

CHAPTER 5

ILLEGAL LOGGING IN SOUTH, SOUTH EAST ASIA, AND CHINA: A SKETCH

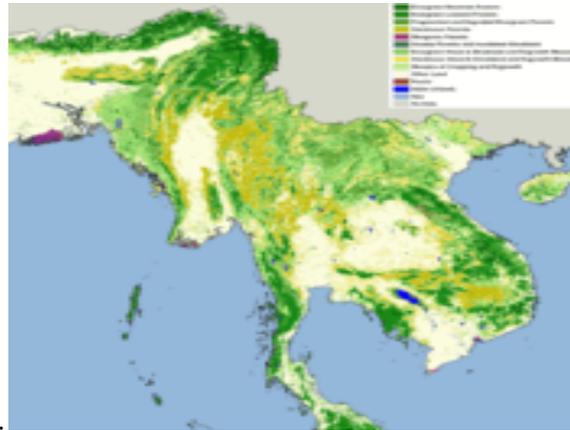
THE FRAME

This article focuses upon the status of timber trading in the countries in the south and South-East Asia and China. The forest cover map of Asia shows that these areas have dense forest and it is understood that timber



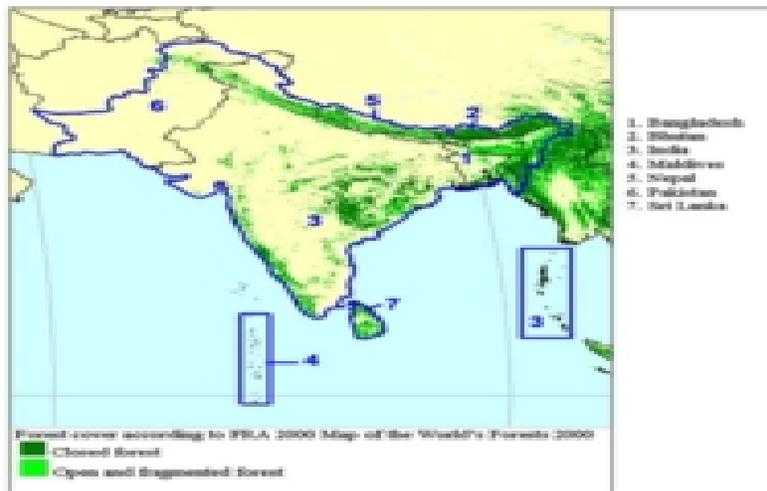
Map No: 1-Map showing the concentration of Forest in ASIA

trading activities would be concentrated in this region. Moreover there is a trading route for illegal timber that originates in Indonesia and reaches china through Myanmar or borders of Mizoram in some cases. Until 2013, Malaysia was one of the largest exporters of teak logs to India. For this reason in South Asia SAARC countries status of timber trade along with Indonesia, Malaysia and Myanmar is looked into.



Map No: 2-Map showing the concentration of Forest in South East Asia

In the South East Asia, Indonesia, Malaysia and Myanmar have thick forest Coverage. Among the SAARC countries too there is ample forest coverage.



Map No: 3-Map showing the concentration of Forest in South Asia

The SAARC countries comprise of Bangladesh, Bhutan, India, Pakistan, Maldives, Nepal, and Sri Lanka. Another reason behind selecting these countries is that with the exception of China and India, they are within the so called classification of “developing countries”.⁴³⁴ Though these countries differ in size, they enjoy a canopy of forest. This chapter intends to examine the extent of victimization of illegal logging in these nations.

⁴³⁴ A nation where the average [income](http://www.oxforddictionaries.com) is much lower than in industrial nations, where the economy relies on a few export crops, and where farming is conducted by primitive methods. In many developing nations, rapid population growth threatens the supply of food.www.oxforddictionaries.com

The theoretical framework of this chapter is based upon the issue of equilibrium of economy and sustainability of development. While it is admitted that none of the countries under discussion have economic balance. It is noted that they are struggling under pressure of; population and poverty on one hand and the pressure of globalization and sustainability on the other.

THE FOCUS

Illegal logging has emerged as a worldwide concern in the last decade. The problem occurs on a global scale, but is most notable in developing countries. Though most illegal timber is used domestically, 5–10% of the total global forestry trade is estimated to be comprised of illegal timber, with a greater percentage originating from countries in South and South East Asia. Around half of the tropical wood imported into the European Union is estimated to come from illegal sources. Asia is a region experiencing rapid economic development, with the forest sector being part of this growth. This development is creating opportunities for employment and trade, but unfortunately it is also increasing the threat of rapid deforestation. Illegal logging is understood to be one of the main drivers of deforestation in the region together with poorly planned conversion of natural forests and oil-palm production. Increasing demand for wood product, for both domestic use and export, puts pressure on and increases competition for land and forest resources⁴³⁵. The destruction of the world's forests is a well-known by-product of the development of modern society. Eighty per cent of the forests that originally covered the earth have been cleared, fragmented or otherwise degraded by logging, mining, and clearance for agriculture or urbanization⁴³⁶. In tropical countries, logging for wood products is responsible for about one-third of total deforestation (in some countries, the proportion reaches one half or greater). Possibly more than half of all the logging activities in the most vulnerable regions are conducted illegally⁴³⁷.

Illegal logging takes place when timber is harvested, transported, bought or sold in violation of national laws. The harvesting procedure itself may be illegal, including corrupt means to gain access to forests, extraction without permission or from a protected area (such as a national park), cutting of protected species, or extraction of timber in excess of agreed limits.

⁴³⁵ Mikaela Nilsson Rosander, *Illegal Logging: Current Issues and Opportunities for SIDA/SENSA, Engagement in Southeast Asia*, 2008, Bangkok, Thailand

⁴³⁶ Hiroyuki Ishi, 'We Must Stop Deforestation by Human Beings and Start Implementing Forest Conservation', *JICA Network Going Green* (July 1999), found at <[http://www.jica.go.jp/english/publication / network/1999/net_9907/01.html](http://www.jica.go.jp/english/publication/network/1999/net_9907/01.html)>.

⁴³⁷ Contreras-Hermosilla, *Law Compliance in the Forestry Sector: An Overview* (World Bank Institute, 2002), at 1–6.

Illegals may also occur during transportation, including illegal processing and export, mis-declaration to customs and avoidance of taxes and other charges. Several major timber producers and exporters are developing countries, and suffer particularly from illegal logging. Compared to industrialized countries, resources for law enforcement are limited, corruption is more widespread, international companies, which offer investment, are proportionately more powerful, and civil society is weaker. Allocation of timber harvest rights has often been used as a mechanism of mobilizing wealth to reward allies and engender patronage.

Illegal logging and the international trade in illegally logged timber is a major problem for many timber producing and exporting countries. It causes environmental problems, in terms of the depletion of scarce natural resources, the destruction of ecosystems, loss of biodiversity, and loss of carbon sinks. It causes economic and developmental problems, with the loss of billions of dollars each year in government revenues. It also causes social problems, in terms of the disregard for law and the corruption it promotes, which are damaging to governance and social cohesion alike. For all these reasons, the issue of illegal logging has been attracting increased attention from governments of developing and developed countries alike.

OBJECTIVE

The present research deals with the legal framework of timber trading. Trading cannot remain confined within one nation and the status of trade and trading policies of neighbouring country in one way or another impact upon the trading policy and status of another country. Keeping this in mind this chapter tries to take a look into the status of timber trade in some select countries of South and South East Asia.

ILLEGAL LOGGING

There is no universal definition of illegal logging⁴³⁸. It is not a legal term that has been agreed upon, and its use varies in different contexts. Legality also differs from country to country. Definitions of illegal logging share some common elements. One fundamental aspect is the “Violation of relevant national legislation, including ratified international treaties and

⁴³⁸ According to Webster Dictionary:

Timber means- growing trees and their wood suitable for building and carpentry

Wood means - hard fibrous substance basically xylem, stems branches of trees

Log means - Fallen tree, bulky piece or length of unshaped timber

Lumber means- Timber or logs when dressed for us.

In this article the author is concerned with logs but not the naturally fallen ones but those that are cut/felled

conventions”. Generally illegal logging takes place when “timber is harvested in violation of national laws”⁴³⁹. Some examples of illegal practices occurring in the forest sector are:

A. Logging⁴⁴⁰

- Logging timber species protected by national law
- Buying logs from local entrepreneurs that have been harvested outside the concession⁴⁴¹
- Logging outside concession boundaries⁴⁴²
- Contract with local forest owners to harvest on their land but then cutting trees from neighboring Public lands instead
- Logging in protected areas such as Reserved Forests and Eco-sensitive zones
- Logging in prohibited areas such as steep slopes, river banks and catchment areas
- Removing under-/oversized trees
- Extracting more timber than authorized
- Logging without authorization
- Logging in breach of contractual obligations (e.g. pre logging environmental impact statement)
- Obtaining concessions illegally

B. Timber Smuggling⁴⁴³:

- Export/import of tree species banned under national or international law, such as the Convention on International Trade in Endangered Species⁴⁴⁴.
- Export/import of tree species listed under CITES⁴⁴⁵ without the appropriate permits.
- Export/import of log, lumber or other timber product in contravention of national bans
- Unauthorized movement of timber across district or national borders
- Movement of illegally logged timber from forest to illegal market
- Exporting volumes of forest products in excess of the documented export quantity

C. Practices Specifically Aimed at Reducing Payment of Taxes and Other Fees⁴⁴⁶:

⁴³⁹ The European Union Action Plan for Forest Law Enforcement, Governance and Trade (EU FLEGT)

⁴⁴⁰ Mikaela Nilsson Rosander, Illegal Logging: Current Issues and Opportunities for SIDA/SENSA, Engagement in Southeast Asia, 2008, Bangkok, Thailand, see also Alda Chan, Illegal Logging in Indonesia: the environmental, Economic and social cost, Page 4 www.BlueGreenAlliance.org

⁴⁴¹ The quantity of or number of logs that are permitted to be taken out under the law or forest notifications.

⁴⁴² The area within which logging is permitted by the Forest Authorities

⁴⁴³ See foot note 6

⁴⁴⁴ Convention on International Trade in Endangered Species (CITES)2001

⁴⁴⁵ Ibid

- Declaring selling forest products at prices below market prices to reduce declared profits and corporate and income taxes
- Declaring buying inputs at prices above market prices to reduce declared profits and corporate or income taxes
- Manipulation of debt cash flows (transferring money to subsidiaries or a parent company where debt repayment is freer than the export of projects; inflating repayments, allowing untaxed larger repatriation of profits, reducing the level of declared profits, and, therefore, of taxes)
- Overvaluing services received from related companies to reduce declared profits and corporate and income taxes
- Avoiding royalties and duties by under-grading, under-measuring, underreporting, and undervaluing of timber and misclassification of species
- Non-payment of licence fees, royalties, taxes, fines, and other government charges.

