



FRAMING THE PICTURE:

**AN ASSESSMENT OF RAMIN
TRADE IN INDONESIA,
MALAYSIA AND SINGAPORE**

BY

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A TRAFFIC SOUTHEAST ASIA REPORT

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Ramin grows to substantial height (up to 45m) and diameter (30-120cm), as seen here in Malaysia.
(Picture courtesy of FRIM-UNDP/GEF Peat Swamp Forest Project)

FRAMING THE PICTURE :

AN ASSESSMENT OF RAMIN TRADE IN INDONESIA, MALAYSIA AND SINGAPORE

Lim Teck Wyn

Tonny Soehartono

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Credit: Reza Azmi/WildAsia.Net

Ramin tree, *Gonystylus* spp

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EXECUTIVE SUMMARY

In 2001, following concerns over illegal logging, Indonesia included its populations of Ramin *Gonystylus* spp. in CITES Appendix III. CITES provisions for the control of plant species specify the form of the plant in trade that is to be controlled. In this case, Indonesia requested for controls on all parts and derivatives except for specified propagules, known in CITES terminology as Annotation #1¹. The recorded international trade in Ramin is mainly in the form of sawn timber, semi-finished timber products such as dowels, mouldings and finished products such as furniture, picture frames and billiard cues - and thus Annotation #1 accurately reflects the nature of this trade. Previous unsuccessful proposals to list Ramin (as a single species, *Gonystylus bancanus*) in CITES Appendix II date back to 1992. In the past, the opponents of a CITES listing for Ramin felt that other international fora, such as FAO and ITTO were more suited to handle the trade of commercial timber species.

The genus *Gonystylus* comprises over 30 species that ranges throughout most of the Malesian region, with the greatest diversity occurring in Borneo (around 27 species), followed by Peninsular Malaysia with six species and Sumatra with a similar number. All other range States have only one or two species. Much of the timber trade is in only 6 species, all under the trade name Ramin, with the dominant species in trade being *G. bancanus*. Indonesia and Malaysia are the main producers of timber from *G. bancanus*.

This report evaluates the effectiveness of current implementation measures established for CITES Appendix III trade controls pertaining to Ramin *Gonystylus* spp. in Indonesia, Malaysia and Singapore since August 2001. The report is based on work carried out between July 2003 and July 2004 and has analysed available trade statistics, while also including a series of interviews, field visits and workshops involving key stakeholders at national and tri-national levels.

A review of existing literature suggests the significant degradation of most virgin habitat of Ramin *G. bancanus*, the main species in trade. The little area of virgin peat swamp forest that remains is subject to illegal logging (in national parks in Indonesia) as well as legal harvesting (in production forest reserves in Peninsular Malaysia). The deteriorating conservation status of Ramin can be illustrated by the fact that the volume of Ramin harvested annually in the 1970s in Indonesia of 1.5 million m³ has dropped drastically to 131,307 m³ in Indonesia in the year 2000; while in Malaysia, annual harvest levels peaked in 1989 at over 600,000 m³, dropping to 137,512 m³ in the year 2000.

This scenario, combined with the clearance of a significant proportion of Ramin habitat for non-forest uses has led to the evaluation of most *Gonystylus* species as 'Vulnerable' under the IUCN Red List criteria. The fact that it is difficult to differentiate between the timbers of the various Ramin species is another reason for Indonesia's listing of the entire genus in Appendix III.

¹Inclusion of Ramin, *Gonystylus* spp. in Appendix III under Annotation #1 applies to all parts and derivatives, except: a) seeds, spore and pollen (including pollinia); and b) seedling or tissue cultures obtained in vitro, in solid or liquid media, transported in sterile containers.

In terms of global reported trade, the largest importers of Ramin sawn timber from all Malaysian jurisdictions in 2001 were countries such as China, Hong Kong, Germany, Italy, Japan, Singapore and Taiwan, totalling nearly 40,000 m³. The largest buyers of processed Ramin from Indonesia in 2002 were countries in the EU, dominated by Italy with 1,716 m³.

