



## **Press Release**

### **Exporting Log is a Risky Business for Triggering Illegal Logging in Indonesia**

Bogor, December 13, 2017. Illegal logging and timber smuggling may rise once again in Indonesia if the Ministry of Environment and Forestry proposal on log export approved. Kaoem Telapak and Independent Forest Monitoring Network strongly disagree with this proposal since it will obstruct the development of timber industry in the country.

Ministry of Environment and Forestry through its Secretary General, Bambang Hendroyono plans to open export for log, which have been banned for 16 years. Excess supply on logs is the reason behind this idea. While in fact, primary forestry industry in Indonesia still lack of raw log supply. The fulfilment or raw material for the primary forestry industry above 6,000 m<sup>3</sup> during five years from 2013 to 2017 still have not reach 80% of the plan.

Indonesia bans log export in 2001 through a Ministerial Joint Decree by Ministry of Forestry and Ministry of Industry and Trading. It aims to tackle rampant illegal logging and timber smuggling during that time.

However, during the period of that export ban, timber smuggling in a massive scale was still happening. In 2005, Telapak and Environmental Investigation Agency (EIA) were exposing merbau timber illegal trading from Papua to China with around 300,000 m<sup>3</sup> merbau logs smuggled to China every month. Furthermore, in 2010, there were 23 containers with merbau logs inside seized by the customs in Tanjung Priok Port in Jakarta planned to be shipped to China. Law enforcement upon those two cases still failed to punish the main kingpin behind those forest crimes.

If the proposal to apply logs export approved, then it is strongly believe that the illegal logging and timber smuggling may increase. Moreover, it would also cause high rate on employment termination in primary and advance industries.

Exporting logs will boost production efficiency, if on average each forestry industry employs at least 200 workers in each factory, probably around 150 thousands of workers will lose their job in the near future. Moreover, it is estimated around 600 industries will shut down due to no raw material supply. The domestic market will slowly die and the small-scale community based industries would receive fatal impacts. At least 10 workers per timber sawmill business unit also will lose their job because there is no more raw material.



Not only that, logs export also will cause loss on biodiversity. High rate of deforestation and forest degradation due to illegal logging to gain logs will eliminate germplasm in Indonesia forests.

Kaom Telapak and the Independent Forest Monitoring Network strongly urge the Ministry of Environment and Forestry to revoke the plan on applying logs export. We also urge the Ministry of Industry and Ministry of Trading to object this logs export plan. We ask the three ministries to work together on ensuring availability of logs as raw material for the primary industry from legal and sustainable source as well as strengthening forestry industry not only for international but also domestic market.

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**Editor's Note:**

- In 2013, Bambang Hendroyono appointed as the Directorate General of Forestry Business Development Unit, which currently is the Directorate General of Sustainable Production Forest Management. In 2015, Bambang Hendroyono became the Secretary General of Ministry of Environment and Forestry. In 2016, Bambang Hendroyono became the Acting Head of Perhutani (State-owned Forestry Company) Advisory Board. Bambang Hendroyono is the Head of Association of Bogor Farming Institute Alumni period of 2013-2017. Statement by Bambang Hendroyono regarding discourse on logs export were conveyed in Workshop on Logs Export Assessment on December 11, 2013. Statement by Bambang Hendroyono regarding discourse on logs export were conveyed during the opening ceremony of Association of Indonesia Forest Business Actors event on November 22, 2017. <http://industri.kontan.co.id/news/klhk-akan-buka-kran-ekspor-kayu-bulat> accessed on November 24, 2017.
- Joint Ministerial Decree by Ministry of Forestry (currently Ministry of Environment and Forestry), Ministry of Industry and Trading (currently Ministry of Industry and Ministry of Trading) Number 1132/KPTS-S/2001 and Number 292/MPP/Kep/10/2001 on Termination of Export of Logs or Wood Chips Raw Material. Trading Minister issued a regulation Number 44/M-DAG/PER/7/2012 on Export Prohibited Goods.
- Table 1. Industry Raw Material Plan Fulfilment national recapitulation data in 2013 up to December 13, 2017 for Forestry Primary Industry with capacity up to 6,000 m<sup>3</sup> per year.



No	Year	Planning	Realisation	Percentage of realisation and planning comparison
1	2013	64,368,463.43	50,561,443.43	79%
2	2014	63,266,809.62	50,135,035.43	79%
3	2015	64,758,657.37	50,604,210.25	78%
4	2016	67,413,596.17	49,723,965.01	74%
5	2017*	73,428,889.00	49,740,185.79	68%

Source : RPBB Online <http://rpbbi.dephut.go.id/MonefUmum/MonitoringPemenuhanBB.aspx> ; \*2017 data available on December 13, 2017. Accessed on December 13, 2017.

- Telapak (currently Kaoem Telapak) and the Environment Investigation Agency (EIA) in a report titled "The Last Frontier" in 2005, were openly exposing international crime syndicate behind the rampant merbau timber logging from Papua Province. Around 300,000 m3 of merbau logs smuggled out of Papua each month to supply China timber industry that greedy with raw materials. The rising economy in China has made the country to be the largest illegal timber collector in the world <http://www.kaoemtelapak.org/the-last-frontier/>
- Telapak (currently Kaoem Telapak) and EIA in a report titled "ROGUE TRADERS: The Murky Business of Merbau Timber Smuggling in Indonesia" in 2010 were exposing merbau timber export through 23 containers seized at the Tanjung Priok Port in Jakarta. <http://www.kaoemtelapak.org/rogue-traders-in-timber-smuggling-exposed/>
- The Timber Legality Assurance System of Ministry of Environment and Forestry in 2017 recorded 6,530 primary and advanced forestry industries: <http://silk.dephut.go.id/index.php/info/vlk> ; accessed on November 24, 2017. On average, one small-scale timber sawmill industry employs 10 workers. On average, primary and advanced industries, both above and below 6,000 m3 employ 200 workers.
- Rejection from the Ministry of Industry covered in the media in 2013 and 2015: <http://industri.bisnis.com/read/20130423/99/10263/javascript> ; <http://industri.bisnis.com/read/20150206/257/399847/kementerian-perindustrian-tolak-rencana-ekspor-kayu-log> ;accessed on November 24, 2017. Rejection from the Ministry of Trading covered in the media in 2013, 2015, 2015: <https://economy.okezone.com/read/2013/11/29/320/904905/kemendag-belum-mau-buka-ekspor-kayu-log> ; <http://www.tribunnews.com/bisnis/2014/05/05/kemendag-tolak-ekspor-kayu-log-dibuka-lagi> ;<http://www.republika.co.id/berita/nasional/umum/11/04/20/ekonomi/makro/15/10/05/nvqx0a382-ekspor-kayu-gelondongan-tetap-dilarang> ; accessed on November 24, 2017.
- The Independent Forest Monitoring Network (JPIK) is an independent network of Indonesia forestry monitoring actors founded and declared on September 23, 2010. To date, JPIK consists of 51 Non-Government Organizations active



members from Aceh to Papua. Establishment of JPIK is a commitment of Indonesian civil society to contribute actively towards better forest governance. Detailed information on JPIK can be found through website <http://jpik.or.id/>

- Kaoem Telapak is an organization founded in 2016 by the former members and founders of Telapak. Kaoem Telapak aims to lead partnership with the local and indigenous people and other stakeholders towards sustainable and just national resources management in Indonesia. Formed a new organization was considered as the ideal way to achieve Kaoem Telapak objectives. Detailed information on Kaoem Telapak can be found through website [www.kaoemtelapak.org](http://www.kaoemtelapak.org)