C. Illegal Timber Processing⁴⁴⁷

- Processing timber without documentation verifying its legal origin
- operating without a processing licence
- operating without other necessary licenses and approvals (e.g. effluent disposal permits)
- Failing to meet licence provisions, including pollution control standards.

SOUTH ASIA

Illegal Logging in Bangladesh:

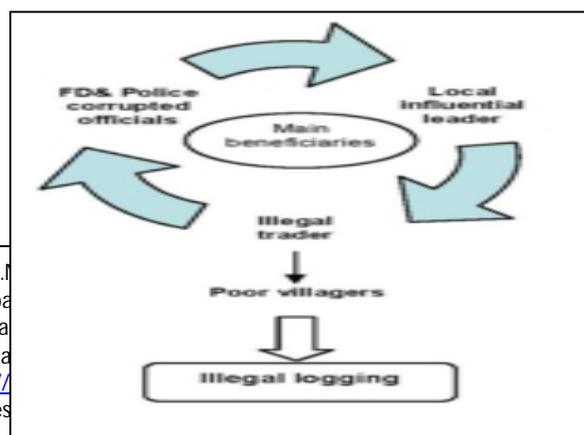
Forest law enforcement has long been considered as the most efficient strategy to prevent illegal logging and is broadly practiced across the tropics. Conversely, on the other hand the efficacy and the role of forest law enforcement in preventing illegal logging have very often been questioned, particularly in developing countries, in which a complex socio-political context exists among conditions of unrelieved poverty and high unemployment. International concerns about illegal logging have grown strikingly over the last decades, and nowadays it has considered as one of the major threats to world's forests mainly in the tropics which has

⁴⁴⁶ Mikaela Nilsson Rosander, *Illegal Logging: Current Issues and Opportunities for SIDA/SENSA, Engagement in Southeast Asia*, 2008, Bangkok, Thailand, see also Alda Chan, *Illegal Logging in Indonesia: the environmental, Economic and social cost*, Page 4 www.BlueGreenAlliance.org

⁴⁴⁷ Ibid

long been subjected to rapid deforestation and degradation driven by complex socio-economic and political perspective.

Market demand and the growing needs of timber of the overpopulated country of Bangladesh are the cause contributing to the depletion of forest resources and encouraging illegal loggers to cut down the trees from forests area. *Sal* timber demand has reportedly been increased especially for making doors and windows frames, furniture and ornamentation of households, and even people who have inadequate income want to have wooden furniture like they see on television or in furniture company advertisements. Since wooden furniture is still seen as a symbol of aristocracy in Bangladesh, there is always high demand for good quality timber in the urban market. Again, due to poor infrastructure in areas adjacent to forest areas, the price of timber is comparatively lower than it is in the urban market. This means that there is always a high demand for timber from these areas by urban furniture shops, and this undoubtedly fosters illegal logging in rural forest areas. The presence of sawmills and furniture shops in the vicinity of forests also influences illegal logging to a great extent⁴⁴⁸. On an average 1 m³ of *Sal* timber (good quality log) was sold at US\$ 300-400, which is one of the highest values in the Bangladesh market, so most of the local traders wanted to buy *Sal* timber and often they gave advanced money to illegal loggers or the syndicate and ultimately enhancing deforestation. Local elites along with some members of Political parties both strongly connected with the local police department are indirectly responsible for the illegal logging in Bangladesh. Corruption in the Forest Department has had a terrible impact on forest conservation. Forest officials have often covered the illegal activities and used to take bribes regularly from the corrupted timber merchants and from sawmill owners.⁴⁴⁹ According to Transparency International report, forest officials were engaged in illegal logging worth millions of dollars a year⁴⁵⁰.



⁴⁴⁸ Sharif Ahmed Mukul, A.Z.I. enforcement and incentive ba Bangladesh, Tokyo, 28-31 Janua

⁴⁴⁹ Kazi Kamrul Islam, Noriko Sa (*Shorea robusta*) forests, <http://>

⁴⁵⁰ Corruption killing Banglades September 2013.

n, Efficacy of forest law countries: experience from

esh: the case of the *Sal*

mber 2008, visited on 6th

Fig 1: Channels of illegal logging in Sal forests of Bangladesh. FD indicates local Forest Department of Bangladesh⁴⁵¹.

The gang of illegal loggers laugh when three forest officials equipped with sticks challenged them on a canal under Patkosta forest camp deep in the Sundarbans in Bangladesh. The gang of illegal loggers ties up the foresters at gunpoint and they felled trees until their three boats were full of logs. Before leaving, the gang locked the forest officials in the hull of the latter's boat and released the boat on the canal. They floated for five hours until they were rescued by fishermen. 15 of 72 Forest offices are operating without any firearms in Khulna, Satkhira and Bagerhat. The unarmed officials are now “protecting” the forest from 10 major gangs of about 300 robbers equipped with light machineguns, AK-47, sophisticated pistols and revolvers. Some fortunate foresters, who have official arms, confront these gangs with old-fashioned 303 and Chinese rifles and short-range guns. Lengthy judicial process, alleged non-cooperation from police, and a nexus of criminals, dishonest foresters, journalists and law enforcers also add to the despair of the forest officials.

And as a result, they are left with no other choices but living in good terms with robbers and illegal loggers. "We've an understanding with robbers and illegal loggers. If confronted, we show our departmental flag. They won't harm us then. Actually, they respect us in a way," said _____ the _____ forester”.

In reality, the foresters follow the rules of the criminals. Deep in the Sundarbans (in Bangladesh) it has become a tradition that robbers use forest stations as a resting place while the foresters cook for them⁴⁵²

It is therefore important to improve the existing forest law for the prevention of illegal logging. Traditional livelihoods and forest dependence should be kept in mind while implementing the law. Furthermore, as there are lot of limitations with projects and their funding, some sustainable financing schemes based on protecting local resources including promoting eco- sensitive zone could be followed to ensure economic development as well as

⁴⁵¹ Ibid.

⁴⁵² Satkhira, Bangladesh - Illegal loggers tie up forest officials at gunpoint and leave them floating in boat on canal, <http://sysiphus-angrynewsfromaroundtheworld.blogspot.in>, Friday, 17 June 2011, Visited on 6th September 2013.

to ensure the sustainability of forest resources. There is also an urgent need to build up the forest department through appointing well-trained and inspired forestry professionals, allocating adequate budget, and developing infrastructures. Local people, if given sufficient powers and state support, can effectively combat illegal logging. Better, safe and sustainable management of forest resources can also be achieved by strengthening of the administrative and protective capabilities of Provincial Forest Department *and* by providing arms, wireless sets and operational vehicles and also by allocating magisterial powers on Forest Officers to take prompt cognizance of forest offences. Finally, the upcoming survival of the forests in Bangladesh depends upon the development and effectual implementation of forest laws and sustainable forest management.

Illegal Logging in Bhutan:

In this segment there is a reconnoiter of Bhutan's trade from 1907 to 2013 and a projection for 2020. Trade flourished in Bhutan during the era of Ugyen Wangchuk (1907) especially with Bengal and Assam in India which included timber and live animals among other things. This indicates that during 1907 to 1926 Bhutan enjoyed abundance of forest produce including timber and nurtured live animals for the purpose of trade. These products occupied a place of prominence during 1916 to 1917⁴⁵³.

Bhutan enjoys free trade with India and India absorbs over 90% of Bhutan's export consisting of fruits, electricity, timber, spices and gems stones. About 72% of Bhutan's land mass is under forest cover. Infact Bhutan's has the largest forest cover in proportion to its land mass in Asia. The forest offers vast economic potential through export and wood based industries. Commercial logging is banned in Bhutan since 1979. Environmental legislation requires that 60% of the country remain under forest cover. Bhutan, therefore, gives priority to preservation and sustainability. Bhutan has been awarded the UNEP⁴⁵⁴ champion earth award in 2005. Bhutan's environment is at the centre of all its developmental plans. Environment is on its top priority policy and it has an environment conservation trust fund. It is projected that Bhutan is gradually coming under the pressure of urbanization and encroachment upon forest land is increasing at the same the forest on the boarder of china and

⁴⁵³ Ratna Sarkar and Indrajit Ray, Trend of Bhutans Trade During 1907-1926: Export, www.bhutanstudies.org.bt/publicationFiles/JBS/JBS_vol26/26-5pdf.

⁴⁵⁴ United Nations environment Programme

Bhutan is gradually succumbing to illegal logging from the Chinese side⁴⁵⁵. Though environment is at the centre of all policy concerns in Bhutan, the road network constructed during the period 2001 and 2004, exploitation of the forest at the boarder of China and growing demands of urbanization has left quite a strong negative impact on Bhutan's forest. In view of this community forest in Bhutan is being boosted in foreseeable future however there is no likelihood of the protected areas decrease. By the year 2020 Bhutan will not be able to meet the demand for timber for construction purposes. Pressure on the forest will be very high, more then what can be produced. Under such circumstance Bhutan may have to import timber. It is foreseen that the demand and supply balance for timber in Bhutan will be disturbed. Technologies in wood based industries in Bhutan have not yet improved. Since the volume of round timber production in Bhutan is very small compared to the number of sawmills and wood based industries it houses, the industries that do not feel comfortable in investing for improving technology will fade away within the next decade. Only those wood based industries which deal very clean straight and bold timber are likely to have difficulty in finding raw materials within the country. Industries that require large logs will face raw material shortage. Therefore, wood based industries in Bhutan will either fade away or survive by importing timber. Only those industries which use low quality and small size wood but produce internationally competitive products alone are expected to survive in the market⁴⁵⁶.

Illegal Logging in India:

The fact that India is losing its forest canopy fast does not require hard research. Everywhere around us trees are felled indiscriminately for infrastructural construction and also for supply to the wood based industry within the country and outside, agriculture, fuel wood, paper mills, mines all have extracted their pound of flesh from the forest. The 2003 Forest Survey estimates record a net minus change of nearly three million hectares of 'dense forests', which means serious and continued deforestation in forests with reduced canopy density of 40 percent and above. Because satellite imageries acting as source of these data are still treated as 'classified' in the country and 'ground-trotting' exercises (if any) are carried on in a similar stealthy manner. One never knows exactly how much forest vanishes each year, and where. From the State of Forests Report, it can be seen that degradation of forests is not

⁴⁵⁵ Bhutan Country Strategy Paper 2007-2013 [www. Eeas.europa.eu/Bhutan/csp/07_13_en.pdf](http://www.Eeas.europa.eu/Bhutan/csp/07_13_en.pdf).

