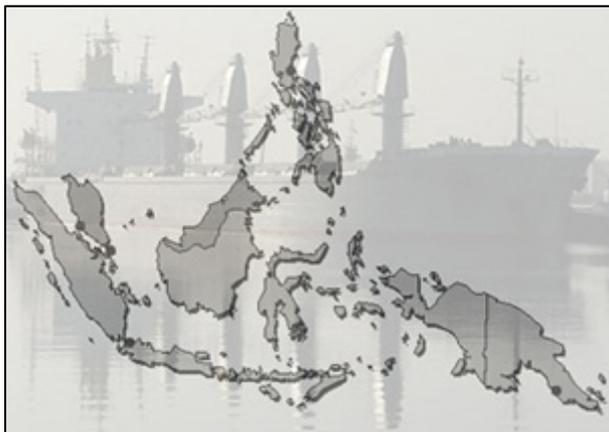


Bulletin 402 - 02/05 - Timber smuggling - Indonesia

A Panama-flagged vessel laden with 12,000 cubic meters of illegal logs was recently seized by the water police off Sorong, unearthing one of the biggest cases of timber smuggling ever discovered – at a value at more than US\$1 billion. It has been made public by two non-governmental organisations (NGOs), who also accused Indonesian military and government officials of being involved.

The London-based Environmental Investigation Agency (EIA) and the Indonesian environmental group Telapak said that 300,000 cu. m of timber per month were being smuggled from Indonesia (mostly from Papua province) to China.



Merbau is one of the most valuable timber species in Southeast Asia, but Papuan communities get approximately \$10 a cubic meter for chopping them down. They are then sold for around \$270 per cubic meter in China where it is used for furniture and flooring. "Papua has become the main illegal logging hotspot in Indonesia".

In December 2002, Indonesia and China signed a Memorandum of Understanding (MoU) on Forest Law Enforcement and Governance designed to halt the purchase of illegal timber. The report said a three-year investigation that started in 2002 revealed the involvement of several military personnel, customs officers and forestry officials. Minister of Forestry MS Ka'ban has said that 43 million hectares of Indonesian forests have been damaged or destroyed over the last several decades due to illegal logging, with the average annual deforestation rate estimated at more than 2.8 million hectares since 1998.

Certain hardwoods are not allowed to be exported from Indonesia, but may be transported within Indonesia. Charterers and/or shippers obtain cargo documents for a move within Indonesia, allowing the vessel to sail, whereupon new orders are issued for the vessel to depart Indonesia.

To avoid any problems, owners whose vessels are chartered for voyages to load logs in Indonesia should ensure:

1. Charterers / shipowners to provide master / owners all cargo documents, in detail; and
2. Cargo documents providing legal authority to carry specified logs are made available and held on board during the voyage.

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