

## Hazim: plundering Cameroon's ancient forests

### Cameroon's forest of the Great Apes

**"Hazim appears to have put in place a vast network of corruption involving local elites, traditional chiefs, notables and the administrations of the localities concerned."** *Le Messenger, 6 June 2001*

The lowland rainforest of Cameroon forms part of Africa's stunning Forest of the Great Apes. One of the world's last remaining strongholds of species such as lowland gorillas, chimpanzees and forest elephants, this forest supports thousands of species of plants and animals and is home to around 12 million forest-dependent people. But today their future is under threat, as illegal and destructive logging companies encroach deeper and deeper into this fragile forest.<sup>1</sup>

In recent years a number of official reports published by the Cameroonian government and the World Bank have revealed the dominant nature of illegal activities within Cameroon's logging industry<sup>2</sup> – activities that cost the Cameroonian government millions of dollars each year in lost revenue.<sup>3</sup> In the last three years, numerous timber companies have been fined for illegal practices such as tax evasion, logging outside legal boundaries, logging after permits have expired, cutting undersized trees and logging in unallocated concession areas.<sup>4</sup>



July 2001: new logging road in East Cameroon

One of the main factors in driving this corrupt, destructive and economically inefficient industry is the demand from the international marketplace – the importing nations who choose to ignore what is going on in the forest and just carry on with business as usual.

### Société Forestière Hazim

Within Cameroon's logging sector one group of companies is particularly notorious for repeated criminal activities in the forest. This group is owned by Mr Hazim Hazim Chegade, the Lebanese consul to Cameroon<sup>6</sup> and now one of Cameroon's richest men. Hazim owns and operates one of the largest logging companies in Cameroon – the Société Forestière Hazim (SFH).

Throughout the world ancient forests are in crisis. Some 80% of the world's original ancient forest cover is already gone; illegal and destructive logging poses the single greatest threat to what remains. The uncontrolled international trade in ancient forest products fuels this destruction. As part of its campaign to protect what is left of the world's ancient forests, Greenpeace is carrying out investigations into logging companies involved in illegal, destructive and abusive activities and is calling on consumers, trading partners and governments around the world to stop their role in driving this unscrupulous industry.

**"A disastrous partnership of loggers and hunters in the Congo basin... [means that] in as little as ten years... the world's second biggest tropical forest could be emptied of large mammals; and Africa's great apes – gorillas, chimpanzees and bonobos – could become extinct."**

*The Economist, 12 January 2002*



SFH log in Nordenham from a concession where illegal logging took place

SFH has gained particular notoriety for its record of violating forestry laws, creating social conflicts and causing massive environmental damage. It has been repeatedly fined for its 'anarchic' logging practices and for logging outside the legal limits of its concessions as well as for logging without authorisation in neighbouring concessions. Yet the Cameroonian government, the donor community and the governments of importing nations have failed to tackle this serious problem. And European timber importers continue to buy Hazim's timber.

**"The company Hazim should have its operating license revoked."**

*Luc Durrieu de Madron, World Bank consultant, 2000<sup>5</sup>*

### Company profile

SFH has been active in Cameroon since the early 1980s. Operating both as a concessionaire and via subcontracting arrangements with other titleholders, it has become one of Cameroon's largest timber exporters. In addition to SFH, Hazim owns four wood processing units and has access – as either owner or subcontractor – to an estimated 280,000 hectares of forest. That is an area more than three times the size of Berlin, Germany's largest city. The majority of Hazim's logging operations are now located in forest areas of high conservation value in the east of the country, where threatened animals such as forest elephants, lowland gorillas and chimpanzees have some of their last refuges on earth.



*Mr Hazim receiving medal from Minister Pius Ondoua*

SFH's continued strong position in the forestry sector comes despite overwhelming evidence of its recent involvement in large-scale illegal logging. Indeed, although officially excluded from the government's auction of Forest Management Units (UFAs) in July 2000,<sup>7</sup> Hazim has succeeded – by allying himself with other high-bidding companies – in more than doubling his previous holdings.

