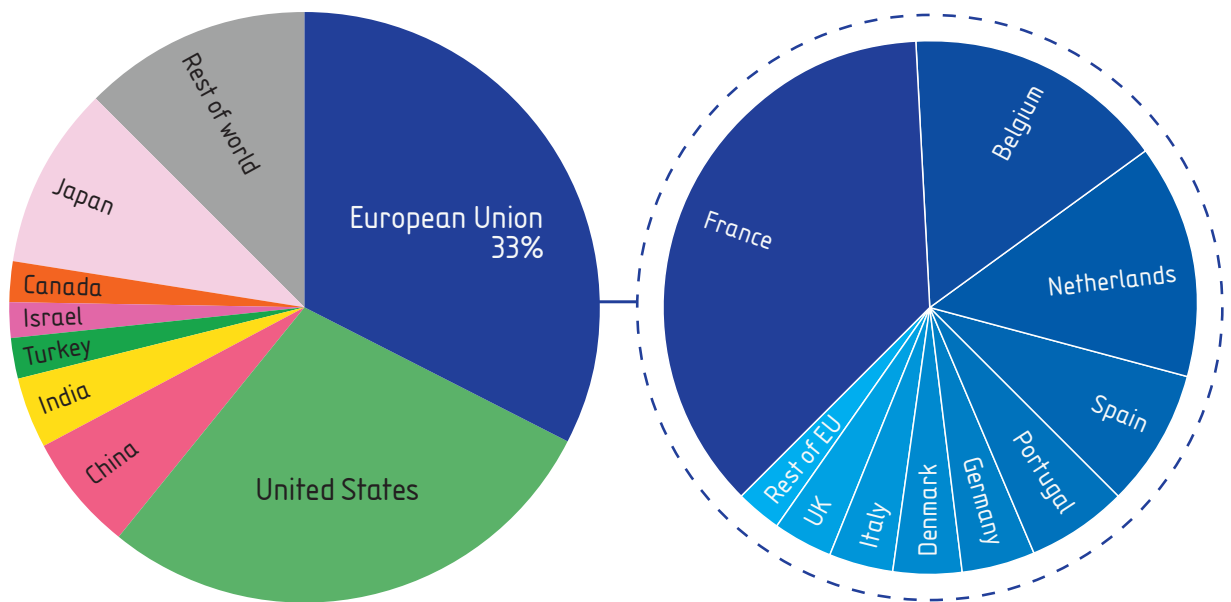


The Amazon's silent crisis

THE EU MARKET AND THE EUTR

Brazilian Amazon timber exports by value 2013 (US\$)



Brazilian Ministry of Development, Industry and Trade (2014) Timber exports from the Brazilian Amazon, by value. www.aliceweb.desenvolvimento.gov.br

Europe is a key market for tropical timber exports from the Brazilian Amazon, with one-third of all timber exported from the region going to EU countries. In 2013, EU countries imported tropical timber products worth US\$148 million from the Brazilian Amazon.¹ Almost half of all timber imported from the Brazilian Amazon into the EU during this period came from the state of Pará, half of whose timber exports went to the EU.² Nearly 80% of the area logged in Pará between August 2011 and July 2012 was harvested illegally.³

Companies within the EU are bound by the EU Timber Regulation (EUTR),⁴ which prohibits the placing on the market of illegally harvested timber. Yet Greenpeace's investigations have discovered that a number of companies in the EU have recently bought and imported timber from high-risk export companies

in Brazil – companies that have handled wood from sawmills that have processed (either knowingly or through wilful negligence) illegal timber laundered by misusing official documentation.

