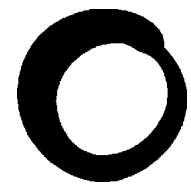


Briefing



**Friends of
the Earth**

European league table of imports of illegal tropical timber

According to the World Resources Institute, 46% of the world's old growth forests have now been destroyed. Despite this, deforestation continues apace and in tropical countries natural forest loss accounted for 16 million hectares in 1999 (WRI, 2000).

There are a number of causes for the continued destruction of the world's forests but there is clear evidence that the tropical timber trade is one of the biggest threats to biodiversity-rich old growth forest (Bad Harvest - Dudley et al - 1995). This destruction has been caused by highly unsustainable logging practices, a problem closely linked to high levels of corruption and illegal logging. Taking action to reduce the level of illegal logging is a pre-requisite for establishing a sustainable timber industry in producer countries.

Many countries which consume tropical timber, including those in Europe, use large quantities of illegal tropical timber. As a result, they directly undermine the efforts of tropical producer countries to conserve their forests, robbing these developing countries of a valuable economic and ecological resource. These consumer countries have been able to get away with importing illegal tropical timber because the current nature of the trade makes it almost impossible to identify illegal timber on arrival in the consumer market. As the law currently stands, even if illegally sourced timber is identified, it is not necessarily illegal to import it.

The illegal nature of the trade makes it impossible to estimate the exact percentage of illegal tropical timber imported by any particular country. Nevertheless, by comparing the illegal level of logging in five of the main producer countries with the total amount of tropical timber coming into the European Union it is possible to assess approximately how much of the tropical timber that enters the European Union may be illegal. We do not pretend that the tables in this briefing are precise. But they are as reasonable as possible given the data that is publicly available. At the very least they indicate the scale of the problem facing the European Union.

This briefing, which uses 1999 trade flow data, ranks the eight principal tropical timber importing countries of the EU according to the roundwood equivalent volume of their imports of illegal tropical timber. It does not include imports of wooden furniture, pulp or paper although illegal logging is just as likely to affect these sectors in tropical producer countries. The rankings do not include Austria, Denmark, Finland, Greece, Ireland, Luxembourg and Sweden as their tropical timber imports in 1999 were negligible relative to the other Member States.

This briefing also provides estimates for:

- The volume and value of each EU country's tropical timber imports from each of their principal supplying countries.

- The volume and value of illegal tropical timber imports both of selected EU countries and of the EU as a whole.

- The percentage (by volume and value) of selected EU countries tropical timber imports that is illegal.

- The percentage (by volume and value) of the total EU imports of illegal tropical timber that is attributable to selected EU countries.

The figures on illegal logging presented come from either Government sources or respected research institutions. Estimates of illegal logging rates have been cited for Brazil, Cameroon, Gabon, Indonesia and Malaysia. Estimates for the other tropical timber producer countries exporting to Europe, mostly African, have not been made due to a lack of reliable information about illegal logging rates. In these countries it has been assumed for the sake of this study that there is no illegal logging. This is clearly not the case and as a result,

the total country figures for imports of illegal tropical timber provided in this study should be considered as conservative, especially in the cases of France, Italy and Spain.

It should also be noted that forestry laws in many tropical timber producer countries are weak. Producer countries which do not have robust forestry legislation are not maximising the potential long term wealth that could be generated from forestry exploitation for poverty alleviation and social development. Many of these countries require support to be able to improve and enforce these laws.

Further, the timber imports which are recorded as legal within this Briefing should not necessarily be regarded as sustainable. Less than 1% of the total European imports of tropical timber come from sources which have been independently certified by the Forest Stewardship Council (FSC). Such a certificate, which certifies good forest management and provides a full chain of custody, is the only acceptable, independent means of guaranteeing that the source of timber is legal and sustainable. It is therefore possible that over 99% of tropical timber being imported into Europe may come from unsustainable sources.

