

EMBARGOED UNTIL: 30 July 2018, 00:01 PGT

China's failure to regulate against illegal timber is destroying forests and livelihoods in Papua New Guinea and putting its own trade relationships at risk

London, 30 July 2018:

- A new investigation from Global Witness reveals how China's failure to screen illegal timber from Papua New Guinea's (PNG) climate-critical tropical rainforest risks damaging its global reputation as a responsible trading partner, and exposes its timber sector to commercial and legal peril.
- In 2016, PNG supplied 29% of China's tropical log imports. But the report published today reveals how a large number of logging operations in PNG violate the law despite holding government-issued permits.
- As the largest importer of timber from PNG, China's failure to introduce regulations to screen timber entering the country raises concerns that it is fueling illegality in PNG's forestry sector and facilitating the entrance of illegal wood into its market.
- 70% of PNG is covered by forest ecosystems that are home to some of the world's rarest plants and animals. The forest is also central to the cultural traditions and livelihoods of PNG's eight million people. By continuing to import tropical timber from PNG on such a scale, China is driving the destruction of a vulnerable and ancient forest.
- PNG is the newest member of China's ambitious Belt and Road Initiative, and for the first time in its history is hosting the Asia-Pacific Economic Cooperation Summit in 2018.

Anti-corruption NGO Global Witness has today released new research revealing how many logging operations in Papua New Guinea (PNG) appear to be breaking the law and selling illegal timber overseas. This destruction of irreplaceable ancient rainforest is driving climate change and damaging indigenous livelihoods.

A significant majority of timber from PNG is shipped to China - representing 29% of China's tropical log imports in 2016. Yet China has no regulation to keep illegal timber from entering its borders.

The risk of illegal timber flooding China's markets has the potential to damage its reputation and major trade relationships as buyers in the U.S. and EU, which ban illegal timber imports, take action to protect themselves.

On paper, the legal system in PNG guarantees that indigenous Papua New Guineans have control over their forests. In reality, however, the government is responsible for a catastrophic failure to uphold these laws and the forest sector has been plagued for decades by allegations of corruption and lawbreaking.

In its new report, *A Major Liability*, Global Witness draws on satellite imagery to show hundreds of apparent violations of the country's Forestry Act in major logging operations – all of which hold government permits and all of which continue to export timber.

70% of Papua New Guinea is covered by forest ecosystems that are home to some of the world's rarest plants and animals. Almost all of PNG's eight million people rely directly on the land for their sustenance, livelihoods, and cultural traditions. But this forest and the lives it

supports are under threat. The deforestation rate in PNG has been unusually high in recent years – in the past 5 years, 640,000 hectares of forest were lost.^[1]

Augustine Mondu, chairman of the Turubu Ecoforestry Forum said:

“Our normal way of life in using natural resources cautiously and sustainably has gone. Our customary and ownership rights are disrespected and our traditional way of life is being completely damaged.”

Lela Stanley, Policy Analyst at Global Witness said:

“Illegal logging in PNG is not only an environmental and social catastrophe, but it also poses a serious risk for the country buying most of that timber - China. Given our findings on illegal logging in PNG, buyers should assume that all timber coming from the country’s natural forests is at high risk of having been produced illegally. By failing to mandate proper checks on where its timber comes from, while selling to sensitive markets like the U.S. and EU, China leaves itself open to reputational and commercial risk.

Our investigation clearly shows that holding an official permit is not enough to guarantee the legality of timber coming from PNG operations. China now has a responsibility to act on this and mandate careful checks on the timber its companies source. This will not only help safeguard the livelihoods of PNG’s people, but also protect China’s own trade interests.”

[1] <https://www.globalforestwatch.org/dashboards/country/PNG?category=forest-change>

Notes to Editors

- Interviews, additional photographic and video materials (including drone footage of illegally logged areas in PNG), and the full briefing are available on request. **Please contact Heather Iqbal on +44 7828 505 758 or through hiqbal@globalwitness.org.**
- The report ‘A Major Liability’ explains how responsible buyers cannot rely on paperwork alone to assure themselves that timber has been cut legally and provides recommendations for Papua New Guinea and the buyers of its timber – notably China – to combat this illegal trade.
- For more information on Global Witness work on Papua New Guinea, please refer to our report from 2017, ‘[Stained Trade](#)’ [here](#). This revealed for the first time, how companies along wood product supply chains leading through China are failing to screen out illegal timber, the risks this creates for U.S. companies, and the devastating impacts the trade is having on people in PNG.

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