Table 1. Companies known to be linked to Hazim

Company	Description
Société Forestière Hazim (SFH)	Hazim's logging company operates one Forest Management Unit (UFA) and two <i>ventes de coupe</i> <sup>8</sup> totalling 58,160ha. <sup>9</sup>
Société Forestière Hazim Scierie (SFHS)	Wood processing plant – based in Bonabéri, Douala. <sup>10</sup>
IB-Cam	Wood processing plant – based in Bonabéri, Douala. <sup>11</sup>
Société Forestière Hazim Scierie-Ngambé Tikar (SFHS-NT)	Wood processing plant – based in Ngambé-Tikar. <sup>12</sup>
Société Forestière Hazim Scierie-Lomié (SFHS-L)	Wood processing plant – based in Lomié. <sup>13</sup>
Ingénierie Forestière (IngF)	Controlled by Frank Biya <sup>14</sup> (son of President Paul Biya) IngF controls two UFAs sub-contracted to SFH, totalling 128,331ha. In the July 2000 concession allocation, this company's financial offers dwarfed those of its competitors – securing the concessions despite the company's low technical ranking. <sup>15</sup>
Société Forestière du Dja et de la Boumba (SFDB)	Controlled by Cameroon's Secretary General of Defence, Jean-Marie Aléokol, SFDB was awarded UFA 10-029 (46,922ha), which is operated by SFH and supplies Hazim's Lomié mill. <sup>16</sup>
SFIW	SFIW was awarded UFA 10-022 in July 2000 (48,864ha). Hazim is the partner of SFIW for the operation of this concession. <sup>17</sup>



*Summer 2001 – sawn timber from Hazim's Lomié sawmill*

### Environmental destruction and social conflict<sup>18</sup>

Looking to build a fourth sawmill in 1998, Hazim originally chose a site on the outskirts of the town of Lomié – an area already occupied by a Baka ‘pygmy’ village of 200 inhabitants. It was not until Hazim’s bulldozers arrived and began to destroy parts of the village – including ancestral graveyards – that the Baka were made aware of the company’s intentions. Only in the light of international attention did Hazim finally agree to relocate to another site. The company’s new mill is now only a few kilometres from the border of the Dja Reserve – a UNESCO World Heritage Site.

In 1997 Hazim was granted a 53,000 hectare concession (UFA 08-003) in Ngambé-Tikar in the Centre Province. Hazim was supposed to provide jobs through the management of this forest for at least 15 years. Instead, he organised a highly destructive logging operation in the area. In May 2001 Hazim announced that he would end his operations in Ngambé-Tikar and close his sawmill there. A delegation of traditional chiefs and local elites visited Hazim in Douala, reminding him he had yet to make good on his contractual obligations to invest in local development. Hazim replied: “Go ask the administration, the forestry officials and the NGOs to leave me alone, then we’ll see.”<sup>19</sup>

### Environmental destruction and illegal logging

Evidence compiled by Greenpeace reveals how Hazim’s companies have been repeatedly involved in large-scale illegal logging activities, ranging from cutting undersized trees to logging in areas where SFH has no legal access.

**“There aren’t enough trees over the legal diameter, I’ve got to cut below the legal minimum to supply my sawmill.”**

*Hazim, cited in Durrieu de Madron (2000)*



Summer 2000, France – logs from UFA 10.029



Summer 2000, Nordenham – logs from UFA 10.057

### Table 2. Some of Hazim’s recent illegal logging activities

UFA (Forest Management Area)	The crimes
08-003	<ul style="list-style-type: none"> <li>• March 2000: MINEF (Cameroon’s Environment and Forestry Ministry) fines SFH 10 million CFA (Central African Francs) (US\$13,000) for logging anarchically outside the licensed cutblocks.<sup>20</sup></li> <li>• June 2000: MINEF discovers SFH logging numerous unauthorized cutblocks and cutting undersized trees.<sup>21</sup></li> </ul>
10-029	<ul style="list-style-type: none"> <li>• March 2000: MINEF fines SFDB (SFH acting as subcontractor) 11 million CFA (US\$15,000) for numerous illegal practices, including cutting undersized trees and failing to demarcate concession boundaries.<sup>22</sup></li> <li>• June 2001: MINEF fines SFH 105 million CFA (US\$140,000) for operating outside legal limits.<sup>23</sup></li> </ul>
10-030	<ul style="list-style-type: none"> <li>• June 2000: MINEF and Global Witness discover SFH operating illegally in this concession, which at that time was unallocated. In 2001 an independent study investigating the scale of the operation found that more than 20,000 ha had been logged illegally, the harvest including 8,000m<sup>3</sup> of the CITES-listed species afrormosia (<i>Pericopsis elata</i>). The economic losses due to the Cameroonian government are estimated at well over US\$10 million.<sup>24</sup></li> </ul>
10-047	<ul style="list-style-type: none"> <li>• June 2000: SFH (operating as Nadja-EGM) is found to be logging without authorization in this concession which borders the Dja Reserve, now a UNESCO World Heritage Site. The concession, belonging to a Mr Mponengang, had been classified as ‘inactive’ by MINEF in December 1999<sup>25</sup> – investigations revealed that 15,000ha had been logged illegally. The losses in taxes due to the Cameroonian government are estimated at around 500 million CFA (US\$672,000).<sup>26</sup></li> </ul>
10-057	<ul style="list-style-type: none"> <li>• This UFA is controlled by the Cameroonian Gustave Mbeng – identified by the World Bank’s consultant Luc Durrieu de Madron as Hazim’s ‘informal’ partner.<sup>27</sup></li> <li>• December 1999: MINEF discovers this UFA is ‘completely exhausted of valuable timber’ and that none of the conditions of the concession contract had been fulfilled.</li> </ul>
08-10-42 ( <i>vente de coupe</i> )	<ul style="list-style-type: none"> <li>• January 2001: MINEF fines SFH 50 million CFA (US\$67,000) for logging outside the authorized area.<sup>28</sup></li> </ul>