Although this Briefing only examines *tropical* timber imports to the EU, it should also be noted that there are serious levels of illegal logging in many countries with temperate climates, especially Russia. The total volume and value of illegal timber imports into the European Union are therefore likely to be higher than indicated within this Briefing.

Illegal Logging

Illegal logging takes place when timber is harvested, processed, transported, bought or sold in violation of national laws. Types of illegal activity include illegally obtaining concessions (eg via corruption), cutting trees without permission or outside the proscribed area, taking out more trees, undersized trees, oversized trees than is permitted, illegal processing, an under-declaration to customs of the amount being exported and the non / under payment of taxes.

Laundering Illegal Logs

By the time illegal timber reaches Europe it has usually been laundered to cover up its origin. The laundering process can take place by such means as including illegally cut timber within a consignment of legal timber or providing false documentation at any stage of the production and transport process.

Country Rates of Illegal Logging

Brazil : Illegal logging rate - 80%

The destructive impact of the logging industry on the Amazonian forests of Brazil is legendary. Logging has made a significant contribution to the loss of 53 million hectares of forest in Brazil between 1972 and 1998, an area of forest the size of France. (IBAMA - 1999). In 1998 deforestation in the Brazilian Amazon rose 30% on the previous year to reach 1.7 million hectares. The rate of forest destruction remained at 1.7 million hectares in 1999 (IBAMA-2000). It increased 15% to approximately 2 million hectares in 2000 (IBAMA-2001). Illegal logging in the Brazilian Amazon continues at a catastrophic level. A report by the Brazilian Secretariat for Strategic Affairs in May 1997 found that 80% of logging in the Brazilian Amazon was illegal. A well respected NGO in Brazil called Imazon made an assessment in 1998 that the illegal logging level could be as high as 90%.

Cameroon : Illegal logging rate 50%

Half of Cameroon's forests have already been lost. Cameroon is now among the world's top six tropical timber exporters and 81% of Cameroon's unprotected forest has now been allocated as logging concessions. 96% of logging violations reported in 1992-93 were followed by incomplete judicial procedures and one out of five violation reports was dropped after the intervention of an influential person. Since the reform of the

forestry sector in 1994 illegal logging has escalated. More than 50% of logging licenses were operating illegally in 1997-1998 (Global Forest Watch). CED (Centre pour Environnement et Developpement) in Cameroon has stated in its journal *Inside Cameroon* that at least 50% of logging is illegal.

Gabon - Illegal logging rate - 70%

Gabon has lost approximately 35% of its forests (Global Forest Watch). The forestry law in Gabon is incomplete, ill-defined and ill-enforced. Despite this, there is a high level of illegal logging. Article 14 of Law 1/82 states that forest concessions must be regulated by a management plan. Failure to gain Ministry approval of the management plan within three years of being awarded a concession triggers the forfeiture of the concession. Since the late 1990 s, only five of more than 200 companies in Gabon have commenced or stated they intend to start writing a management plan (Global Forest Watch). It seems that these five companies account for 30% of concessions and have logged those concessions for more than three years. This implies that at least 70% of logging in Gabon can be described as illegal. It should also be noted that, despite the 75% national processing rate target set by the current forestry code, less than 18% of Gabon s log production is processed before exporting (Global Forest Watch).

Indonesia : Illegal logging rate - 73%

Indonesia has now lost 72% of its original natural forest cover. The timber industry is responsible for much of this damage and has also paved the way for forest conversion, especially for palm oil and acacia plantations (Global Forest Watch). A recent World Bank study estimates that the rate of deforestation now stands at 2 million hectares / year. In the last 32 years, during the rule of Soeharto, Indonesia lost 40 million hectares of forest, equivalent to the combined size of Germany and the Netherlands. A study in 2000 by the Indonesia-UK Tropical Forest Management Programme, concluded that 73% of Indonesia s logging was illegal.