However, analysis of the available international Ramin trade statistics reveals significant discrepancies - both in terms of what is reported by the exporting countries compared with reported imports, as well as differences in data between that reported to CITES and that reported to Customs authorities at the national level.

This report demonstrates that Ramin which has been illegally logged in Indonesia still makes its way onto the world market directly from Indonesia to consumer countries and also via Malaysia and Singapore. This illegal trade is shown to be a result of weaknesses in the CITES implementation and enforcement systems of Indonesia, Malaysia and Singapore. In particular, there is general ignorance regarding the requirements of CITES by key Customs officials in the three nations. This lack of understanding is combined with inadequate or conflicting local legislation and regulations. Some traders may be exploiting these administrative and legal loopholes to 'launder' a certain amount of illegal Indonesian Ramin.

Seizures of illegal Ramin cargoes have been made in Indonesia, Malaysia, Singapore as well as a number of non-range States that act as importers and re-exporters, including USA, UK, Canada, Hong Kong and Italy. In the US, for example, authorities made one of the most significant seizures of illegal Ramin when an import of around 883,000 pool (billiard) cues was intercepted. Since the CITES listing in 2001, there have been more than 142 000 kg of Ramin (mostly processed products) seized in the UK. This illustrates that the illegal trade in Ramin is a widespread international phenomenon that will require multi-lateral co-operation to minimise the occurrences of further smuggling.

The implementation of CITES Appendix III trade controls for Ramin in Indonesia and Malaysia, as key range States, is hampered by a lack of co-ordination between the various agencies as well as between the central and regional governments in both countries. Indonesia has particular problems with illegal logging and export control. This is coupled with problems in both Malaysia and Singapore regarding the effective implementation of CITES in terms of import loopholes, as well as difficulties in eliminating the illegal re-export of Indonesian Ramin.

The question of whether a transfer of Ramin to Appendix II would overcome the current problems is also discussed in the report, in light of Indonesia's proposal to transfer the genus *Gonystylus* from Appendix III to Appendix II that will be discussed at the Thirteenth Meeting of the Conference of the Parties to CITES in October 2004.

Overcoming the fundamental problems of enforcing national law will be critical to the long-term conservation and sustainable management of this commercial timber. Most importantly, existing mechanisms for implementing CITES between exporting, re-exporting and importing States must be improved by rapid exchange of information on interdiction of infractions (and to encourage law enforcement) regarding trade in Ramin.

The following recommendations for remedial action on improving the management of legal Ramin trade, and eliminating illegal trade, are based on the findings of this study, which included national-level workshop consultations in Indonesia and Malaysia, and a tri-national workshop involving Indonesia, Malaysia and Singapore. In summary, these include:

Tri-National

- Implement a Tri-national Task Force on CITES Ramin trade law enforcement between Indonesia, Malaysia and Singapore;
- Improve existing mechanisms for rapid exchange of information;
- Disseminate information on all national Ramin export and re-export requirements (legislation and procedures);
- Harmonise Customs HS Codes for Ramin cargoes and products exchanged between the three countries;
- Clarify statistical data discrepancies through consultation between CITES Management Authorities and Customs departments;

Indonesia

- Improve national and provincial trade enforcement/monitoring systems;
- Audit and re-register the national Ramin stockpile;
- Disseminate information regarding the implementation and enforcement of CITES to relevant government authorities, industry and other stakeholders;
- Mandate the provincial offices of PHKA (i.e. KSDA) to monitor the trade in Ramin;
- Improve co-ordination between Ministry of Forestry, Ministry of Trade and Industry, Customs and the National Bureau of Statistics;
- Resolve the internal problems regarding barter trade issues (with Malaysia and Singapore) between the relevant national agencies (Customs and MTI).