France is the world's second-largest importer of tropical timber from the Brazilian Amazon, with imports totalling over €40 million (US\$54 million) in 2013. Belgium, the Netherlands and Spain are all within the top 10 global destinations; Portugal and Germany sit within the top 15, followed by Denmark, Italy and the United Kingdom within the top 20.⁵

Tropical timber is used primarily for construction (40% of tropical timber imported into France, Belgium and Italy is used in this way), decking (approximately 30% in France and Belgium, and 70% in Spain and Germany), sea defences, furniture and road construction.⁶



Aerial view of the Agropecuária Vitória Régia (forest management plan) in the municipality of Anapu, Pará State. Approved sustainable forest management plans for Amazon forest can be misused to launder illegal timber.04/01/2014
© Marizilda Cruppe / Greenpeace



Logging Trucks in Pará State Trucks loaded with timber close to the river Curuá-Una, Pará State. 03/28/2014
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Responsibilities of European timber importers

Under the EUTR, which came into effect in March 2013, it is illegal for companies to place illegally logged timber and timber products on the EU market. Importing companies, defined as ‘operators’ under the legislation, are also responsible for assessing their suppliers and taking appropriate steps to prevent illegal timber and timber products from entering their supply chain – referred to as due diligence.

Downstream purchasers, known as traders, must keep records of their transactions, so that any potentially illegal timber can be traced back to the company that imported it. EU Member States are expected to set up appropriate legal and administrative structures to enforce the regulations and, where necessary, impose sanctions on companies that disregard them.

When importing from a high-risk country or region, operators are expected to take even greater care to avoid illegal timber. In particular, where documentation is frequently misused or falsified, as is the case in the Brazilian Amazon, operators cannot rely solely upon

paperwork to demonstrate compliance with the law. They must seek further assurances from their suppliers to mitigate the risk of illegality, and should not import any timber from the supplier or region in question until the risk has been successfully reduced to a negligible level.⁷

The EUTR applies to, for example: 1) imports of sawn timber to be processed in the EU to make products such as decking or flooring and resold; 2) imports of timber products such as flooring for sale in the EU; and 3) imports of timber products such as flooring and decking from outside the EU for the importer’s own use (e.g. a hotel chain importing flooring for use in its hotels, with no intention of selling the goods on).

Our investigations, supported by other widely available and easily accessible information, show that illegal logging and timber laundering remain serious and systemic problems in the Brazilian Amazon in general and in the state of Pará in particular. Operators should act on this information, incorporating it into their risk assessments and implementing effective mitigation measures. Each EU Member State’s competent authorities should investigate its country’s trade in timber from the Brazilian Amazon and ensure that operators are acting correctly, in compliance with the due diligence obligations laid down in the EUTR, and are not violating the EUTR prohibition on placing illegally harvested timber on the EU market.

Amazon Brazilian timber exports to the EU market

France

France is the largest European importer of timber from the Brazilian Amazon and the largest importer of Ipê specifically (to a value of \$8 million in 2013).⁸ Companies importing timber from the Brazilian Amazon into France include Tradelink Wood Products Ltd, Ets Pierre Robert & Cie, Guillemette & Cie, Rougier Sylvaco, Ets Peltier, Décoplus and J. Pinto Leitão SA. Each of these companies has recently bought and imported timber from companies in Brazil whose supply chains are contaminated by wood from sawmills that have processed illegal timber laundered with official documentation.⁹

Belgium

Belgium is the second-largest importer of Brazilian Amazon timber in the EU. Last year, it imported timber worth US\$23 million, making it the fifth-largest importer globally.¹⁰ It is also the third-largest importer of Brazilian Amazon Ipê, following the USA and France, with imports valued at US\$6.8 million.¹¹ The port of Antwerp also functions as an important hub for distribution of tropical timber products to other EU and non-EU countries.¹²

Greenpeace has identified a number of Belgian companies that have recently bought and imported timber from companies in Brazil whose supply chains are contaminated by wood from sawmills that have processed illegal timber laundered with official documentation. These are: Vogel Import Export NV, Vandecasteele Houtimport, Somex NV, Leary Forest Products BVBA, Van Hoorebeke NV, Craco and Saelens Trading BVBA.¹³

The Netherlands

The Netherlands is the sixth-largest destination worldwide for Brazilian Amazon timber, and the third-largest one in the EU. Export data from Brazil show a value of over US\$21 million in 2013.¹⁴ Large importers buying from Brazil have shown a trend towards sourcing responsibly produced hardwood (i.e. certified by the Forest Stewardship Council (FSC)).¹⁵ However, Greenpeace investigations have uncovered trade links between the Netherlands and companies that have handled wood from sawmills that have processed illegal timber laundered by misusing official documentation. These including Madeira Rancho Da Cabocla Ltda, LN Guerra Industria E Comercio De Madeiras Ltda and Madesa – Madeira Santarém Ltda.¹⁶