Malaysia : Illegal logging rate - 35%

Malaysia has now lost approximately 50% of its forests. In Sarawak there have been some major conflicts between the authorities and indigenous groups regarding destructive logging practices and the conversion of forests to acacia and palm oil plantations on indigenous land. Sarawak has been identified as a significant point of entry for illegal logs from Indonesia. One investigation by Tanjungpora University in Pontianak in 2000 found that 50-60 trucks loaded with illegal logs were entering Sarawak (Malaysia) from Kalimantan (Indonesia) every day. The level of illegal logging has increased since the economic crisis of 1997. The most recent assessment of the level of illegal timber being exported from Malaysia suggests that it is 35% of total exports (WWF). It is likely that most of this total is derived from logs smuggled over the border from Indonesia.

Summary of country rates of illegal logging

Supplier country	Proportion of tropical timber production deemed illegal	Source of estimate
Brazil	80%	Internal report, Secretariat for Strategic Affairs, (May 1997)
Cameroon	50%	Based on <i>An overview of logging in Cameroon</i> Global Forest Watch (2000)
Gabon	70%	Based on <i>A first cut of logging in Gabon</i> Global Forest Watch (2000)
Indonesia	73%	Indonesia-UK Tropical Forest Management Programme (1999)
Malaysia	35%	WWF (1995/2000)

European League Table

Country	A*	B*	C*	D*	E*	F*	G*
UK	1	60%	20%	1.0	1.6	140	260
France	2	50%	15%	0.9	1.7	130	270
Belgium	3	60%	15%	0.8	1.4	120	210
Germany	4	50%	10%	0.6	1.1	100	200
Netherlands	5	50%	10%	0.6	1.1	100	210
Italy	6	40%	10%	0.5	1.4	100	290
Spain	7	30%	5%	0.3	1.0	40	150
Portugal	8	50%	5%	0.3	0.6	40	100
		50%	-	5	10	800	1700

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EU"}

Note:

- A* Rank
- B* Illegal tropical timber imports as a percentage of all tropical timber imports by given country
- C* Illegal tropical timber imports by given country as a percentage of illegal tropical timber imports by the EU
- D* Illegal tropical timber imports by given country (million cubic metres RWE)
- E* Tropical timber imports by given country (million cubic metres RWE)
- F* Illegal tropical timber imports by given country (million UK)
- G* Tropical timber imports by given country (million UK)

**Volume of each EU country's supply of illegal tropical timber imported directly from each producer country
(million cubic metres RWE)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	1.0	0.09	0.21	0.10	0.05	0.09	0.11	0.15	0.23
Cameroon	0.8	0.04	0.14	0.05	0.23	0.08	0.08	0.17	0.03
Indonesia	2.0	0.58	0.12	0.39	0.15	0.21			0.54
Malaysia	0.5	0.11	0.03	0.04	0.02	0.15			0.17
Gabon	0.6	0.00	0.39	0.01	0.06	0.03	0.07	0.02	0.00
Total	5.0	0.8	0.9	0.6	0.5	0.6	0.3	0.3	1.0

**Value of each EU country's supply of illegal tropical timber imported directly from each producer country
(million UK £, cif)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	141	12	31	15	7	12	17	15	33
Cameroon	132	8	21	8	35	10	14	25	6
Indonesia	322	76	22	63	41	44			76
Malaysia	103	21	7	11	6	31			28
Gabon	89	1	52	2	9	4	12	3	1
Total	788	118	133	100	98	101	42	43	144

Conclusion

The European Union

It can be concluded that approximately 50% of the EU's tropical timber imports may be illegal. The EU imported approximately 5 million cubic metres (RWE) of illegal tropical timber in 1999, worth 800 million (1.2 billion Euros). As a result the EU was responsible for 740,000 hectares of illegal logging of tropical forest.

UK - Rank 1

The UK is ranked as the EU's biggest importer of illegal tropical timber. It is estimated that the UK imported 1.0 million cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 140 million (220 million Euros). This accounted for approximately 20% of the EU's imports of illegal tropical timber. Illegal timber comprised approximately 60% of the UK's direct tropical timber imports. As a result the UK was responsible for illegally logging 130,000 hectares of tropical forest.