Malaysia

- Identify and implement procedures to enforce CITES for imports;
- Increase levels of surveillance and frequency of checks at known and potential illegal landing sites in Peninsular Malaysia;
- Establish a precautionary mechanism to ensure that Malaysian CITES permits and equivalent certificates of origin are only given for Ramin of verified Malaysian origin;
- Develop and implement standardized procedures for the disposal of confiscated cargoes of illegal Ramin;
- Disseminate information regarding the implementation and enforcement of CITES to relevant authorities, industry and other stakeholders;
- Ensure that requirements and procedures for trading timber under the "barter trade" agreements with Indonesia are consistent with the provisions of CITES;
- Implement mechanisms to ensure that Free Trade Zones are not used for 'laundering' illegal Ramin;
- Undertake a detailed inventory to determine the wild population status of Ramin in Malaysia.

Singapore

- Support the implementation of the proposed Tri-National Taskforce;
- Provide accurate statistics regarding its trade in Ramin with Indonesia;
- Carry out further training in wood identification and CITES implementation for relevant enforcement agencies;
- Improve monitoring of shipments of timber from Indonesia and Malaysia;
- Ensure that the stockpile of pre-Convention Ramin is adequately monitored;

Non-range States

- Improve the specificity of the existing HS Code system for tracking CITES Appendix III specimens in trade;
- Include provisions for implementing Appendix III in national legislation;
- Improve national legislation with regards to enforcement of CITES for plant species;
- Consider the comparative advantages for effective regulation of Ramin trade if *Gonystylus* spp. was listed in Appendix II at the 13th Conference of the Parties to CITES

LIST OF ABBREVIATIONS

AAC	Annual Allowable Cut
AFCD	Agriculture, Fisheries and Conservation Department (Hong Kong)
AFTA	ASEAN Free Trade Area
AHTN	ASEAN Harmonised Tariff Nomenclature
Anon.	Anonymous
ASEAN	Association of South-East Asian Nations
AVA	Singapore Agri-Food and Veterinary Authority
B/L	Bill of lading
BBC	British Broadcasting Corporation
BCJ	builders' carpentry and joinery
BOFT	Bureau of Foreign Trade (Taiwan, Province of China)
BPS	Biro Pusat Statistik (National Bureau of Statistics, Indonesia)
BRIK	Badan Revitalisasi Industri Kehutanan (Timber Industry Revitalisation Body)
c.	circa
c.i.f.	cost, insurance, freight (as being included in a price)
CBD	Convention on Biological Diversity
CED	Customs and Excise Department
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
CGK	Port of Jakarta
cm	centimetre
cm ²	square centimetres
Conf.	Conference
CoP	Conference of Parties
CSO	Customs Service Officer
DANIDA	Danish International Development Assistance
DO	Delivery order
Doc.	Document
E	East
e.g.	exempli gratia ('for example')
EC	European Commission
ESA	Endangered Species (Import and Export) Act 1989
et al.	et alia ('and others')
etc	et cetera (and so on)
EU	European Union
Exco	Executive Council
f.o.b.	free on board
FAO	Food and Agriculture Organization of the United Nations
FCO	Foreign and Commonwealth Office of the United Kingdom
FD	forestry department
F-Jointed	finger-jointed timber
FRIM	Forest Research Institute, Malaysia :
FSC	Forest Stewardship Council

