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Asians exploiting PNG logging: report

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Asian logging companies are flagrantly ignoring the law as they cut down Papua New Guinea's rainforests thanks to corruption and government inaction, a new report alleges.

Forest Trends, a Washington-based environmental group, pointed to a nexus between loggers, mainly from Malaysia, and PNG's political elite.

Working conditions in the industry were described as "modern day slavery", while forests were effectively being "logged out", Forest Trends said in its report Logging, Legality and Livelihoods in Papua New Guinea.

It said logging companies are "allowed to ignore PNG laws and in fact gains preferential treatment in many cases, while the rural poor are left to suffer the social and environmental consequences of an industry that operates largely outside the regulatory system".

While the PNG government had all the necessary policies, laws and regulations to ensure sustainable timber production could be achieved, these laws were not being enforced, the report said.

It identified "a political vacuum with no demonstrated government interest in controlling the problems in the sector".

Forest Trends president Michael Jenkins said local landowners need funding and advice on how to challenge loggers in the courts.

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

The report summarised the findings of PNG government-commissioned independent reviews of the timber industry conducted between 2000 and 2005.

PNG's forest industry is dominated by Malaysian-owned interests and focused on round log exports mainly to China, Japan and Korea with many of the logs processed in China being sent on to Europe and North America.

The independent reviews included studies of 14 logging projects, all found to be operating unlawfully and not sustainably managing forests, the Forest Trends report said.

Corruption had a devastating effect on rural living standards and the basic rights of landowners were ignored, said Kerstin Canby, Forest Trend's program manager for finance and trade.

"There are a few logging operations in the country which are deemed beneficial to both local landowners and the country, but they are lost in a sea of bad operators. The government needs to


support these companies, or risks having the international community boycott all of PNG's exports."

Salaries and working conditions were generally poor and had been officially described in one project as "modern day slavery", the report said.

Substantial financial incentives existed for companies to under-report logging values and official inspections at export only verified the quantity and description of the timber to ensure export taxes were paid, the report said.

"Thus, official export documentation merely launders the 'unlawful' timber into legitimately-produced exports accepted by governments and retailers worldwide," it said.

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