France - Rank 2

France imported 900,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 130 million (200 million Euros). This accounted for 15% of the illegal tropical timber imported into the EU. Illegal timber comprised approximately 50% of France's direct tropical timber imports. As a result France was responsible for illegally logging 160,000 hectares of tropical forest.

Belgium - Rank 3

Belgium imported 800,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 120 million (180 million Euros). This accounted for 15% of the illegal tropical timber imported into the EU. These imports comprised approximately 60% of Belgium's tropical timber imports. As a result Belgium was responsible for illegally logging 100,000 hectares of tropical forest.

Germany - Rank 4

Germany imported 600,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 100 million (150 million Euros). This accounted for 10% of the illegal tropical timber imported into the EU. These imports comprised approximately 50% of Germany's tropical timber imports. As a result, Germany was responsible for illegally logging 70,000 hectares of tropical forest.

Netherlands - Rank 5

The Netherlands imported 600,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 100 million (150 million Euros). This accounted for 10% of the illegal tropical timber imported into the EU. These imports comprised approximately 50% of the Netherlands tropical timber imports. As a result the Netherlands was responsible for illegally logging 80,000 hectares of tropical forest.

Italy - Rank 6

Italy imported 500,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 100 million (150 million Euros). This accounted for 10% of the illegal tropical timber imported into the EU. These imports comprised approximately 40% of Italy's tropical timber imports. As a result Italy was responsible for illegally logging 90,000 hectares of tropical forest.

Spain - Rank 7

Spain imported 300,000 cubic metres (RWE) of illegal timber in 1999, with an import value of 40 million (60 million Euros). This accounted for 5% of the illegal tropical timber imported into the EU. These imports comprised approximately 30% of Spain's tropical timber imports. As a result Spain was responsible for illegally logging 60,000 hectares of tropical forest.

Portugal - Rank 8

Portugal imported 300,000 cubic metres (RWE) of illegal tropical timber in 1999, with an import value of 40 million (60 million Euros). This accounted for 5% of the illegal tropical timber imported into the EU. These imports comprised approximately 50% of Portugal's tropical timber imports. As a result Portugal was responsible for illegally logging 50,000 hectares of tropical forest.

Notes:

- The above rankings have not been done on the basis of deforestation. The reason for this is that it is difficult to accurately project the area of deforestation caused due to different logging rates in different countries and regions. The above deforestation rates are given as an approximate estimate to demonstrate the scale of the impact. It is based on an average logging rate of 10 cubic metres / hectare in Malaysia & Indonesia and half that amount elsewhere.
- It should be noted that Italy and Spain's ranking is lower than it might otherwise have been because they import a large part of their tropical timber from the Ivory Coast and parts of the Congo Basin for which there are not reliable statistics for illegal logging levels available. Their real positions are therefore likely to be higher up the league table and their ranking should not be an excuse for complacency.
- It should also be taken into account that there are reports of much higher imports of tropical timber into the EU from Liberia in the year 2000.

Recommendations

Friends of the Earth EWNI is calling on EU States and the European Commission to :

- Make it illegal to import and sell illegally sourced timber. The EU Commission, along with the EU members of the G8, should take action to ensure this law is adopted at the G8 level.
- Confirm that trade restriction measures to combat the trade in illegally harvested timber and non-timber forest products are consistent with WTO agreements.
- Eliminate voluntary green claims codes and replace them with legally binding codes that only recognise timber products as legal and sustainable if they are backed by credible, independent, performance based and verifiable certification, such as provided by the Forest Stewardship Council.

- Revise the EU's procurement policy to ensure that the EU's public sector only sources timber products that are proven to have come from legal and sustainable sources backed by credible, independent, performance based and verifiable certification, such as provided by the Forest Stewardship Council.

