

OBSERVATIONS

Beware of the dragon

China's appetite for wood takes a heavy toll

MORE than half of the timber now shipped globally is destined for China. But unscrupulous Chinese companies are importing huge amounts of illegally harvested wood, prompting conservation groups to step up boycotts against rapacious timber interests.

This is the Year of the Dragon and in Chinese folklore a dragon symbolises strength. It is an apt icon for a nation whose rise as an economic superpower has been nothing short of meteoric.

While China's stunning economic advances have come at significant environmental cost, the boom has been a 'plus' in a few realms. The country is investing avidly in green technologies, such as solar energy and high-tech car batteries. It has also undertaken an ambitious national reforestation program, while cracking down on illegal forest clearing and logging inside its borders.

The rise of the Chinese dragon has a darker side – as much as half of the timber consumed is imported, primarily from tropical nations or nearby Siberia

According to the UN Food and Agricultural Organisation, forest cover in China, including large areas of timber plantations, increased from 157 million ha in 1990 to 197 million ha in 2005.

Counter-intuitively, the expansion of Chinese forests has occurred at the same time the country has been developing an immense export industry for its wood and paper products.

China is now the "wood workshop for the world,"



according to Forest Trends, a Washington DC-based think tank, consuming more than 400 million cub m of timber annually to feed both its burgeoning exports and growing domestic demands. Production of paper products has also grown dramatically in China, doubling from 2002 to 2007.

But the rise of the Chinese dragon has a darker side. As much as half of the timber and much of the paper pulp consumed by China is imported, primarily from tropical nations or nearby Siberia.

In and of itself, there is nothing wrong with this – China has every right to grow economically and seek the kind of prosperity that industrial nations have long enjoyed. However, in its fervour to secure timber, minerals and other natural resources, China is increasingly seen as a predator

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on the world's forests.

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By



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of tropical timber, importing around 40 to 45 million cub m of timber annually. Today, more than half of all timber shipped anywhere in the world is destined for China. Many nations in the Asia-Pacific region and Africa export the lion's share of their timber to China.

China faces three criticisms by those worried about the health and biodiversity of the world's forests.

First, the country and its hundreds of wood-products corporations and middlemen have been remarkably

aggressive in pursuing timber supplies globally, while generally being little concerned with social equity or environmental sustainability. For instance, China has helped fund and promote an array of ambitious new road or rail projects that are opening up remote forested regions in the Amazon, Congo Basin, and Asia-Pacific to exploitation. Such frontier roads can unleash a Pandora's Box of activities – including illegal colonisation, hunting, mining and land speculation – that are often highly destructive to forests.

Second, China, in its relentless pursuit of timber, almost exclusively seeks raw logs. Raw logs are the least economically beneficial way for developing nations to exploit their timber resources, as they provide only limited royalties and little employment, workforce training, and industrial development. As a result, most of the profits from logging are realised by foreign timber-cutters, shippers and wood-products manufacturers. A cubic metre of the valuable timber merbau (*Intsia bijuga*), for instance, yields only around \$11 to local communities in Indonesian Papua but around \$240 when delivered as raw logs to wood-products manufacturers in China, who profit further by converting it into prized wood flooring.

Finally, China has done little to combat the scourge of illegal logging, which is an enormous problem in many developing nations.

A 2011 report on illegal logging by Interpol and the World Bank concluded that among 15 of the major timber-producing countries in the tropics, two-

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Sales of eco-certified timber products reaching \$7.4 billion in the US alone

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thirds had half or more of their timber harvested illegally.

Globally, economic losses and tax and royalty evasion from illegal logging are thought to cost around \$15 billion annually – a large economic burden for developing nations.

A UK report concluded that China imports 16 to 24 million cub m of illegal timber each year – an incredible figure and twice the total amount imported annually by leading industrial nations.

Around a third of Chinese timber imports are ultimately exported, as furniture, plywood, flooring, disposable chopsticks, and other wood products. European countries, the US, and Japan are the biggest importers, with consumers there often unaware of the illicit origin of many wood products from China.

When it comes to illegal or predatory logging, it has not been easy to get China's attention. Stories about illegal logging rarely penetrate the Chinese news media. Outside China, the story is different; awareness of the rapacious nature of Chinese timber

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interests is growing.

This is a dangerous situation for Chinese businesses and exporters. Boycotts initiated by green groups can have a major influence on consumer preferences and have forced some of the largest retail chains in North America and Europe, such as Walmart and Ikea, to limit products sourced from



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old-growth forests.

Meanwhile, eco-certified timber products accounted for \$7.4 billion in sales in the US alone in 2005, and were expected to grow to \$38 billion there by 2010.

At some point, Chinese companies will buck the trend toward sustainable logging at their peril.

Adding teeth to such consumer actions are tougher laws and initiatives in industrial nations. In particular, new provisions to the Lacey Act in the US, and the European Union Timber Action Plan in Europe are increasingly holding corporations that import illicit timber products responsible for their actions.

One senses that efforts to combat illicit timber imports are finally beginning to gain some traction in China. The relevant government agencies are now engaged, and the country has commissioned an analysis of its role as an importer of illegal timber and released

draft guidelines to improve sustainability of its timber-importing corporations. It also recently hosted the Asia Forest Partnership Dialogue 2011, in Beijing, designed to assess progress in efforts to combat illegal logging in Asia over the

last decade.

However, China still has no national action plan or legislation to prevent the import of illegally sourced timber, and no formal trade arrangements with major timber-producing countries designed to improve enforcement.

Despite dominating the global timber market, Chinese wood products corporations feel little pressure from buyers to improve the legality of their timber products. The bottom line: China's efforts to limit the environmental impacts of its burgeoning timber imports are still mostly lip-service, with little practical impact.

Check the labels when you shop for any wood or paper products. If it says, "Made in China," be wary of the dragon, and think twice before buying.

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Quarantine fears on forest disease in Tas

A NEW threat to Tasmania's biosecurity has sparked more questions about the capacity of the state's downgraded quarantine regime to keep disease out.

While the state government is standing firm in its opposition to the importation of New Zealand apples because of fire-blight concerns, another disease could decimate the forest and nursery industries if it crosses Bass Strait.

Myrtle rust, a fungal disease that can kill native and introduced

trees, has been found in Victoria.

The state Opposition says the government needs to reassure the public it can manage the myrtle rust threat on a reduced quarantine budget.

It also wants money used to fund the Fox Taskforce to be redirected into a new biosecurity division.

A lobby group called Friends of Quarantine claims that more than half of the sea containers entering Tasmania are not being checked.