Spain

Spain has traditionally been a big market for Amazon timber, especially during the pre-recession construction boom. Despite the recent decline in construction, Spain



Sawmill named Madeira Santa Bárbara, in the village of Moju, Pará State.
04/01/2014

© Marizilda Cruppe / Greenpeace

remains the fourth-largest destination for Brazilian Amazon timber in the EU and eighth-largest destination globally with exports worth US\$12 million in 2013.¹⁷ In Spain, Ipê has been used in a number of public building projects, including the Pedro Arrupe Bridge over the Río Nervión in Bilbao, the Ebro Environmental Centre in Zaragoza, Diagonal Avenue in the Poblenou in Barcelona, and the Arganzuelas Bridge over the Manzanares river in Madrid.¹⁸

During 2013, timber companies including López Pigueiras SA, Maderas Casas SA, Tarimas Tropicales y Exóticas SL and Maderas Rías Baixas SL imported timber from high-risk companies in Brazil.¹⁹ The number one importer of Ipê in Spain, López Pigueiras SA, has a history of trading with law-breaking companies in Brazil. In 2006, Greenpeace revealed its links with Brazilian companies involved in illegalities related to fake land titles and forest management plans; the management plans were subsequently suspended by the Brazilian environmental authorities.²⁰

Germany

Exports of Amazon timber to Germany reached nearly US\$7million in 2013 which makes Germany among the top 15 destinations globally for all Brazilian Amazon timber exports – and the sixth-largest importer of Ipe from the Brazilian Amazon in the EU.²¹ Several German companies have recently bought and imported timber from companies in Brazil whose supply chains are contaminated by wood from sawmills that have misused official documents to launder illegal timber.²²

Italy

Exports to Italy amounted to nearly US\$6 million in 2013 ranking the country among the top 20 destinations globally for Brazilian Amazon timber exports and 11th for Brazilian Amazon Ipê. Ipê is used primarily in exterior decking for both private and public properties, such as lake- and seafront boardwalks (Lesa, Golfo Aranci), piers (Misano Adriatico) and terraces (the Polytechnic University of Turin). Key suppliers to the Italian market include New

Timber and Ipezai, each of which has traded with high-risk companies in Brazil in the last year.²³

Denmark

Denmark is also among the top 20 destinations globally for Brazilian Amazon timber exports, importing timber worth over US\$6 million in 2013.²⁴ Major importers to the Danish market include DLH Denmark and Keflico A/S. These and other companies have recently bought and imported timber from companies in Brazil whose supply chains are contaminated by wood from sawmills that have misused official documents to launder illegal timber.²⁵

Portugal

Exports to Portugal were nearly US\$9 million of Brazilian Amazon timber from Brazil, ranking the country the 12th largest destination in 2013. Significant amounts of Brazilian Amazon timber, including Ipê, are imported into Portugal by J.Pinto Leitão SA.²⁶ J. Pinto Leitão is known to purchase timber from companies in Brazil whose supply chains are contaminated by wood from sawmills that have misused official documents to launder illegal timber, such as UTC MADEIRAS LTDA.²⁷

The UK

Exports of Amazon Brazilian timber to the UK were over US\$5 million US\$ in 2013. The UK is among the top 20 destinations globally for Brazilian Amazon timber exports in general and also for Ipê specifically.²⁸ Key suppliers to the building trade are Tradelink Wood Products and International Timber (part of the Saint-Gobain group). In addition to specialist decking suppliers, Brazilian hardwood decking, including Ipê, is available from Jewson (also part of the Saint-Gobain group) and AW Champion Timber. Over the year to February 2014, Tradelink Wood Products, Wood and Beyond Ltd, and DLH imported timber into the UK that was bought from high-risk companies in Brazil.²⁹

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