European League Table of Imports of Illegal Timber

Complete Tables

Final League Table (value in)

Country	A*	B*	C*	D*	E*	F*	G*
UK	1	60%	20%	1.0	1.6	140	260
France	2	50%	15%	0.9	1.7	130	270
Belgium	3	60%	15%	0.8	1.4	120	210
Germany	4	50%	10%	0.6	1.1	100	200
Netherlands	5	50%	10%	0.6	1.1	100	210
Italy	6	40%	10%	0.5	1.4	100	290
Spain	7	30%	5%	0.3	1.0	40	150
Portugal	8	50%	5%	0.3	0.6	40	100
		50%	-	5	10	800	1700

Note:

- A* Rank
- B* Illegal tropical timber imports as a percentage of all tropical timber imports by given country
- C* Illegal tropical timber imports by given country as a percentage of illegal tropical timber imports by the EU
- D* Illegal tropical timber imports by given country (million cubic metres RWE)
- E* Tropical timber imports by given country (million cubic metres RWE)
- F* Illegal tropical timber imports by given country (million UK)
- G* Tropical timber imports by given country (million UK)

Final League Table (value in Euros)

Country	A*	B*	C*	D*	E*	F*	G*
UK	1	60%	20%	1.0	1.6	220	390
France	2	50%	15%	0.9	1.7	200	410
Belgium	3	60%	15%	0.8	1.4	180	320
Germany	4	50%	10%	0.6	1.1	150	300
Netherlands	5	50%	10%	0.6	1.1	150	310
Italy	6	40%	10%	0.5	1.4	150	430
Spain	7	30%	5%	0.3	1.0	60	220
Portugal	8	50%	5%	0.3	0.6	60	150
		50%	-	5	10	1,200	2,500

Note:

- A* Rank
- B* Illegal tropical timber imports as a percentage of all tropical timber imports by given country
- C* Illegal tropical timber imports by given country as a percentage of illegal tropical timber imports by the EU
- D* Illegal tropical timber imports by given country (million cubic metres RWE)
- E* Tropical timber imports by given country (million cubic metres RWE)
- F* Illegal tropical timber imports by given country (million Euro)
- G* Tropical timber imports by given country (million Euro)

**Volume of tropical timber imports by supplying country and importing country
(million cubic metres RWE)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	1.3	0.11	0.26	0.12	0.06	0.11	0.14	0.19	0.29
Cameroon	1.7	0.08	0.28	0.09	0.46	0.16	0.17	0.33	0.06
Indonesia	2.7	0.79	0.16	0.54	0.22	0.29			0.74
Malaysia	1.5	0.32	0.10	0.12	0.06	0.42			0.47
Central African Republic	0.1		0.01	0.01			0.01	0.05	
DR Congo (formerly Zaire)	0.2	0.01	0.06	0.02	0.02	0.01	0.07	0.03	
Congo Kinshasa	0.1		0.02	0.01			0.04		
Equatorial Guinea	0.2		0.06	0.01			0.02	0.06	
Gabon	0.9	0.01	0.56	0.02	0.09	0.04	0.10	0.03	
Ghana	0.4	0.02	0.07	0.14	0.07	0.01	0.01	0.03	0.04
Ivory Coast	1.0	0.03	0.09	0.05	0.34	0.03	0.03	0.30	0.02
Liberia	0.1		0.07		0.04		0.01		
Nigeria	0.1				0.06				
<i>sum</i>	10.2	1.4	1,7	1.1	1.4	1.1	0.6	1.0	1.6

**–Percentage of tropical timber imports by supplying country and importing country{ –Percentage of tropical timber imports by supplying country and importing country"}
(by RWE volume)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	12%	8%	15%	11%	4%	10%	23%	18%	18%
Cameroon	16%	6%	16%	8%	33%	15%	28%	32%	3%
Indonesia	27%	57%	9%	47%	15%	27%			45%
Malaysia	15%	23%	5%	11%	4%	39%			29%
Central African Republic	1%						2%	5%	
Republic of Congo	2%	1%	3%	1%	1%	1%	12%	3%	
DR Congo (formerly Zaire)	1%		1%	1%			6%		
Equatorial Guinea	1%		4%	1%			3%	6%	
Gabon	9%	1%	32%	2%	6%	4%	18%	3%	
Ghana	4%	2%	4%	13%	5%	1%	1%	3%	2%

