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PAPUA NEW GUINEA: Rainforest Thrown Open to Illicit Logging

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WASHINGTON, Mar 1 2006 (IPS) - The link between the political elite and logging companies operating in Papua New Guinea (PNG), home to world's third largest remaining rainforest, is responsible for the failure of sustainable timber production there and the rapid exhaustion of its pristine forests, a new report says.

The report by the Washington-based Forest Trends, released Wednesday, says that corruption among politicians in the South Pacific country has led to illegal logging that threatens the environment and the rural poor who get their sustenance from the forest's water sources, medicinal plants and berries.

"Corruption has a devastating effect on the living standards in the area as well as the long-term benefits for landowners," said Kerstin Canby, Forest Trend's programme manager for finance and trade.

The study recommends that donors and international institutions like the World Bank, whose mandate includes poverty reduction and protecting the environment, maintain a high-level dialogue with the government of PNG to support basic governance programmes.

The report said politicians in the impoverished country, where the gross national income per capita is only 580 dollars, have pushed for new timber permits to be issued without the required legal compliance or sustainability studies. It says that the industry is allowed to ignore PNG laws and gains favoured treatment in many cases.

"Annual allowable harvesting levels in individual projects have been set too high and forest areas are effectively being 'logged out'," said the report, "Logging, Legality and Livelihoods in Papua New Guinea".

This comes at the expense of the rural poor, who are left to bear the social and environmental consequences of an industry that operates largely outside the regulatory system, says the report.

The report found, for example, that the average concession life for companies between 1993 and 2000 was just 11 years, a fraction of the 40-year cutting cycle required by law. This means that the cutting pace was far in excess of a sustainable harvest.

Only four projects out of 29 being considered for new permits were identified as being "sensible" and "viable".

"The ability of the forest to regenerate is being seriously compromised by the lack of appropriate planning and care," says the study. "This is exacerbated by the poor management of the harvesting operations and further compounded by the failure of the authorities to effectively monitor and enforce the required standards."

The review by Forest Trends included a study of 14 logging projects covering a gross area of 3.17 million hectares and with a local population of over 83,000 people, all of which were found to be operating unlawfully and without sustainable management.

In 2004, these operations produced 1.3 million cubic metres of logs with a declared export value of 70 million dollars.

The report says that the PNG government continues to be the primary beneficiary of the forest industry, receiving 30 million dollars in cash revenues annually, and that the funds are not returned to local communities through services or other support.

Papua New Guinea, a country of five million people that is still officially headed by Queen Elizabeth II of Britain, is known for its rich biodiversity. About 80 percent of PNG's people live in rural areas where the natural environment is important for their livelihood.

Indigenous tribes who still hunt with bows and arrows live in isolated mountainous areas and often have little contact with the outside world.

PNG's forests are also important for the rest of the world for many reasons. Forest ecosystems have major impacts on soil, water, and coastal marine productivity over very large areas. They also influence carbon cycles, which play a crucial role in regulating local and global climates.

Papua New Guinea's forest has long been the subject of exploitation by the global logging industry, whose work is focused on the harvesting of natural forest areas for round log exports. Analysts say there is little plantation production and only a limited number of processing facilities.

The international environmental group Greenpeace says that the rate of forest loss in the Asia Pacific region is the fastest in the world.

The companies, mainly from Malaysia, have already acquired 70 percent of Papua New Guinea's available forest resources. The sector is dominated by Malaysian-owned interests, and the primary markets for raw logs are in China, Japan, and Korea. Many of the logs are processed in China for consumption in Europe and North America as flooring and furniture.

The report's authors recommend that the government to be far more assertive in combating corruption and severing its relations with logging businesses.

"The system must be fixed," said Michael Jenkins, president Forest Trends. "The nexus between the logging companies and the political elite needs to be broken."

The group suggested that one way to do this is to help local landowners better understand their rights, and proposed establishing a legal fund so that they can be defended.

"Papua New Guinea's legal system does exist outside of political control and the courts have a track record of ruling against illegal logging," Jenkins said.

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