producing countries to combat corruption and to strengthen law enforcement

Companies must:

- Reject timber and timber products from illegal and destructive sources
- Buy only timber and timber products certified by the Forest Stewardship Council (FSC)
- Comply with national and international laws and regulations
- End human rights violations throughout the logging industry