Ivory Coast	9%	2%	5%	5%	24%	3%	5%	29%	1%
Liberia	1%		4%		3%		1%		
Nigeria	1%				5%				

**Value of tropical timber imports by supplying country and importing country
(million UK £, cif)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	177	15	38	18	9	16	21	18	41
Cameroon	265	16	43	17	71	21	27	49	13
Indonesia	441	104	30	87	56	60			104
Malaysia	295	59	19	32	17	88			80
Central African Republic	14		2	1			2	9	
DR Congo (formerly Zaire)	44	1	13	3	4	1	15	4	1
Congo Kinshasa	15	1	2	1	3		6		1
Equatorial Guinea	19		8	1			2	7	
Gabon	127	2	74	3	13	5	17	5	1
Ghana	89	5	13	21	20	3	1	5	10
Ivory Coast	179	5	18	8	65	13	5	46	5
Liberia	20		11	1	6		1	1	
Nigeria	28	1		1	23	1		1	1
<i>sum</i>	1712	209	273	195	286	207	98	147	257

**Value of tropical timber imports by supplying country and importing country
(million Euro, cif)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	268	22	58	28	14	24	32	28	62
Cameroon	402	24	65	25	107	31	41	75	20
Indonesia	670	158	45	132	85	91			158
Malaysia	449	90	30	49	25	134			121
Central African Republic	21		2	2			3	14	
DR Congo (formerly Zaire)	67	2	20	5	6	1	22	7	1
Congo Kinshasa	22	2	3	1	5		9	1	1
Equatorial Guinea	29		12	1			4	11	
Gabon	193	3	113	5	20	8	26	7	1
Ghana	135	7	20	32	30	4	2	8	16
Ivory Coast	271	8	28	13	99	20	8	70	8
Liberia	31		17	1	8		2	1	

Nigeria

<i>sum</i>	42 2600	1 318	414	1 296	35 434	1 315	149	1 223	2 391
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**Percentage of tropical timber imports by supplying country and importing country
(by value)**

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	10%	7%	14%	9%	3%	8%	22%	13%	16%
Cameroon	15%	8%	16%	9%	25%	10%	28%	34%	5%
Indonesia	26%	50%	11%	45%	19%	29%			41%
Malaysia	17%	28%	7%	16%	6%	42%			31%
Central African Republic	1%		1%	1%			2%	6%	
DR Congo (formerly Zaire)	3%	1%	5%	2%	1%		15%	3%	
Congo Kinshasa	1%	1%	1%		1%		6%		
Equatorial Guinea	1%		3%				2%	5%	
Gabon	7%	1%	27%	2%	5%	3%	18%	3%	
Ghana	5%	2%	5%	11%	7%	1%		4%	4%
Ivory Coast	10%	2%	7%	4%	23%	6%	6%	32%	2%
Liberia	1%		4%		2%		1%	1%	
Nigeria	2%				8%				1%

**Area of tropical forest required to provide the RWE volume of illegal tropical timber imported
(thousands hectares)**

Assume an average logging rate of 10 cubic metres per hectare in Indonesian and Malaysia and 5 cubic metres per hectare elsewhere.

	EU	Belgium	France	Germany	Italy	Netherlands	Portugal	Spain	UK
Brazil	210,000	20,000	40,000	20,000	10,000	20,000	20,000	30,000	50,000
Cameroon	180,000	10,000	30,000	10,000	50,000	20,000	20,000	30,000	10,000
Indonesia	200,000	60,000	10,000	40,000	20,000	20,000	0	0	50,000
Malaysia	40,000	10,000	0	0	0	10,000	0	0	20,000
Gabon	110,000	0	80,000	0	10,000	10,000	10,000	0	0
sum	740,000	100,000	160,000	70,000	90,000	80,000	50,000	60,000	130,000

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