

Forest News



newsletter 9

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FSC-certified Indonesian ply deserves support

The flow of logs from possibly illegal origins in PNG to China hasn't diminished and FSC auditors have just visited Chinese plywood factories to investigate false labelling claims. This follows similar allegations against some Malaysian FSC plywood.

Amid all this, I was shocked to learn that Indonesian plywood producer PT Tjipta Rimba Djaja, for which CIPTA acts as an agent, has 6,000m² of genuine FSC-certified logs sitting in its yard with no UK buyer.

It wouldn't be so depressing if this was just a result of a cyclical low point in the market. But it's not. Since Greenpeace's damning Partners in Crime report into its environmental performance, the Indonesian industry has gone into free-fall because its customers switched en masse to China.

This was an easier option short term, but didn't help Indonesian forestry medium to long term.

Respectable buyers in the UK are buying large volumes of Malaysian ply to avoid China, but still don't feel they can trust Indonesia four years after Greenpeace's critical report. Could this be anything to do with the fact that, inexplicably, the respective European GSP rates for Malaysia and Indonesia are 3.5% and 7%?

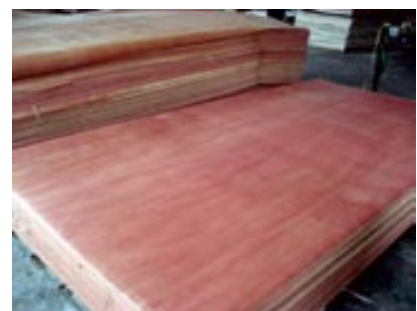
This situation is all the more extraordinary when minister Barry Gardiner promoted the UK government's new procurement policy designed to ensure that it only procures sustainable products post March 2009. Why wait until then when the UK government can buy FSC-certified plywood today?

It wouldn't be so shocking that 6,000m² of FSC-certified logs are sitting in a log yard in Indonesia with no buyer if there were not so many grand pronouncements about our great environmental ambitions filling the UK media. But that's what's happening.

How about the UK industry working its magic and buying this FSC ply? Better still, what about forward orders for ongoing

Supplies? Indonesian or otherwise, it is FSC-certified and it should be being used at a UK government building site. Instead, it and CIPTA sit waiting for the phone to ring.

By: Scott Poynton, 9 November 2007



TFT News

TFT and its partners Honoured at the Tech



TFT new member

- Sitra Holdings (International) Limited (Singapore)
- Frank Hudson Ltd
- Anco Furniture
- CIB (a subsidiary of the DLH Group)

See page 4 for more news...

President calls for greater utilization of natural resources

Peru's President, Alan Garcia, recently criticized those who question Peru's active natural resource utilization, and emphasized the need for Peru to continue its utilization of such resources.

Herbert Frey, President of the Lumber Committee of Peru's Exporters Association (ADEX), stated that exporters in the sector accepted the President's challenge to better use natural resources, but pointed out that it would only be possible with the active participation of the state. He added that Peruvian exporters are capable of meeting challenges as stated by the President, which would make it possible for Peru to export USD3 billion per year in the first five years of implementation, with the possibility of generating USD7 billion by 2017. The participation of the state should help design solutions using normative and technical methods to control the resources of the Peruvian Amazon.

Source: ITTO TTM Report, 1-15 November 2007



EU agrees extra Burma sanctions

The European Union widened its sanctions against Burma, adding a ban on imports of timber, gemstones and precious metals in response to the military junta's crackdown on pro-democracy groups.

The EU foreign ministers said in a statement it was "necessary to increase direct pressure on the regime" in Burma.

They banned exports of equipment used in the country's timber and mining industries, and prohibited EU nations from importing from or investing in those sectors. The measures – which come on top of an existing travel ban on Burmese officials, an arms embargo and a freeze of Burmese assets – "do not harm the general population but ... target those responsible for the violent crackdown and the overall political stalemate" in Myanmar, the statement said.

"This is a considerable sharpening of our sanctions," said Deputy Dutch Foreign Minister Frans Timmermans.

But the EU shied away from targeting Burmese oil and gas exports or preventing European companies from operating in those sectors. It also said EU humanitarian aid will continue.

Officials said the EU continues to fully back efforts by UN envoy Ibrahim Gambari to sway Burma's junta to end the crackdown on opposition groups.

She said the EU must "to engage increasingly" neighboring nations – China, India and Thailand – that conduct the most trade with Burma's military regime.

By: Constant Brand, Associated Press Writer.

Published: 16 October, 2007

Nobel Laureate signs forests accord

Nobel Laureate Professor Wangari Maathi has signed the Forests Now Declaration in Paris.

Prof Maathi signed the declaration during a meeting of leaders to discuss the dual crisis of deforestation and biodiversity loss affecting the Congo Basin.

"We need a mechanism that will assist people in developing countries, certainly in Africa, to protect their standing forests and plant trees, to protect their soil, protect biodiversity and protect livelihoods while reducing carbon emissions for everyone," said Prof Maathi.