Over the last two years Hazim has been fined at least 176 million CFA (US\$234,700) for repeated involvement in illegal forest practices.<sup>29</sup> But these fines represent only a tiny fraction of the estimated economic damage Hazim has caused. For example, an independent team of experts has calculated that the export value of the illegally cut timber in UFA 10-030 alone amounts to more than US\$26 million.<sup>30</sup>

Despite Hazim's record of flouting national forestry law – and the recommendation by the World Bank's advisor that its operating licence be revoked – the Cameroonian government has done little to curb the company's illegal and destructive forest activities. Meanwhile, as importing nations and companies also refuse to face up to this company's criminal activities, Hazim's cheap timber continues to flood the international market.

### European imports driving destruction

French and other European timber companies traditionally dominated the logging industry in this region's forests, which once stretched across Africa from Senegal to Uganda.<sup>31</sup> But with the extensive destruction of the rainforests in West Africa (especially the Ivory Coast, Ghana and Nigeria), coupled with growing world demand for tropical timber, many logging companies from elsewhere have also turned their attention to the ancient forests of Cameroon.

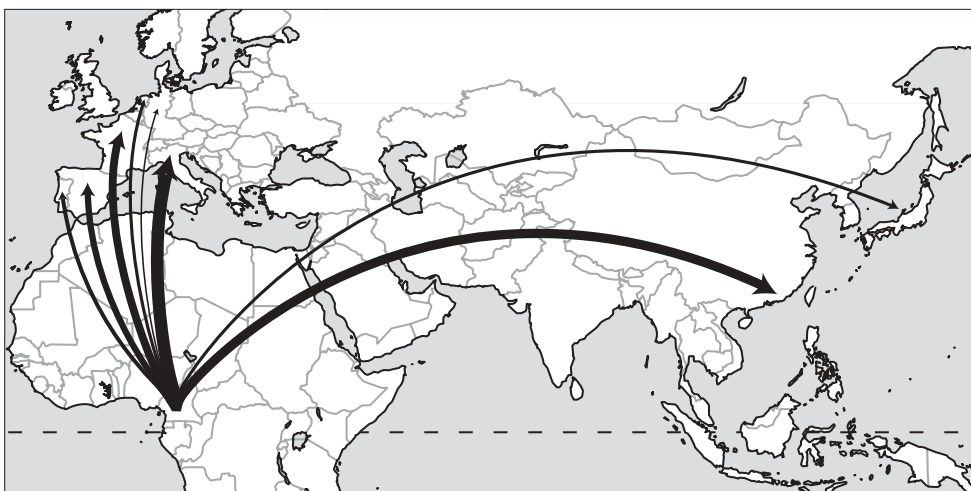
Nevertheless, Europe has remained a strong player in driving this industry and its destruction of the last intact ancient forests of eastern Cameroon. While sources of trade data vary considerably, recent figures show that the EU is currently responsible for a minimum of 52% of Cameroon's annual exports.<sup>32</sup> According to these sources the most significant EU importer is Italy (19.9%) followed by Spain (14%), France (9.8%) and Portugal (5.6%).<sup>33</sup>†



Summer 2000, France – sawn timber from Hazim mill



April 2001, Salerno – Hazim logs



The international market for Cameroon's timber

Despite a series of Greenpeace actions in July 2000, which highlighted the illegal and destructive activities of SFH and other companies involved in the international illegal timber trade, significant volumes of SFH logs and timber have recently been located in the Netherlands, the UK, Belgium, Spain, Italy and France.

One of the main buyers of Hazim timber in Europe is the Danish multinational DLH Nordisk.<sup>34</sup> Listed on the Copenhagen Stock Exchange, DLH Nordisk has offices in 24 countries worldwide, making it one of the world's largest international timber traders. Its major markets are the US, Denmark and France, with Europe accounting for around two-thirds of all DLH sales.<sup>35</sup> Ironically, DLH's annual report for 2000 claims: "The aim of the environmental policy implemented by DLH is to promote sustainable forestry. Suppliers are thus carefully selected with this in mind."