G.	Gonystylus (when used before the species epithet, e.g. G. bancanus)
GBP	British Pound Sterling
GEF	Global Environment Facility
ha	hectare
HHW	Heavy hardwood timber
HM	Her Majesty's
HPH	Hak Pengusahaan Hutan (forest concession licence in Indonesia)
HS Codes	Harmonised System of Customs Classification
Ibid	Ibidem ('in the same place')
ID	Indonesia
IDR	Indonesian Rupiah
IE Singapore	International Enterprise Singapore
IMF	International Monetary Fund
in litt	in litterarum (via written correspondence)
IPPK	small forest exploitation permits of less than 100 ha (ID)
ITTO	International Tropical Timber Organization
IUCN	World Conservation Union
JK	Jabatan Kastam (Malaysian Customs Department)
KD	kiln dried
Kep	Keputusan ('Decree')
kg	kilogramme
Kpts	Keputusan ('Decree')
KPU	Kementerian Perusahaan Utama (Ministry of Primary Industries in Malaysia)
LEI	Lembara Ekolabel Indonesia (Indonesian Ecolabel Board)
LHW	Light hardwood timber
LIPI	CITES Scientific Authority in Indonesia
LSS	large scantlings and squares
m	metre
m ³	cubic metre
MATRADE	Malaysian Trade Development Organisation
MGR	Malaysian Grading Rules
MHW	Medium hardwood timber
MITI	Malaysian Minister of International Trade and Industry
MLH	mixed light hardwood species
MNS	Malaysian Nature Society
MNRE	Ministry of Natural Resources and Environment
MPIC	Ministry of Plantation Industries and Commodities
MOSTE	Ministry of Science, Technology and Environment
MTC	Malaysian Timber Council
MTCC	Malaysian Timber Certification Council
MTI	Ministry of Trade and Industry (Indonesia).
MTIB	Malaysian Timber Industry Board
MY	Malaysia
MYR	Malaysian Ringgit
N	North

n/a	not available
NB.	Nota Bene (note well)
NDF	Non-Detriment Finding
NE	Not Evaluated
NES	Not Elsewhere Specified
NFI	National Forest Inventory
NGO	non-governmental organisation
no.	number
org	organisation
P.U.	Pemberitahuan Umum (Gazette Notification)
PEB	Pemberitahuan Ekspor Barang (Export Declaration Form (Indonesia))
Perhilitan	Department of Wildlife and National Parks, Malaysia
pers. comm.	personal communication
PFE	Permanent Forest Estate
PHKA	Perlindungan Hutan dan Konservasi Alam (Directorate General of Forest Protection and Nature Conservation, Ministry of Forestry Indonesia)
PM	Peninsular Malaysia
pp.	pages
PPQ	Plant Protection and Quarantine division (USDA Animal and Plant Health Inspection Service)
PT.	Perseroan Terbatas ('limited liability company')
r.w.e	round wood equivalent volume
S.timber	Sawn timber
S'wak	Sarawak
SAR	Special Autonomous Region
SATS-LN	a CITES Export Permit (ID)
Sdn Bhd	Sendirian Berhad ('limited liability company' in Malaysia)
SEL	select
SFC	Sarawak Forestry Corporation Sdn Bhd
SFC	Sarawak Forestry Corporation Sdn Bhd
SG	Singapore
SGD	Singaporean Dollar
SGS	Societe General de Surveillance
SKSHH	Surat Keterangan Sahnya Hasil Hutan (certificate of forest product legality in Indonesia)
Sosek MalIndo	Malaysia-Indonesia Social & Economic Forum
spp.	species
STA	Sarawak Timber Association
STIDC	Sarawak Timber Industry Development Corporation
TRAFFIC	The wildlife trade monitoring programme of WWF and IUCN
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
USA	United State of America (also referred to simply by the ISO code "US")
USD	US Dollar
USDA	US Department of Agriculture

ver.	version
VU	Vulnerable
WCMC	World Conservation Monitoring Centre
WCS	Wildlife Conservation Society
WK	Warta Kerajaan (Government Gazette)
WWF	World Wide Fund for Nature
www	world wide web
YB	Yang Berhormat (The Honourable)

INTRODUCTION

Ramin habitat, ecology, distribution and status

Gonystylus is one of three genera of plants in the Gonystyloideae sub-family of the Thymelaeaceae family (see Table 1). At present *Gonystylus* consists of about 31 species (and one variety) of tall trees and some shrubs (see Annex 1); new species are being discovered regularly¹.