⁴⁵⁶ . Asia Pacific Forestry Sector Outlook Study II Working Paper Series, Working Paper Number APFSOSII/WP/2009/04-Bhutan Forestry Outlook Study by Dhan B.Dhital, Food and Agriculture Organization of the United Nations Regional Office for Asia and the Pacific, Bangkok, 2009.

confined to any particular province or region, it is happening, almost uniformly, everywhere. For instance, while the province of Uttar Pradesh in the North records a loss of 2969 sq. km of dense forests, Assam in North East, and Andhra Pradesh in the South record 2788 and 1788 sq.kms⁴⁵⁷ respectively.

However, logging both legal and illegal exists, and is the most tangible and definite causative factor behind deforestation events in India. It has been so since colonial days, when the British first came and usurped people's forests to log them for railroads, shipyards, and profit. Forest legislation like Indian Forest Acts (1865, 1927) later legitimized what was pure plunder to begin with, and introduction of the so-called scientific forest management in British-held forests, ensured that most of Indian forests would be lost forever. After Independence, contrary to popular belief, plunder of the country's forests not only continued, but continued with even more aggressiveness than before, as urban markets expanded. Independent India was quick to assert the continuity of the colonial structures in forestry. It was believed that the fundamental concepts underlying the colonial policy were sound and these just needed to be reoriented⁴⁵⁸.

In the new policy, 'public good' was replaced by 'national interest'. The reorientation was to accommodate the demands of industry for raw material. Extraction of industrial wood jumped from 4.46 million cubic meter in 1956-57, to 9.28 million cubic meter in 1966-67 and fuel wood [extraction was already significant] to 10.19 million cubic meter in 1956-57. Paper mills had a dramatic increase during 1966-77. The consumption of printing and writing paper increased from 100,000 tons in 1948 to 405,000 tons in 1970, and paper board from 46,000 tons to 158,000 tons⁴⁵⁹. The expanding urban centers also required large quantities of timber and fuel wood. The Forest Department responded to the increasing demands in various ways: acquiring more land through merger of princely states and declaring new areas as reserved forest, by which the area under the Forest Department increased from 71.80 million hectares in 1950-51 to 74.60 in 1979-80, despite a loss of forest canopy of 4.3 million hectares due to reasons like stepping up extraction of forest products.

Due to the above policy the revenue of the Forest Department multiplied 5 times from 1951-52 to 1970-71, creating markets for less commonly known species that were earlier left alone. The revenue generated from forests increased manifold. However, the production of timber

⁴⁵⁷ Forest Survey of India, 2003 State of Forests Report

⁴⁵⁸ The Forest Policy Resolution, 1952

⁴⁵⁹ Ibid

and firewood reached a plateau after 1966-67. Tree felling since the Second World War had affected the sustainability of the timber reserve in the country due to natural constraints beyond which extraction could not be increased. The plateau signified that the forests could not meet any further growth in demand.

The above matter was ‘officially’ admitted when the new forest policy of 1988 declared a ban on logging of remaining forests. Organised illegal logging has become commonplace in many forest areas, including protected areas. Forest legislations in the country have not been able to make even a dent in the activities of the mafia-political groups-forest staff nexus. Instead, this nexus —the most pressing danger to Indian forests— gets stronger every day⁴⁶⁰. During the last 5-6 years, several major timber scams have been unearthed in various parts of the country. Buxa Tiger Reserve, a demarcated biodiversity hotspot in the extreme North-Eastern corner of West Bengal, lost about 10 sq. km. Of forest covers in 1998-1999 alone as a result of a timber scam. According to Soumitra Ghosh, Protected Area Authorities issued false transit passes for illegally felled trees. Timber coming from the Tiger Reserve was shown as timber from private forests⁴⁶¹. In another important Protected Area, Jaldapara Wildlife Sanctuary, adjoining Buxa Tiger Reserve, senior forest and police officers were found to be directly involved in illegal trade⁴⁶². In Madhya Pradesh, the forest minister and senior forest officers’ involvement in large- scale illegal timber trade came to light in 1999; when it was found that prime Sal forests were being illegally felled under the guise of pest control. Many important Protected Areas like Rajaji National Park in Uttar Pradesh, Nagarhole National Park in Karnataka, Palamou or Betla Tiger Reserve in Bihar and many other forest areas of the country report similar incidents. In Rajaji National Park, it is on record that the local forest mafia killed about 8 forest Guards between 1996 -1999. What is off the record but common knowledge in the area is that the killings were the result of disputes over share of profits between the mafia and guards⁴⁶³.

A recent report by the campaign group Ecologist setting the environmental agenda since 1970 highlighted a growing number of attacks on journalists and activists who investigate industrial pollution or deforestation. It claims that government officials corrupted by money from mining or logging were often behind these threats and attacks. This was backed up by J.

⁴⁶⁰ Soumitra Ghosh , Legal and illegal logging behind deforestation in India , at <http://www.wrm.org.uy> , visited.18.08.2013

⁴⁶¹ Ibid

⁴⁶² Ibid

⁴⁶³ Ibid

P. Dabral, president of the Himalayan Chipko Foundation⁴⁶⁴, an NGO which has exposed illegal logging in the northern regions of India on the picturesque slopes of the Himalayas, the world's highest mountains. Dabral alleges villagers are allowed to cut a small number of trees but that the timber mafias, with the acceptance of local officials, abuse this privilege and take 200-300 trunks. 'Many of the members of the forest department are on the take. The system is well organised and there is a set amount of approximately Rs. 70,000 (around £1,000) given to a forest official for approving a file,' says Dabral, who himself has received many threats. In the event that something should happen to him and to ensure the corruption he has uncovered is not swept under the rug, he keeps video logs at undisclosed locations. When contacted the Forest Department said it was 'not aware of any illegal logging'⁴⁶⁵.

Declining productivity of forests and the lull in forestry activities gradually destroyed livelihoods of millions of economically deprived families living in forest areas and in many cases starving, impoverished people are forced into aiding the very forces that are destroying forests for commercial profits leading to a vicious circle of destruction. Hence the myth that forest people are responsible for deforestation and consequential governmental remedies like harsher and more stringent forest laws that limit people's access to forests. The major argument that the state, environmentalists and the mainstream media use over and over again is that increase in human population, cattle population and so-called 'biotic pressure' is chiefly responsible for destruction of the country's forests and biodiversity. What is forgotten is that forest people have shared a strong cultural and spiritual bond with forests that never allows them to exploit and degrade out of choice. Non-sustainable and commercial use of forests is something that the urban elite and the state force upon the forest people, by denying them basic, subsistence-level access to their traditional resource-base on the one hand, and continuing with intensive commercial exploitation on the other.

Official agencies in charge of environmental information in India seldom use the term 'deforestation', a harsh taboo word. Usually it is 'degradation', a much softer term that hides endless stretches of lost forests, hacked, plundered, looted, mined, built upon, and submerged. Factors that cause deforestation are hidden in layers of vague terms like

⁴⁶⁴ Founded by Sunderlal Bahuguna, Father of Chipko movement in India.

⁴⁶⁵ Ecologist setting the environmental agenda since 1970, at www.theecologist.org, date: 17-08-2013. This statement of the forest officials can be corroborated by this author because during the empirical data collection tour all forest officials claimed that there was no illegal logging but contrary evidence was found.

‘anthropogenetic interventions’ and ‘biotic factors’, and ‘illegal logging’ is something for which no coherent, centralized records have ever been kept, as if it does not exist.

Illegal Logging in Maldives:

The Maldives are a chain of islands on the Indian Ocean. Officially there are about 1190 islands having some form of vegetation on them. Of these 199 islands are inhabited. The forest area of Maldives is not known. The Global Forest Resource Assessment of 2005⁴⁶⁶ estimated the area to be 1000 hectares and the agricultural development master plan 2006-2020⁴⁶⁷ of the Maldives estimate the forest area to be 3716 hectares. The forest comprises of littoral forest along with mangroves, coconut grooves, ponds and lagoons. The littoral and mangrove forest perform multiple functions by acting as shelter belts and wind brakes preventing soil and beach erosion. There are some thick and dense growth of forest with a succession of shrub vegetation and tall trees towards the inner side of the islands. The government land is called Fallabba which is located near the villages on the inhabited islands and is used by the island community to grow valuable tree crops with permission of the island chief. Half of the trees planted becomes the property of the state and the other half is owned by the grower. A lessee collects the produce of the government trees and the individual planters collect the produce of their respective e trees. In the Fallabba area each tree planted has a distinguishing mark called ‘Thah’ and the trees planted are divided as follows:

- Trees owned by the government.
- Trees owned by different individual growers.
- Trees owned half by the government and one half by the individual growers.
- Trees naturally grown and owned by the island community, and
- Trees belonging to person responsible for marking of the trees.

The islanders also have access to community forest land where they can grow forest (timber) trees or fruit trees such as mango, bread fruit, coconut etc⁴⁶⁸. There is a high demand for boat building wood particularly in the northern islands. In addition to harvesting wood from

⁴⁶⁶ . Asia Development Outlook 2006, Atoll Editions, Atlas of the Maldives.

⁴⁶⁷ . Ravishankar Thupalli, Maldives Forestry Outlook Study, Working Paper Number. APFSOSII/WP/2009/03, Food and Agriculture Organizations of the United Nations, Regional Office for Asia and the Pacific, Bangkok 2009.

⁴⁶⁸ . Global Forest Resources Assessment 2010, Country Report, Maldives, Forestry Department, Food and Agriculture Organizations of the United Nations, FRA,2010/124,Rome, 2010.

locally available trees, wood demand, particularly from ebony and teak is met from imported wood. In Foamullah trees are felt for the purpose of boat building. Forest areas including mangroves and pond areas are encroached upon housing, infrastructure development and agriculture. The mangrove and littoral forest are being eroded due to coral and sand mining for urbanization and house construction.

Wood production occurs both on inhabited and uninhabited islands. It is harvested according to the regulation that for every tree cut to new seedlings should be planted. There is statistical evidence that a large proportion of timber used in Maldives is imported primarily from Indonesia and Malaysia. Sawn wood import statistics for 2000-2005 express annual import quantities in terms of 38170 metric ton using average density of 670kg per m³. It is expected that there will be an upward rise in import⁴⁶⁹.