Any company buying from DLH Nordisk should therefore be aware that they could also be buying from Hazim. In the UK for example, the importers and merchants James Latham, Timbmet and International Timber, Abbey Wood and Duncan Timber have all recently purchased wood from Hazim via DLH. Other companies known to be buying logs and timber from Hazim include the Dutch logger and importer Wijma, the Belgian veneer producer Coplac,<sup>36</sup> Fritz Offermann, which operates one of Germany's largest sawmills for tropical timber, the French importer Centre Imports de Bois Méditerranée (CIBM), the Italian processor Favino and various Spanish companies – including the door manufacturer Maderas Medina, the sawmill and flooring company Pazos Minguez and importers Bargar, S Riero, Es Magatzem, Maderas Medina and Maderas Ria de Arosa (RIASA).



*Cameroon's logging industry is dominated by illegalities – to the cost of the forest*

## Greenpeace call for action

Hazim's logging companies have been implicated in illegal and destructive logging and their role in causing social conflict has been exposed. In the run up to the United Nations' forthcoming Ancient Forest Summit, Rio +10 and beyond, Greenpeace is urging governments of all importing countries to immediately stop their role in the destruction of Cameroon's forests by committing to the following principles:

- **stop the destruction**

by stopping any further industrial activities in intact ancient forest until responsible plans for forest conservation and sustainable use have been agreed.

- **clean up the timber trade**

by ensuring that timber is produced and traded in a legal and ecologically responsible way; by refusing to trade with companies known to be operating illegally or destructively; and by demanding that all wood and wood products entering national ports must come from legal and well-managed forest operations according to high social and ecological standards.

- **come up with the money**

by providing at least US\$15 billion each year to pay for forest conservation and sustainable development.

Endnotes

- <sup>1</sup> WRI/WWF (2000)
- <sup>2</sup> MINEF (1999a); MINEF (1999b); Milol and Pierre (2000); Durrieu de Madron and Ngaha (2000)
- <sup>3</sup> Milol and Pierre (2000)
- <sup>4</sup> MINEF (2000a); MINEF (2001); Faure (2000)
- <sup>5</sup> Durrieu de Madron and Ngaha (2000)
- <sup>6</sup> Carret (1999)
- <sup>7</sup> In Cameroon, forest concessions are allocated via a public bidding process.
- <sup>8</sup> Vente de coupe – short-term cutting licence of a maximum 2,500 ha for which no management plan is required
- <sup>9</sup> Collomb and Bikié (2001)
- <sup>10</sup> Carret (1999)
- <sup>11</sup> Carret (1999)
- <sup>12</sup> Carret (1999)
- <sup>13</sup> Carret (1999)
- <sup>14</sup> Durrieu de Madron and Ngaha (2000)
- <sup>15</sup> Collomb and Bikié (2001)
- <sup>16</sup> MINEF (1999a); Durrieu de Madron and Ngaha (2000); Mentens (2001)
- <sup>17</sup> Collomb and Bikié (2001)
- <sup>18</sup> Mentens (2001)
- <sup>19</sup> Le Messenger (2001)
- <sup>20</sup> The Cameroon Tribune (2000); MINEF (1999b)
- <sup>21</sup> Greenpeace (2000a) and references cited therein
- <sup>22</sup> The Cameroon Tribune (2000)
- <sup>23</sup> Cameroon Tribune (2001)
- <sup>24</sup> Greenpeace (2000a); Auzel et al (2001)
- <sup>25</sup> MINEF (1999b)
- <sup>26</sup> Greenpeace (2000a)
- <sup>27</sup> Durrieu de Madron and Ngaha (2000)
- <sup>28</sup> Cameroon Tribune (2001)
- <sup>29</sup> See table 2
- <sup>30</sup> Auzel et al (2001)
- <sup>31</sup> Van Dorp (1995); Debroux and Karsenty (1998); both cited in Greenpeace International (1999)
- <sup>32</sup> Figures vary from 52% (ITTO 2000) to 83% (figures cited in Forests Monitor 2001)
- <sup>33</sup> ITTO (2000) Additional markets include China and Hong Kong (10.8%) and Japan (1.3%).
- <sup>34</sup> DLH Nordisk is the hardwood division of Denmark's DLH (Dalhoff Larsen and Horneman) Group
- <sup>35</sup> [www.dlh-nordisk.com](http://www.dlh-nordisk.com)
- <sup>36</sup> Coplac is a subsidiary of the Swiss-German Danzer Group. One of the largest producers of hardwood veneers worldwide, the Danzer Group has 12 veneer mills and 4 sawmills with purchasing activities in over 40 countries.

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