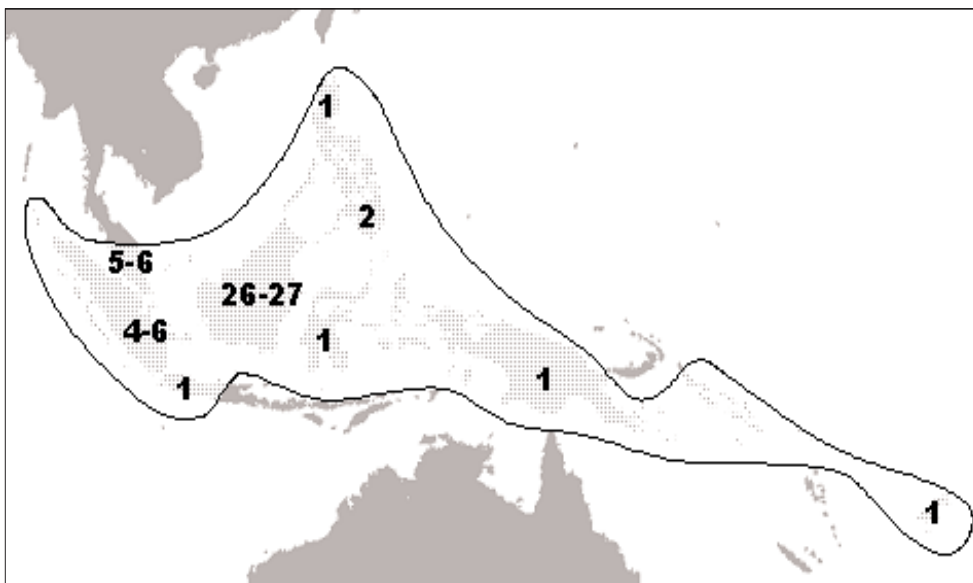
Table 1
The taxonomy of the genus *Gonystylus*

Taxa	Name
Kingdom:	Plantae
Phylum:	Tracheophyta
Class:	Magnoliopsida
Order:	Myrtales
Family:	Thymelaeaceae
Sub-family:	Gonystyloideae

Source: www.redlist.org

The *Gonystylus* genus is distributed throughout Southeast Asia, including the Nicobar, Solomon and Fiji Islands (see Figure 1). The centre of *Gonystylus* diversity lies in the island of Borneo, where remaining populations are becoming increasingly fragmented and scattered due to deforestation (see Figure 2).

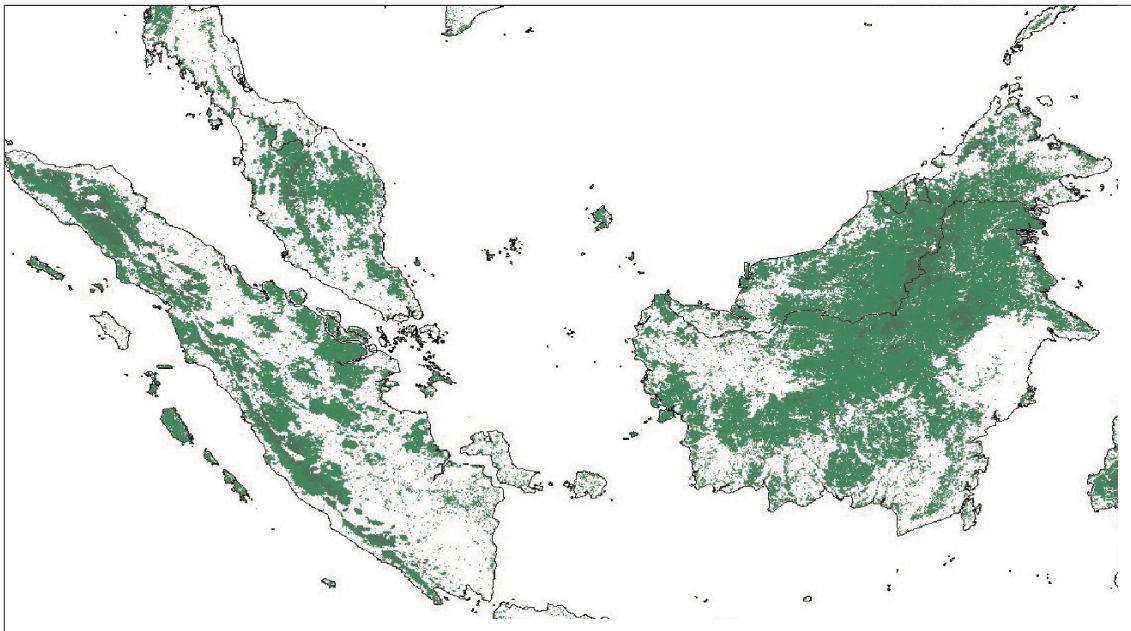
Figure 1
Distribution of the approximately 31 species of the genus *Gonystylus* - area bounded by the continuous line. Numerals indicate the number of species of *Gonystylus* known from the principal islands (*G. macrophyllus* is found throughout the range of the genus). (Adapted from van Steenis, 1948).