Timber exploitation is not conducted sustainably. There is a common perception that domestic timber is becoming increasingly scarce. Timber cutting licenses are supposed to work as a tool for regulating commercial timber cutting. By law the MoFAMR is authorized to issue permits for cutting trees on uninhabited islands and the island office should have the authority to issue permits for minor timber cutting on inhabited islands. According to the existing mechanism the island office forwards the cutting proposals to the FAMR, which grants the cutting permits. Permits are issued for construction or repair of boats, for production of lime and for house building. The person using the timber cutting permits is obliged to plant two trees for every felled tree. This rule is written in the regulation of the MoFAMR governing uninhabited islands made under law number 20/98 (9), but it applies to inhabited islands as well⁴⁷⁰. Timber cutting is driven by market demand. Applications for timber cutting licenses have as need for particular species and MoFAMR is issuing permits accordingly. One constraint for intensification of tree planting is limited nursery capacity. In the absence of sufficient domestic seedling production the individuals and institutions concerned with tree planting have few options:

- To establish their own nurseries
- To search for transplantable seedlings on the island or

⁴⁶⁹ Ravishankar Thupalli, Maldives Forestry Outlook Study, Working Paper Number. APFSOSII/WP/2009/03, Food and Agriculture Organizations of the United Nations, Regional Office for Asia and the Pacific, Bangkok 2009.

⁴⁷⁰ Ibid.

- To import seedlings.

Nursery establishment requires suitable site, capital and skill⁴⁷¹.

Illegal Logging in Nepal:

Illegal logging had serious effects to increase the rate of deforestation and forest degradation in Nepal. Whether, logging was legal or illegal, it influenced the corrupted staff (security forces and forestry organization) to involve indirectly in smuggling of timber. Indeed such types of effects were also common in all collaborative forests however level of effects was differed.⁴⁷² Illegal logging is having a devastating impact on the world's forests. Its effects include forest degradation, deforestation, the loss of biodiversity and fuelling climate change. Ancient forests have evolved over thousands of years into unique and vital habitats for millions of plant and animal species. They are also home to millions of people who depend on them for their livelihoods and survival. It is estimated that some 1.6 billion people worldwide depend on forests for their livelihood and 60 million indigenous peoples depend on forests for their subsistence. The annual rate of deforestation in Nepal is 1.3 percent. This indicates the change in forest cover only. Lots of trees are felled illegally from the forest. There is no more study data on that how many trees have been felled and how much wood volume is lost by illegal logging in Nepal. Over 8% of the high-value Terai southern plains forests are being lost each year due to illegal cutting and forest clearance. Small farmers to high level organized groups are involved in this activity. Illegal logging undermines the trade in legal and well-managed timber by responsible companies by under cutting its price and making it less competitive. Money from Illegal logging is used for funding crime and distorting markets⁴⁷³. Mostly cycle is used for transfer of wood in many cases and four wheel vehicles are also used in some case. Now in days motorcycle is increasingly used. This is most typical for logging of large-sized especially valuable wood. This type of felling is generally done in night time. High price of wood and its continuous increment leads attraction of jobless youth people towards this activity. Due to high price there is more income without any investment, most of the crime minded people attracted towards this business. These people are fulfilled with high technical weapons. Instead the current forest

⁴⁷¹ Ibid.

⁴⁷² Ram Asheshwar MANDAL, Ishwar Chandra DUTTA, Pramod Kumar JHA, Sidhibir KARMACHARYA, Kamallesh YADAV, Bechu YADAV, Utsav THAPA, Samsul HAQUE, EFFECTS OF DEFORESTATION AND FOREST DEGRADATION ON FOREST CARBON STOCKS IN COLLABORATIVE FORESTS, NEPAL, INTERNATIONAL JOURNAL OF CONSERVATION SCIENCE, Volume 3, Issue 4, October-December 2012, www.ijcs.uaic.ro, visited on 15.09.13.

⁴⁷³ Shiva Wagle, Problem of illegal felling/logging in Nepal, published on 11/26/2011 <http://www.forestrynepal.org>, visited on 15.09.13.

people unable to fight with them, because forest people do not have high technique weapons as well as that type of trainings. Timber is often felled to clear areas for the construction of infrastructure facilities (buildings, hospitals, schools, transmission line, road etc.), without issuing required permits, or with no authorization whatsoever. In most case felling has been done in the name of squatters settlement lead by local social and political workers. In the majority of cases, the culprits are not penalized. Such practices are common across the nation⁴⁷⁴.

Loggers have been bribing office-holders of Community Forest User Groups in Saptari district in Nepal to help them access timber in the national forests of the region. The loggers agree to leave the community forests alone, but pay commissions to post-holders of the user groups. Illegally logged timber from national forests is smuggled to the Indian market with the connivance of said post-holders. Although the district boasts 218 community forests, only 12 are operating lawfully, according to the District Forest Administration⁴⁷⁵. Around 75 percent of the forest area in the Chure region of Saptari (in Nepal) have vanished over the past few years due to rapid illegal logging while the remaining forest is also at risk with timber smugglers active in the area, according to a report submitted by the *Federation of Community Forestry Users Nepal* (FECOFUN). These forests have become a common smuggling ground for both conservation authorities and timber smugglers. The illegal felling of trees is happening every day but surprisingly the Saptari District Forest Office (DFO) and the officials of *Federation of Community Forestry Users Nepal* (FECOFUN) have taken no action. This clearly shows their involvement in the smuggling. Acknowledging the situation, Chief of DFO also admitted that trees have been felled in large numbers in recent years. “The greenery has vanished drastically and efforts to grow new trees are being done on a regular basis but curbing illegal logging has been the biggest challenge. On the other side DFO officials said that they are not directly responsible for conserving the forest. It is the community forestry groups who are primarily responsible for conservation, because out of 340.96 sq km of total forest cover in Saptari 17,817 hectares is occupied by 128 community forests. But, the community forestry groups including the FECOFUN pass the blame toward the DFO. “*We can't fully deny our involvement in illegal logging but the DFO officials are even more involved, Whenever we inform the DFO staffs about illegal logging incidents, they*

⁴⁷⁴ Ibid.

⁴⁷⁵ Bhopal Paswan, Illegal logging, Naya Patrika -September 2009, <http://nepalitimes.com>, visited on 15.09.2013.

first inform the timber smugglers and then go out on patrol,” said Sectary of FECOFUN (*Federation of Community Forestry Users Nepal*)⁴⁷⁶.

Illegal logging activities in Nepal, both commercial and poverty-driven, are related to the extreme poverty of rural areas close to forests, with the deficit of energy and the weakness on law enforcement. Forest Administration is not able to control and to enforce the law because the main part of illegal activities is poverty-driven illegal logging where people’s basic needs are at stake. Enforcement staff has limited rights to enforce the law and in addition their salaries are very low.

Illegal logging and other criminal activities in the forest has many complicated causes embedded deeply in the social, economic, cultural and political structures of our society. There is a need to work collectively to address the problem simultaneously and build stronger and clearer political assurance to strengthening forest law enforcement. But we must also seek solutions through inventive policies and initiative, mainly policies and initiatives which give forest fringe communities secure and recognised rights to forest resources, in exchange for clear and fair responsibilities for protecting that forest against unsustainable exploitation and outside encroachment. Policies best suited to persuade this must be flexible and capable of reflecting local needs and diversity.

Illegal Logging in Pakistan:

Pakistan is having the world’s second highest rate of deforestation. Pakistan’s timberlands are in urgent need of protection and conservation by the concerned authorities, in order to discourage de-forestation and illegal chopping of trees for timber and other uses. The major threat to Pakistan’s forests is uncontrolled and indiscriminate cutting of trees for living purposes and timber products. The principal cause of deforestation in Pakistan is the consumption of fuel wood and timber (primarily for house hold firewood). This consumption was expected to increase in line with the growth of population, illegal logging, unsustainable use of natural resources and the minimal participation in reforestation programmes⁴⁷⁷. Deforestation globally is now taking a noticeable turn in Pakistan. With approximately 1/5 of Pakistan affected by flooding and for that reason illegal lumber⁴⁷⁸ harvests that have taken

⁴⁷⁶ JITENDRA KUMAR JHA, Rapid illegal logging devouring Chure forests, published on 28.04. 2013, <http://www.myrepublica.com>, visited on 15.09.2013

⁴⁷⁷ Pakistan has second highest rate of deforestation, Posted by: Saving Water SA (Cape Town, South Africa) - partnered with Water Rhapsody conservation systems – 10 July 2010, <http://www.savingwater.co.za>, visited on 12/09/2013

⁴⁷⁸ Id at p.3

place for decades. Locals say that in Dir, Swat and Nowshera (in Pakistan) the floods swept away large amounts of lumber and that at one point the rivers contained so much of wood that the surface appeared to be black. Much of this timber had been stored in ravines by the country's powerful timber mafia, which engages in illegal logging, while it was awaiting transportation to the south. Dislodged by the floods and swept away by the water, the timber destroyed almost all of the bridges in its path and filled the Turbela Dam Reservoir⁴⁷⁹.

The Taliban have been active in protecting the illegal lumbering. Pakistan's forests have always come under immense strain, but *Sarhad Awami Forestry Ittehad (SAFI)*, a local organization that works to protect them, says that in parts of Malakand more than 70 per cent of forests were illegally cut down between 2007 and 2009 when the Pakistani Taliban controlled the region. Forests were cut ruthlessly by the timber mafia under the protection of the militants, says *Riaz Ahmad Khan*, the president of SAFI. The organization says the Taliban made large sums of money working in collaboration with the timber mafia. "At the moment more than two million feet of timber is flowing in Turbela Dam only. Thousands of trees were uprooted by the flash flood, which further damaged the existing forest cover⁴⁸⁰. Continuous tree cutting has lent a unproductive look to the banks of canals and forests alongside the River Indus, destroying the area's ecological environment as well as depriving the livestock and wildlife of their feed. Reports received from the banks of Rahri canal in northern districts of Sindh, shows that trees are being chopped down on a massive scale. Local villagers allege that the relatives of influential political figures are involved in the tree-cutting campaign⁴⁸¹. The Sindh Irrigation Department's official records reveal that the three barrages built on the River Indus are *Sukkur Barrage, Guddu Barrage and Kotri Barrage*, each with a dozen canals. On the right bank of Sukkur barrage, the three main canals are Main Khair Thar canal, Dadu Canal and Rice Canal while on the left, the four main canals includes *Nara Canal, Rohari Canal, Khairpur East Canal and Khairpur West Canal*. On the right side of Kotri Canal, Kalri Baghar is located and on left side three main canals

⁴⁷⁹ Pakistan Illegal Lumber Harvest Extended Flood Damage Posted on August 17, 2010, <http://samandimp.wordpress.com>, visited on 12.08.2013

⁴⁸⁰ Ibid

⁴⁸¹ Pakistan: Illegal logging of last trees along canals & riverine forests in Sindh, published in January 15th, 2009, <http://forestpolicyresearch.com>, visited on 12/09.2013

exists including *Phuleli*, *Pinjari* and *Akram Wah*. These canals are spread all over the province and due to seepage they have resulted in thick forest growth, turning the area into a huge forest range. The Sindh Forest Department's records show that some of the important tree varieties include *Babool* (*acacica nilotica*), *Sheesham* or *Talhi* (*dalkagia sisoo*), *Neem* (*azatrteha indica*), *Jar* (*salvudora oleoides*), *Sufedo* (*Eucalyptus*) and *Sareenh* (*Albizia*). These trees not only strengthen the canal embankments but also provide fodder for the livestock and wildlife as well as maintaining the ecology balance in the province⁴⁸². Irrigation Department officials says that a large number of securities were posted to look after the banks and the trees in the past but at present, the securities are not working properly. As there is no check and balance to keep the previous system functional and the situation has worsened massively because of the timber mafia. In the past month, thousands of trees were chopped down along the banks of Nara Canal in district Khairpur and now the timber mafia has moved to Rohari canal in the Sanghar district. A resident of Shahdadpur, *Abdul Satar Khoso*, said that dozens of trucks, donkey-carts and trailers loaded with tree trunks were seen passing through his town⁴⁸³.