Forests NOW calls on governments to halt deforestation worldwide.

Source: <http://www.tftonline.com/story.asp?sectioncode=17&storycode=53145&c=1>
15 November, 2007



Lacey Act amendments

The International Wood Products Association (IWPA), the World Wildlife Fund (WWF) and United Steelworkers (USW) have welcomed the approval of HR 1497, the Legal Timber Protection Act, by the Natural Resources Committee of the US House of Representatives.

HR 1497, which aims to tackle illegal logging by changing the Lacey Act Amendments of 1981 to extend its protections to plants illegally harvested outside of the US, was ratified by the committee on November 7 and must now go to a further vote in the Senate.

“The Legal Timber Protection Act sends a strong signal to world markets that the US will not accept illegally harvested wood products,” said WWF vice-president Jason Patlis.

“The 745,000 businesses represented by our coalition partners are unified in the fight against illegal logging and welcome this amended legislation as it provides all US consumers continued confidence that the wood products they use are legal,” said IWPA executive vice-president Brent McClendon.

IWPA also said that it was pleased with changes to the legal and technical language of the bill, which it said had worried small business, and called on the Senate to “follow the leadership” shown by the House.

USW, which represents workers from the North American forest products industry, added that the Act would enable its members to compete on a “level playing field where our overseas competitors are required to obey the law on timber harvesting”.

Source: <http://www.tjonline.com/story.asp?sectioncode=17&storycode=53156&c=1>

6 November, 2007

December 2007

Rains and expected export bans threaten West Africa log prices increases

EUWID reported on how prices for West African logs could shift in the new year. Noting that heavy rainfall and the implementation of log restrictions had hampered log felling in West Africa, it was expected that price increases would occur for wood such as ovengkol and padouk. This would also be caused by changing preferences of Asian buyers, who are buying high value logs to maximize profits, as higher freight rates from Africa have made the cost of business less attractive.

For now, prices in West Africa are stable. However, prices could shift for particular markets such as Gabon, as importers have already noted that many companies had exceeded their export quota for 2007. Full implementation of Gabon’s log export ban is expected to take place in 2008.

Source: *ITTO TTM Report, 1-15 November 2007*



Liberia and SGS agree chain of custody contract

Société Générale de Surveillance (SGS) is to monitor timber production in Liberia under a chain of custody contract with Liberia’s Forestry Development Authority (FDA).

FDA managing director John Woods and SGS business development manager for its forest monitoring programme Thomas Pichet signed the agreement last week.

Mr Woods told those at the signing that the contract would have a number of effects on the Liberian timber industry, from allowing logs to be traced back to their roots and allowing the industry to meet international standards, to giving the government a mechanism to claim around 90% of timber industry taxes, of which it currently only collects 14%.

Source: <http://www.tjonline.com/story.asp?sectioncode=17&storycode=52983&c=1>

8 November 2007

Ghana forests decline

Ghana's minister for lands, forestry and mines has said that the country's forest cover has declined by more than 75% since the country gained independence in 1957, according to a report in the Accra Mail.

Esther Obeng Dapaah told the annual general meeting of the Ghana Timber Association that forest cover in the country now stood at below two million ha, compared to eight million ha 50 years ago.

Ms Dapaah said that over-logging, by both illegal operators and contracted companies; the expansion of industry; conversion of forest into agricultural land; and other land use changes had driven the decline.

Source: <http://www.tjonline.com/story.asp?sectioncode=17&storycode=53354&c=2>
27 November, 2007



TFT News

TFT and its partners Honoured at the Tech Awards

TFT's work in the Republic of Congo was honoured recently at the Tech Awards Gala ceremony (<http://www.techawards.com/>) in San José California. The Gala was a formal black-tie evening attended by over 1,500 of Silicon Valley's brightest and most innovative companies.



Our work with CIB, Jerome Lewis of University College of London (UCL), John Nelson at the Forest People's Programme (<http://www.forestpeoples.org/>) and Patrick Newton and his team at Helveta Ltd (<http://www.helveta.com/>) was recognized because it provided – through the use of innovative handheld GPS technology – a mechanism by which indigenous Pygmy communities in CIB's forest concession can protect their natural and cultural resources.

Members Guidance

TFT has issued the first of its Member Guidance notes: 'Clarification on the use of FSC COC certificates as verification of good practice', in response to growing concern over potential misrepresentation of products from some suppliers.

Member Guidance note is available from
<http://www.tropicalforesttrust.com/reports.php>

TFT welcomes new members

TFT is pleased to welcome its newest members:

- **Sitra Holdings (International) Limited** (Singapore) a distributor of quality wood based products.
- **Frank Hudson Ltd**, UK based furniture design and manufacturer.
- **Anco Furniture**, a manufacturer and exporter based in Malaysia.
- **CIB** – a subsidiary of the DLH Group which becomes TFT's first African member and is the largest forest industry company operating in the Republic of Congo.



Linking business with responsible forest management

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