Pakistan is among those countries that have very high deforestation rates as stated above. For the country's economy and livelihoods the forests in Pakistan is of significant importance. But poor and unsustainable management of the forests, lack of law enforcement, poor institutional capacity of government departments, poor living conditions and lack of services for locals, unplanned development and other such reasons as underlying causes for the forest degradation in the country. On the other side there exists a large scale of illegal commercial exploitation of forests by the timber mafias⁴⁸⁴. In view of this there is an urgent need to eradicate these problems by enforcing strong legislative policies in Pakistan forest laws and there must be a strong penal procedure upon those policies.

Illegal Logging in Sri Lanka:

⁴⁸² Ibid

⁴⁸³ Ibid.

⁴⁸⁴ Timber mafia means and includes, a group of people e.g. local timber smugglers, local timber-traders, sawmill owners, owners of private forest land, forestry staff and local politicians engaged in illegal timber harvesting for commercial purposes.

Sri Lanka's development efforts since independence (1948) concentrated on harnessing its natural resources. However, since 1980 the relative share of natural resources in GDP has been pitifully low. The country's poor population is directly dependent on the natural resources especially the forest. Sri Lanka's industrialization suffers from directionlessness and is not able to contribute much towards poverty alleviation and rising unemployment. Decades of internal strife has caused havoc in Sri Lanka's economy and Sri Lanka now faces the daunting challenge of sustainable development and inclusive social progress which will enable it to participate in the globalization process⁴⁸⁵.

The forests in Sri Lanka have been removed to make way for agricultural land and plantations and to provide fuel and timber. The sale of timber is a part of the economic drive to raise cash flow. The country is a major producer of timber and the land required for tea plantations is substantial. Population pressure is also a significant factor as is the removal of forested areas to make way for irrigation networks which was a major process in the 1980s. In a predominantly agricultural country like Sri Lanka there is a strong link between growth and deforestation. In addition to demand for food, demand for fuel wood, construction wood and other wood based products are also increasing with population growth. The resource base that the supply of the forest products from various forest sources also declining remarkably. The remaining natural forests are faced with increasing pressures with increasing population⁴⁸⁶.

Aside from the environmental implications deforestation in Sri Lanka has caused much flooding, landslides and soil erosion from exposure of the deforested areas, it is also the primary threat to the survival of Sri Lanka's biodiversity. Sri Lanka contributes to the global wealth of genetic materials and biodiversity harboring important tropical rain forest. However, these have resulted in fragmentation of Sri Lanka's forests into patches. Sri Lanka has 751 known species of amphibians, birds, mammals and reptiles of which 21.7% are endemic, and over 3314 species of vascular plants, of which 26.9% are endemic⁴⁸⁷.

Before the 1970s the total requirement of timber was obtained from natural forests. Excessive harvesting of timber and clearing of forest for agricultural expansion has left a small portion of natural high canopy forest and even that in a dilapidated condition. Some of the forests are designated as protected forest and harvesting of timber from both protected and unprotected

⁴⁸⁵ . International Cooperation To Accelerate Sustainable development in Developing Countries and Related Domestic Policies, CP2002-SRI LANKA, www.un.org/esa/agenda21/natlinfo/wssd/srilanka.pdf.

⁴⁸⁶ . Jeevaka Weerhewa and H. M. Gunatilake, Timber Market Liberalization in Sri Lanka: Implication of Forest Conservation, [www. Slageconr.net/sjae08101.pdf](http://www.Slageconr.net/sjae08101.pdf).

⁴⁸⁷ Ibid.

forest has been banned in Sri Lanka. However, this ban resulted in substituting high quality timber with inferior quality home grown timber. Private lands are supplying timber requirement under very restrictive regulatory frame work. Such restrictions create an artificial climate of scarcity and shoots up the prices. Due to hassles in obtaining permits to sell timber private sector investment in timber tree cultivation has become minimal. Thus higher prices of timber and little supply of timber has encouraged illegal logging⁴⁸⁸.

One of the main threats to the sustainability of Sri Lanka's forests is government development policies in relation to the demand for timber and fuel and also the need to create plantations to raise revenue. Government policies are focused primarily on timber production and tree plantations. The Sri Lankan governments working in conjunction with multi-national institutions have seen a major change in timber harvesting in Sri Lanka for the cause of sustainable development. Commercial plantations have gradually been brought under management system in Sri Lanka to produce wood in an economically efficient and sustainable way. The harvesting, processing and the sale of wood products from state forests is conducted by the State Timber Corporation, which the Sri Lankan government owns.

In the 1980s the development progressed significantly with the Asian Development Bank (ADB) funding the Community Forestry Project (CFP) which concentrated on the development of fuel wood plantations and agro forestry in 5 of the 25 districts of Sri Lanka⁴⁸⁹.

While illegal logging is taking place, the heavy regulatory measures have led to emergent's of a privileged and an influential group of timber traders. Timber traders and government officers who are involved in issuing timber permits formed a cooperative cartel to get the advantage of the situation. Under this arrangement the traders who are in the cartel easily obtain timber permits while others find it extremely difficult to obtain timber permits. In return for the support given to the timber traders government officials get a share of the timber value for each permit issued. This system put the timber traders on a very strong bargaining platform for negotiating the price with the tree owners. Thus the existing heavy regulations operate as a disincentive to grow timber trees one hand and pushes up timber prices. The high price of timber coupled with its short supply works as an incentives illegal logging. Timbers available in privately owned forest lands fail to meet the market demand

⁴⁸⁸ Ibid.

⁴⁸⁹ Ibid

and the strict regulation attached to its selling de-motivates the growers. Thus the heavy regulations have not been able to change the situation in Sri Lanka⁴⁹⁰.

Therefore by analyzing the above information we can conclude that in Sri Lanka illegal logging is very common in nature, where with the timber trader's involvement of forest officials is also indulging in illegal timber trade. Sri Lanka's environmental problem is linked to poverty and population. Regulations are required to be framed in a manner that gives incentives to sustainable development and ushers in inclusive growth.

SOUTH EAST ASIA

Asia is a region experiencing rapid economic development, with the forest sector being part of this growth. This development is creating opportunities for employment and trade, but unfortunately it is also increasing the threat of rapid deforestation. Illegal logging is understood to be one of the main drivers of deforestation in the region together with poorly planned conversion of natural forests and oil-palm production. Increasing demand for wood product, for both domestic use and export, puts pressure on and increases competition for land and forest resources.

Southeast Asia, a region containing some of the richest forests in the world, has experienced a trend of net loss of forest. Although it contains only 5% of the world's forests, the region has accounted for nearly 25% of the global forest loss over the past decade. Illegal logging is substantial in Southeast Asia, particularly in areas with high-value timber.

Although illegal logging is difficult to measure, estimates indicate that, for example, as much as 60–80% of the wood from Indonesia and up to 90% in Cambodia could be harvested illegally.

Illegal Logging in Indonesia:

Illegal logging is an extensive, systematic problem in Indonesia. Approximately 73 to 88 percent of timber logged in Indonesia is illegally sourced⁴⁹¹. Even forests with protected status, such as national parks, are in danger - according to the central government of Indonesia. Timber is illegally harvested from 37 of the 41 National parks⁴⁹² in the nation. In Indonesia illegal logging is a massive problem that has resulted in undermining the rule of

⁴⁹⁰ J. Senaviratne and H.M. Gunatilake, Can Regulation of Timber Trade Protect our Forest? An Unpublished Report, Department of National Planning, Colombo, Sri Lanka, 2001.

⁴⁹¹ Christian Nellman, The Last Stand of the Orang-utan – State of Emergency: Illegal Logging, Fire and Palm Oil in Indonesia's National Parks, Pages 16-20, <http://www.grida.no/files/publications/orangutan-full.pdf> on 23 August, 2013

⁴⁹² ILLEGAL LOGGING IN INDONESIA, The Environmental, Economic And Social Costs, p-3.

law and substantial revenues to the state. It encourages forest crimes, and has serious economic and social implications to the poor and disadvantaged. The threat to ecosystems and biodiversity is enormous with very little long-term advantages for anyone other than those who are responsible for the plunder and smuggling of timber from one country to the next⁴⁹³.

The illegal harvest and trade of timber involves a vast and unholy nexus between industry, global supply chains, and imperfectly regulated trade practices. Washington Post investigation in 2007 revealed that illegally felled wood from the forests of Indonesia, Burma, Russia, the Congo, and the Amazon are finding their way into homes and offices of unsuspecting U.S. and European consumers, thanks to the irresponsible practices of wood-processing plants in manufacturing countries like China. Both supply and demand-side companies contribute to unlawful, inequitable and destructive illegal logging practices. Consumer appetite for pulp, paper and furniture in developed nations like the United States, the European Union and Japan, coupled with growing demand in countries like China and India, have fuelled further exploitation of already depleted forests. Current models of globalization have encouraged the flourish of trade of products made in countries with poorly enforced labour and environmental standards. The true costs of production, including grave environmental repercussions, have not been accounted for. These market patterns are creating an unlevel playing field, resulting in economic losses and job dislocation in North America, where workers and companies are not able to compete.⁴⁹⁴

A report by EIA and Indonesian partners Telapak in Jakarta called The Final Cut, exposing the commercial logging of Tanjung Putting National Park in Central Kalimantan, Indonesia. Here it is found that the main timber species being exploited in the park for global markets is ramin (*Gonystylus* spp.) a tropical hardwood that grows in peat swamp and the lowland fresh water swamp forests in Borneo, Sumatra and Peninsula Malaysia. It is traded internationally

⁴⁹³ Faith Doherty, Illegal Logging in Indonesia, Environmental Investigation Agency, at http://www.abc.net.au/4corners/content/2002/timber_mafia/viewpoints/viewpoints_doherty.htm, visited on date:21/08/13

⁴⁹⁴ Aida Chan, ILLEGAL LOGGING IN INDONESIA, The Environmental, Economic and Social Costs, p-4-5, BlueGreen Alliance, April 2010 www.bluegreenalliance.org/news/.../BGA-IndonesiaLogRpt-p7-Wells.pdf...

for a range of products including interior mouldings, furniture components, picture frames, and dowels⁴⁹⁵.

The Final Cut and the EIA/Telapak campaign exposed names, gave evidence with footage and stills, and to this date continue to investigate and monitor not just the commercial logging of Tanjung Putting, but the illegal trade which allows this timber to be sold into international markets. By focusing on a single commercial tree species and the workings of the illegal logging and trade in this area has been revealed. From the gangs of illegal loggers controlled by middle men, to the politicians and military who profit directly from illegal activities, Tanjung Putting National Park has become a test case for the Government of Indonesia in how it is willing to combat illegal logging, and the trafficking of illegal timber for international consuming markets. Indonesia's timber that is stolen from the country's forests finds its way on to the international market either directly or through neighbouring states, especially Malaysia and Singapore where the timber is successfully laundered and sent onto the US, Europe, Japan, Taiwan and Mainland China marketplace.

After two years of further investigations by EIA/Telapak and local partner NGOs and a revealing insight into how these crimes were being committed, the Government of Indonesia acted and finally showed some political will to deal with the situation. In April 2001, a ministerial decree was issued to place a temporary moratorium on the cutting and trading of this threatened species. Following the decree the secretariat of the Convention on International Trade in Endangered Species (CITES) 2001 was notified that Indonesia was placing its ramin on Appendix III of CITES⁴⁹⁶ with a zero quota. By doing this the GOI is asking for international support and is now placing some of the responsibility for ramin timber theft on importing countries. Consuming countries are now bound by their national CITES legislation to prevent imports of Indonesian ramin with the exception of Diamond Raya Timber, a company controversially certified in 2001. This is the only international legally binding instrument that the government of Indonesia could use to help start to protect its forest in Tanjung Putting. There are no other laws that exist that address the trade in illegally sourced timber and its consumption to this date.

⁴⁹⁵ Environmental Investigation Agency and Indonesian partners Telapak, Jakarta 1999, at. http://www.abc.net.au/4corners/content/2002/timber_mafia/viewpoints/viewpoints_doherty.htm, visited on 22/08/13

⁴⁹⁶ Of the Convention's three species lists, Appendix III is by far the least known, least used and most poorly understood. Appendix III, invites Parties that support the national efforts of countries that wish to prevent or restrict the exploitation of specific species occurring within their territory but that do not necessarily merit inclusion in the other Appendices.

In August 17th, 2001 the Malaysian CITES management authority notified the secretariat that they would be taking an exemption on the ramin listing for its parts and products. By doing this Malaysia is acting against the spirit of the treaty and undermining Indonesia's call for help to protect ramin. Malaysia does not need to make a reservation in order to continue to export ramin - as long as it has been legally cut within the country. In spite of this, the listing does not prevent Malaysia from exporting its ramin parts and products. Until this time there had been no real steps made in actively pursuing the timber barons both in Indonesia and neighboring countries who are involved in the running and supply of timber for syndicates with businesses that feed the consuming markets overseas. Although ramin had been placed on Appendix three the issue of enforcement and accountability within Indonesia was still being avoided⁴⁹⁷.

In the Forest Law Enforcement and Governance (FLEG), East Asia Ministerial Conference, September 2001, 150 participants from 20 countries were involved representing government, NGOs, and the private sector. Singapore and Malaysia did not attend. The result was an unprecedented commitment from Government ministers from around the East Asian region to take action in combating "Forest Crimes" that include illegal logging, the trafficking of illegal timber, parts and products, and the trade in illegal imports⁴⁹⁸.

Other consuming countries also attended including the USA, UK, Japan and China and agreed to the declaration. It was acknowledged and openly discussed that at the centre of this problem was corruption, which existed not just within governments but within the industry as well. Two months after FLEG, Indonesian forest law enforcers and the Indonesian Navy seized three cargo ships allegedly transporting illegal timber to international markets from Central Kalimantan in Indonesia to China. The ships were detained together with Captain and crew to the navy depot in Jakarta and were interned. While investigations continue it is estimated that the shipping companies are losing approximately US\$10,000 a day. The broker involved in providing the illegal timber has lost his commodity and the importer its goods. A

⁴⁹⁷ Faith Doherty, Illegal Logging in Indonesia, Environmental Investigation Agency, Page1
http://www.abc.net.au/4corners/content/2002/timber_mafia/viewpoints/viewpoints_doherty.htm, visited on
date:21/08/13

⁴⁹⁸ The Forest Law Enforcement and Governance (FLEG), East Asia Ministerial Conference, September 2001, Bali, Indonesia, at http://www.abc.net.au/4corners/content/2002/timber_mafia/viewpoints/viewpoints_doherty.htm, visited on date: 21/08/13

small but significant signal is being sent to shipping companies that Indonesia is now prepared to seize and hold timber that is being traded illegally⁴⁹⁹.

Illegal Logging in Malaysia:

Malaysia has a land area of 329,800 km² divided into 3 regions; Peninsular Malaysia comprising of 11 States, and the States of Sabah and Sarawak on the island of Borneo. However, significant deforestation has occurred over the last century. Even so, by 2002, the total area of forests was estimated at 19.54 million hectares or 59.5% of the total land area. Of these, only 0.27 million hectares was plantation forest and the rest, 19.27 million hectares is natural forests. The forests are rich in species that are used in traditional medicine and as a source of pharmaceutical drugs, for ornamental purposes (orchids and palms), fruit trees, traditional technology (rattan and bamboo) and other minor forest produce⁵⁰⁰. Deforestation and forest degradation are the most significant factors impacting on the survival of species. Deforestation poses the most direct threat to biodiversity. This imposes a tremendous challenge to ensure that adequate distribution and types of habitat and biodiversity are given some form of protection from conversion, or are given the highest level of protection by designating areas as totally protected areas⁵⁰¹.

Malaysia is among the most important remaining natural forests in the world and the world's largest supplier of tropical saw-logs, sawn-wood and veneer and the second largest supplier after Indonesia for tropical plywood⁵⁰². Timber industry is the fourth largest income to Malaysia economy and has a contribution of 8% to total GDP. In this regards, Malaysia is fully committed to manage its natural forests sustainably in the overall context of sustainable development.

Even then uncontrolled illegal logging in Peninsular Malaysia became a concern in the early 1990s due to increasing demand for timber and timber products that are produced legally and from sustainably managed sources by the international market especially from environmentally sensitive markets such as European Union (EU) and the United States. Illegal logging in Peninsular Malaysia is not new problems and had repeatedly been occurring during the last few decades. The amount lost to illegal logging and corruption

⁴⁹⁹ Ibid

⁵⁰⁰ Progress Report on the Study on: FOREST LAW ENFORCEMENT AND GOVERNANCE IN MALAYSIA IN THE CONTEXT OF SUSTAINABLE FOREST MANAGEMENT Prepared by: TRAFFIC INTERNATIONAL for the Government of Malaysia THIRTY-SIXTH SESSION 20-23 July 2004 Interlaken, Switzerland Distr. GENERAL30 June 2004 Original: ENGLISH

⁵⁰¹ Ibid

⁵⁰² Annual Report 1999, The International Tropical Timber Organisation (ITTO), TOP<Publications> SFM Tropics 2011> www.itto.int/sfm_detail/id=3121

annually is about 5% of Malaysia total timber export. NGOs also claimed that forest practices in some parts of Malaysia are unsustainable and suffer from over-cutting timber harvesting and reported that Malaysia has 35% of illegal logging rate and 40% of Malaysia's consumption and export of timber was estimated to have been acquired illegally⁵⁰³. The Malaysian Government confirmed statement that level of illegal logging is less than 5% of all logging activities and most of the illegal logging occurred in the remote areas where low risk of detection by the forestry enforcement and at places where logs can quickly be converted to lumber⁵⁰⁴. Malaysian Government is confident that illegal logging in Malaysia is not as rampant as it is commonly perceived to be and all the procedures and measures are in place to combat illegal logging in Malaysia⁵⁰⁵. The declining of the cases is due to the strategies and counter measures that have been made by the Forestry Department Peninsular Malaysia. The Malaysian Government is very serious in combating illegal logging. In 1993, the National Forestry Act 1984 (NFA) was amended to introduce higher penalties and increased length of imprisonment for the forest offenders. Malaysia has outlined strategies to further strengthen procedures and measures to combat illegal logging such as strengthen forest law enforcement and monitoring, allocate more resources to undertake effective forest law enforcement and educating public and forest communities, and equipped with relevant and adequate knowledge and skills.⁵⁰⁶

Forest policy and legislation in Peninsular Malaysia is under the Article 74(2) of the Malaysian Constitution, land and forestry come under the jurisdiction of the respective State Governments. As such, each state is empowered to enact laws on forestry and to formulate forestry policy independently. The management of lands and forests are also defined by the constitution as state matters and forests are managed by the state forestry department. The federal government only provides technical advice and assistance on forest management, training, the conduct of research and in maintenance of experimental and demonstration stations. Total forested land in Malaysia is 5,807,383.53 hectare and the timber productions from 2005 to 2010 are 24,457,638 m³ while total illegal timber productions within the same periods are 27,572 m³. On the other hand, the detection of illegal logging in the Permanent

⁵⁰³ Iqtie Qamar Laila Mohd Gani, Current Situation of illegal logging in Peninsular Malaysia, Greenpeace/WWF, 2004; EIA/Telapak, 2004)

⁵⁰⁴ Nature Of Illegal Logging and Trade-Ministry of Primary Industries, maxa.maf.govt.nz/.../2-nature-of-illegal-logging

⁵⁰⁵ Iqtie Qamar Laila Mohd Gani, Current Situation of illegal logging in Peninsular Malaysia International Journal of Sciences <http://www.ijSciences.com>

⁵⁰⁶ Progress Report on the Study on: FOREST LAW ENFORCEMENT AND GOVERNANCE IN MALAYSIA IN THE CONTEXT OF SUSTAINABLE FOREST MANAGEMENT Prepared by: TRAFFIC INTERNATIONAL for the Government of Malaysia THIRTY-SIXTH SESSION 20-23 July 2004 Interlaken, Switzerland Distr. GENERAL 30 June 2004 Original: ENGLISH

Reserved Forests (PRFs) and the government land from 2006 until 2011 are 222 cases. This value can be considered as the current illegal logging cases in Peninsular Malaysia⁵⁰⁷. Permanent reserved forests (PRF) are very exposed for illegal logging with 158 cases as compare to government lands. This is because lands that were established as PRF are more than government land and the forest areas licensed for harvesting are more on PRF than government land. The most important policy related legislation in terms of forest law and enforcement is the National Forest Policy, 1978 (NFP). NFP was formulated and implemented by all states in Peninsula Malaysia and has remained the basis for forestry practices. The NFP forms the basis for the classification of roles and hence the use and management of the forest although only the states in Peninsular Malaysia subscribe to the NFP. The critical concept in the NFP is the constitution of a Permanent Reserved Forest (PRF) which must be determined by the states and its security assured. Under the forestry laws, the PRF is classified into categories depending on the degree of protection and use⁵⁰⁸. These forests are under jurisdiction of the Forest Departments, while other protected areas such as national parks and wildlife sanctuaries are managed by other agencies such as Wildlife Department and National Parks Department at either state or federal levels. The protection forests within the PRF under the jurisdiction of the Forestry Departments, which are given protection status and where commercial logging is prohibited and are also part of the protected areas of the country⁵⁰⁹

Under forestry laws, the PRF is classified into categories depending on the degree of protection and use⁵¹⁰. These forests are under jurisdiction of the Forest Departments, while other protected areas such as national parks and wildlife sanctuaries are managed by other agencies such as Wildlife Department and National Parks Department at either state or federal levels. The protection forests within the PRF under the jurisdiction of the Forestry Departments, which are given protection status and where commercial logging is prohibited and are also part of the protected areas of the country⁵¹¹.

In terms of implementation, the National Forestry Act (NFA) 1984 was formulated and endorsed to further uniform and strengthened in areas of forest management planning and operations as well as strengthen the provisions for safeguarding and protecting forest resources from encroachment and illegal logging. The NFA 1984 then was amended in 1993

⁵⁰⁷ Ibid

⁵⁰⁸ (NFP, 1992)

⁵⁰⁹ Ibid

⁵¹⁰ Ibid

⁵¹¹ Ibid

to provide stiffer penalties for forest offenders. The amended act gave huge impact to the forestry sector in Peninsular Malaysia especially in the issue of illegal logging⁵¹². All these acts are also supplemented by the Wood-Based Industries Act 1984 which regulates to ensure the rational development of wood-based industries in the country. The other related regulation that affects forestry for Peninsular Malaysia include the Land Conservation Act 1960, National Parks Act 1980, Protection of Wildlife Act 1972, Aboriginal Peoples Act 1954, Forest Rules 1985, Environmental Quality Act 1974, National Land Code 1965 and Occupational Safety and Health Act 1994. These acts are currently being adopted by all states in Peninsular Malaysia⁵¹³.

Illegal logging is a crime that is almost impossible to stop or eliminate it. The illegal log productions came from 222 cases of illegal logging from 2005 to 2010. Therefore, it can be concluded that currently, the situation of illegal logging in Peninsular Malaysia is under control but some effective long-term strategies should be prepared to curb this problem as the trends are increasing.

Under the current situation of illegal logging in Peninsular Malaysia and the department should consider this study as a preliminary to prepare for better action in controlling illegal logging. The strategies that have been implemented include allocating more forest resources to undertake effective forest law enforcement, amended NFA 1984 to introduce higher penalty and imprisonment, increased capacity building and human resources in the enforcement division and equipped them with modern detecting technology such as GPS, remote sensing, hyper spectral imaging and electronic tracking are expected to yield result.

In conclusion, illegal logging should be treated from its root as it involves a large amount of money that drives the forest offenders to commit to this crime. Furthermore, the problem also caused the government loss in revenue and income in forestry sector that will restrict other development. The most important strategies in dealing with illegal logging are, the department should give more attention to strengthen the forest policy and enforcement division. The enforcement should carry frequent monitoring, detecting and checking for the illegal logs and logging. They also should be given some credits as recognition and appreciation that showed outstanding performance, values and moral. Indirectly, it will prevent corruptions among the enforcers especially who dealing with the loggers instead of

⁵¹² ⁵¹² Progress Report on the Study on: FOREST LAW ENFORCEMENT AND GOVERNANCE IN MALAYSIA IN THE CONTEXT OF SUSTAINABLE FOREST MANAGEMENT Prepared by: TRAFFIC INTERNATIONAL for the Government of Malaysia THIRTY-SIXTH SESSION 20-23 July 2004 Interlaken, Switzerland Distr. GENERAL30 June 2004 Original: ENGLISH

⁵¹³ Ibid

improve systems and procedures for better transparency. More studies should be done with regard to illegal logging and corruption in Malaysia and the role of stakeholders in preventing illegal logging if necessary.

Illegal Logging in Myanmar:

A news report by Jeffry York in a newspaper reads “Myanmar mired in a deforestation crisis”⁵¹⁴ reads that the border crossing between China and Myanmar tells the story of illegal timber trade. On the Chinese side there were rolling hills of green forest and on the Myanmar side denuded hills where the forest is crudely cut. The border town of Pangsang is crowded with big Chinese trucks load with piles of pine logs and rough hewn lumber from Myanmar. The trucks are headed north to china where the booming economy has created a voracious appetite for the virgin forest of the neighboring countries. As the extraordinary economic boom gains momentum, China is now the world’s fastest growing market for tropical timber. Its forest products imports sawed by 75% in 2003 reaching 112 billion US dollars and its wood based industries has expanded by 40% in 2003. In an effort to protect its endangered forest, China imposes a nationwide ban on logging since the year 1998. But the fact is that China has merely transported this problem on the shoulder of its neighboring countries. In south and south East Asia the Chinese demand has created a search in excessive illegal logging leading to the destruction of swathes of pristine old growth forest. Myanmar suffers the heaviest damage to its old growth forest, those forests which covered 60% of the country as recently as 1960, now covers less than 30% and the percentage is falling fast. Until recently, Myanmar was one of the most thickly forested countries in the world. Its vast ancient forests were among the richest and most diverse in the world. It still contains more than 80% of the worlds teak trees along with many other rare hardwoods.

But when economic sanctions were imposed on Myanmar’s military dictatorship in the 1990s, the regime responded with a dramatic increase in logging concessions and timber exports to bolster its revenue and maintain its power. Today Myanmar has world’s highest rate of deforestation⁵¹⁵.

⁵¹⁴ Today's Paper International, Thursday, May 13, 2004, p. A 16, [http://www.globeandmail.com/serblet/ArticleNews/TPStory/LAC/20040513/MYANMAR13/international/idx\(1of3\)](http://www.globeandmail.com/serblet/ArticleNews/TPStory/LAC/20040513/MYANMAR13/international/idx(1of3)).

⁵¹⁵ Ibid.

More than 9% of Myanmar's legal foreign income comes from logging. But the actual amount of timber revenue is believed to be twice the official figure with huge amount of logging⁵¹⁶ trade being illegal or unrecorded.

Western analysts in Myanmar say the timber trade is continuing to expand. Satellite photo shows that one of the last old growth forests in North-Eastern Myanmar is swarming with illegal loggers. In the Wa region of the North-Eastern Myanmar, authorities concede that more than 80% of forest are clear cut by Chinese loggers. Wa officials claim that they imposed a ban on timber sales. Yet a visit to Wa towns such as Pangsang and Mongpawk reveals the trade is still booming, with big piles of lumber, many sawmills, and dozens of Chinese logging trucks on the streets. The trucks are driven by Chinese migrant laborers who say that the business is so strong. At the time of publishing the present report more than 20,000 Chinese labors were working in these regions⁵¹⁷. According Myanmar Forestry Ministry logging concessions to the Wa and other regional authorities was still being given in spite of imposition of ban on logging. The problem is compounded by heavy involvement of Myanmar's drug lords and military authorities in the timber business. Drug traffickers have often invested in logging companies as a means of laundering their money and the military regime has awarded valuable logging concessions to logging business in exchange for support from business and political community⁵¹⁸.

Myanmar's timber can be generally categorized as coming from five possible sources, each with their own associated with geography and actors. To date the sourcing of Myanmar timber – particularly the world famous Burmese teak- has focused on just one source. The government managed teak forests is located in the central planes. Myanmar's ministry of Environmental Conservation and forestry and the state backed Myanmar Timber Merchant Association have been reaching out to western governments and the timber companies that this timber is or could be with relatively small implementation improvements legal and backed by satisfactory due diligence process.

Different actors are involved in timber trade flow with their political financial backing:

- Myanmar's Timber Merchants Association (MTMA)

⁵¹⁶ . In this research the words timber, logging, lumber, etc are used to mean the same thing. The word wood is used in a wider meaning which includes all of these and also the finished products and the incidental products.

⁵¹⁷ Today's Paper International, Thursday, May 13, 2004, p. A 16, [http://www.globeandmail.com/serblet/ArticleNews/TPStory/LAC/20040513/MYANMAR13/international/idx\(1of3\)](http://www.globeandmail.com/serblet/ArticleNews/TPStory/LAC/20040513/MYANMAR13/international/idx(1of3)).

⁵¹⁸ Ibid

- A state backed Private Timber Business Association
- Large influential domestic conglomerates.
- Global Timbers Exporting via Yangon typically based in Asian financial hubs.
- Cross Border Timber Traders, from Myanmar, China and Thailand.
- Yangon based domestic timber traders and processors.

All wood is considered legal if it has the stamp of the state own Myanmar timber enterprise under the Ministry of Environmental Conservation and forests and its exported Yangon sea ports. In recent years the government has made significant attempt to prevent the timber revenue from reaching the non ethnic armed groups in border regions but timber is still being smuggled across the Chinese and Thai borders especially from logging concessions in natural forests and ethnic areas which is illegal both in Myanmar, Thailand⁵¹⁹ and China⁵²⁰ who have made respective declarations against over land wood trade from Myanmar⁵²¹.

Legality of Myanmar forest products is not correlated to sustainability or environmental impact. Community forests which have the highest potential to be a sustainable forest cannot yet legally export timber and very little timber from tree plantations is on the market yet. The highest volumes of timber are being sourced from the least sustainable harvesting practices. This raises serious concern for the exclusive use of legality as a measure of good forest governance and timber regulation. It is a well known fact that the military and government allocate logging concessions to Burmese influential and friendly companies in the disappearing frontiers of the forest in the country.

⁵¹⁹. Under current Thai Regulations relating to the import and domestic transport of timber, In order for Thailand to legally import Myanmar Timber, Wood must be shift by sea via Yangon with proper Myanmar government permits. The Thai government can apparently give special exemptions for Myanmar log imports across the shared land border, but this has occurred in frequently in the last decade. Processed wood, especially teak furniture, can be legally imported across the Thailand border with the correct paper work to verify that it has been sourced and processed in Myanmar. In practice however smaller quantities of unprocessed logs cross over land without Thai government's approval. Kevin Wood, developing disparity: Regional investment in Burma's border land, Kevin Wood and K. Canby, base land study for Myanmar: Overview of Forest Law Enforcement, Governance and trade, Forest Trends and European Forestry Institute (EFI).

⁵²⁰. Interim Measures to Manage Timber and Mineral Cooperation between Myanmar and Yunnan Province, Issued by Office of Yunnan Provincial Peoples Government on 11th May 2006. Policy reference number, Policy office, Yunnan [2006] 91.

⁵²¹ Kevin Woods, Timber trade flows and actors in Myanmar: The Political Economy of Myanmar's Timber Trade, November 2013, Forest Trends, UK aids.

According to official trade statistics from recipient countries, India now represents the largest market for Myanmar timber by volume and value. The International Tropical Timber Organization (ITTO) Monthly Information Services reports⁵²² that 80% of all teak and hard wood ocean shipments from Myanmar go to India. Thailand and especially China now import declining volumes of Myanmar timber by sea according to official statistics. This does not taking to account, however, unofficial timber trade across Myanmar's National Border with China, Thailand, and India⁵²³.

Although the official trade data does not show any significant exports of Myanmar timber to Malaysia, numerous interviews with Myanmar and Thai traders as well as ex-officials report that Malaysia serves as a major hub of trade of Myanmar timber⁵²⁴. A substantial amount of Myanmar natural timber, especially teak, is being imported by Thailand and perhaps other countries, particularly via Malaysia and may even be relabeled as Malaysian timber. The Myanmar Malaysian timber trade has not been studied in any detail and remains a large gap in understanding regional timber trade⁵²⁵.

Illegal Logging in China:

Illegal timber harvesting is unsustainable and takes place around the world and in virtually every country that engages in forest harvesting. However, while the extent of these activities may be quite limited or negligible in some countries, in others they can lead to significant forest depletion, and subsequent biological and economic losses.

China's wood products industry has become reliant on imports of logs to fuel its growth. Its rise as the predominant wood manufacturing centre in the world raises an interesting question regarding the role of illegal logging has had in developing the sector in China and how policies that might limit the level of illegal logging activity may affect its future development⁵²⁶. A new report from Greenpeace, "Sharing the blame", reveals the role of China in "laundering" illegally logged timber, particularly from the "Protected/reserved Forests" of south-eastern Asia, Indonesia, and New Guinea. "The Greenpeace report highlights an extremely important challenge for the region. While estimates of the magnitude

⁵²². International Tropical Timber Organization (ITTO), Tropical Timber Market Report, Market Information Service, vol.16, No.14, July 16 to 31, 2011.

⁵²³. Ibid.

⁵²⁴ Kachin Network Group (KNG), "Maj-Gen ohn Myint bans gold mining, Logging in Kachin, 17 July 2007.

⁵²⁵. Kevin Wood and K. Canby, base land study for Myanmar: Overview of Forest Law Enforcement, Governance and trade, Forest Trends and European Forestry Institute (EFI).

⁵²⁶. Alicia S.T. Robbins and John Perez-Garcia, Impacts of Illegal Logging Restrictions on China's Forest Products Trade, School of Environmental and Forest Sciences, University of Washington

of the illegal logging trade may vary, for some countries it may exceed that of legally harvested timber⁵²⁷.

China plays a special role in importing the world's timber, with an estimated one out of every two tropical trees exported globally destined for China", But China is not alone, many of its imported wood is re-exported to Europe and North America, in the form of processed merchandise⁵²⁸. Chinese timber traders in collusion with local forest officials are increasing their illicit activities taking advantage of the unsettled political situation in Northern Myanmar; the locals living in Myanmar-China border area said that: *"We have witnessed the unpleasant scene of several piles of logs prevalent in Shweli (Ruili in China). There seems no more space left there for more woods. We wonder if there is any more wood left in Myanmar. About 270 to 300 trucks carrying illegal woods [from Myanmar] are arriving there. The trucks are usually with 12 wheels to 22 wheels. Myanmar should speak out by now, I feel they are cutting away our flesh"*⁵²⁹

Chinese illegal logging became worse since June 2011, when a war has occurred between the government's army and ethnic armed group Kachin Independence Army in Kachin State in China and on that situation of war Chinese timber traffickers exploit the situation well in which all the attentions of both Myanmar authorities and ethnic rebels are absorbed in the warfare. They make use of the situation where there is lacking rule of law. They bribe the local officials and tend to gain more privileges than the citizens. They cut the trees with their own machines and load the logs into the trucks. They first started illegal logging in Momeik area of Kachin [in northern Myanmar] then they reached Mandalay and Sagaing Divisions [in central Myanmar]. They do these illegal things in broad daylight. The logs were as big as their 22-wheeled trucks can carry 6 of them only. Every day the trucks carrying logs along the road towards Shweli in China-Myanmar border. China strictly regulates illegal logging in their country, but it does not control wood⁵³⁰ smuggling from Myanmar. The Chinese Customs charge 1200Yuan for each tonne of wood to the smugglers, but the amount does not affect their profits as they do not need to pay at Myanmar side⁵³¹.

⁵²⁷ Kathryn Senior, China in trouble over illegal timber, *Frontiers in Ecology and the Environment*, Vol. 4,(May, 2006), p. 176, Ecological Society of America, <http://www.jstor.org>.

⁵²⁸ . Ibid

⁵²⁹ Chinese illegal logging, smuggling worsen in Myanmar, <http://www.asianewsnet.net>, Publication Date: 03-05-2013, visited on 27 August 2013.

⁵³⁰ Refer Footnote No.5

⁵³¹ Chinese illegal logging, smuggling worsen in Myanmar, <http://www.asianewsnet.net>, Publication Date: 03-05-2013, visited on 27 August 2013.

According to a new report by the Environmental Investigation Agency (EIA), China has become the number one importer of illegal wood products from around the world. Illegal logging which threatens biodiversity, emits carbon, pauperizes local communities, and is often coupled with other crimes has come under heavy pressure in recent years from the U.S., the EU, and Australia. Each of these has implemented, or will soon implement, new laws that make importing and selling illegal wood products domestic crimes. However, China's unwillingness to tackle its vast appetite for illegal timber means the trade continues to decimate forests worldwide. China is now the biggest importer, exporter, and consumer of illegal timber in the world. EIA (Environmental Investigation Agency) report estimates that in 2011 China imported at least 18.5 million cubic meters of illegal logs and sawn timber, worth around \$3.7 billion. Taken together, this amount would fill nearly a million standard 20-foot shipping containers. Even this does not tell the full story, as the new report did not analyze other wood products imports, which make up 55 percent of China's total trade in wood⁵³².

More than half of China's current supplies of raw timber material are sourced from countries with a high risk of illegal logging and poor forest governance, the Environmental Investigation Agency report warns, noting that once China exhausts forests in one country, it moves onto another. Ironically, even as China has increasingly depended on raw logs and timber from abroad, it has undertaken staggering efforts to grow and protect forests at home. In the last two decades, China's forest cover has grown by 30 percent, while forest cover worldwide continues to fall. Since the late 1990s the country has taken strong measures to protect and grow its own forests at the same time it has built a vast wood based industry. In the past the bulk of illegal logs entering in China would be fashioned into products and shipped abroad, but today the illicit trade has moved more and more toward meeting increased domestic demand for woods. The vast construction effort in China, coupled with increasing wealth, is creating a surge in domestic demand for timber products," states the report. A glowing example is the fashion for reproduction of furniture made from rare rosewoods, which has created an increase in illegal logging from the Mekong region to Madagascar. Loggers targeted the highly-valuable rosewood, despite a ban on cutting the increasingly rare species. EIA investigations found that 95% of the rosewood was at the behest of Chinese traders. Despite such high-profile devastation, the report finds that the Chinese government "has done virtually nothing to curb illegal imports," and has largely

⁵³² Jeremy Hance, Exporting deforestation': China is the kingpin of illegal logging, publish on November 29, 2012, <http://news.mongabay.com>.

encouraged it by "putting in place policies to ensure supply from some of the worst illegal logging hotspots in the world. Illegal logging, which is often run by large international mafias, occurs in tandem with other crimes, such as drugs and human trafficking. In some countries, activists and journalists who speak out against illegal logging are met with threats, violence, and even murder. IN 2009 a forest activist, Chut Wutty, was killed while investigating illegal logging in Cambodia; months later a journalist covering illegal logging, also in Cambodia, was found dead in the trunk of his car likely due to axe wound to the head⁵³³.

In this chapter it clearly emerges that countries of the South-Asia and South-East Asia are, in various degrees, victims of illegal logging. There is an illegal logging rout that runs from Indonesia through Thailand, Malaysia, and Myanmar, borders of India and Bhutan reaches China. In China the timber is laundered of its illegality and sent to various developed countries for their consumption. This rout is known to all, yet administrative and executive measures have failed to control and contain illegal logging and trading.

It is hard to believe that the issue of illegality has not been openly addressed until now. With the commitments made by the governments of the South-Asia and South-East Asia region the timber industry must also participate in ensuring the resources they are involved in buying and selling, come from legal sources. There is an urgent need for imposing international sanction against countries who fail to ban trade in illegal timber trading and prohibiting the import and sale of illegally sourced timber and products by making necessary laws in this regard. The International Instruments which express concern for environmental degradation and advocate sustainability in environment do not address the issue of illegal timber trade; they also do not speak of imposing sanction against the countries that fail to control illegal timber trade. Illegal timber trades also do not figure as a nontariff barrier to international trade. The laundering of illegal timber is in itself a massive commerce benefiting only those who control the syndicates and cartels. The criminal elements within the trade must be confronted. Governments need to develop new procurement policies that demonstrate timber and wood products have come from legal sources. Industry needs to adopt transparent chain of custody processes which allows timber tracking from source to market. Producing countries need to formalize a system of cross border cooperation between national

⁵³³ Ibid

enforcement authorities, and to enact legislation allowing the confiscation of illegal timber and those dealing in it outside the country of origin.

The World Bank estimates that up to 10 billion US dollars per annum of the global market in timber is lost through illegal trade.⁵³⁴ The European Union is one of the major consumers of illegally sourced timber and wood products and is estimated to be responsible for about a loss of 3 billion euro's per annum of revenue⁵³⁵. This crime costs the developing countries a loss of 10.7 billion euro's per annum. Illegal logging funds armed conflicts and helps to fuel violence against those dependent on the forest. It creates conflict within the communities and is a tool by which those who seek power obtain great wealth. Undermining the rule of law, corruption and the ruin of any possible sustainable development are also symptoms of illegal logging⁵³⁶.

⁵³⁴ . www.worldbank.org:Forest and Forestry.

⁵³⁵ . Failing the Forests, Europes Illegal Timber Trade Report, 6bis7bis8WWF.

⁵³⁶ . Faith Doherty, Illegal Logging and The Illegal Trade In Timber and Wood Products-Fueling Conflict, eeas.eurpoa.eu/ifs/publications/articles/bookto/book%20vol2_part3_chapter