¹For example, *G. othmanii* (Tawan, 1999)

Figure 2

Extent of natural forest habitat in March 2000 within the centre of diversity of the range of the genus *Gonystylus* in Sumatra, the Malay Peninsula (including Peninsular Malaysia and parts of Southern Thailand) and Borneo



Source: adapted from Stibig et al. (2002: 11)

Over its range, *Gonystylus* is referred to variously as Gaharu Buaya and Medang Keladi (in Borneo), Melawis (in the Malay Peninsula) as well as Lanutan-Bagyo and Anauan (in the Philippines) (van Steenis, 1948). There are over 100 vernacular names for the various species (see Annex 2), however, the most common generic name for *Gonystylus* and also the trade name of its timber is 'Ramin' (Soerianegara and Lemmens, 1993)².

The World Conservation Monitoring Centre (Oldfield et al., 1998) assessed the conservation status of 15 species of *Gonystylus*, the results of this assessment are summarized in Table 2. This assessment used the 1994 IUCN Red List Categories & Criteria (version 2.3), finding all 15 *Gonystylus* spp. evaluated to be 'Vulnerable' (VU), facing a high risk of extinction in the wild in the medium-term future. These findings have been the basis for the inclusion of the 15 species in the IUCN Red List of Threatened Species from the year 2000 onwards (Hilton-Taylor, 2000).

Table 2

Conservation status of *Gonystylus* spp.

IUCN Category ver. 2.3 (1994)	No. spp.
NE (Not Evaluated)	16
VU A 1c+2c	10
VU A 1cd+2cd	3
VU A 1cd	2

Source: Oldfield et al., 1998

²The term 'Ramin' is also used to refer to species in other genera of the sub-family Gonystyloidae: Ramin Batu and Ramin Bukit sometimes refer to *Amyxa pluricornis*, Ramin Batu also refers to *Aëtoxylon sympetalum* (van Steenis, 1948). A number of other issues related to the use of the name 'Ramin' to refer to *Gonystylus* spp. is raised in the discussion section of this report.

Notes:

A1c Population reduction in the form of an observed, estimated, inferred or suspected reduction of at least 20% over the last 10 years or three generations, whichever is the longer, based on a decline in area of occupancy, extent of occurrence and/or quality of habitat;

A1d Population reduction in the form of an observed, estimated, inferred or suspected reduction of at least 20% over the last 10 years or three generations, whichever is the longer, based on actual or potential levels of exploitation;

A2c Population reduction in the form of a reduction of at least 20%, projected or suspected to be met within the next ten years or three generations, whichever is the longer, based on a decline in area of occupancy, extent of occurrence and/or quality of habitat; and

A2d Population reduction in the form of a reduction of at least 20%, projected or suspected to be met within the next ten years or three generations, whichever is the longer, based on a decline in area of occupancy, extent of occurrence and/or quality of habitat.

Twelve species met two criteria and three species met four criteria for listing as 'Vulnerable'. In particular, the following major threats were identified:

- (i) Habitat Loss/Degradation-Extraction-Wood-Selective-logging (ongoing)³.
- (ii) Habitat Loss/Degradation-Extraction-Wood-Clear-cutting (ongoing)⁴.

These threats were of special concern for the species *Gonystylus bancanus*, whose populations are thought to have been heavily depleted as the most important source of Ramin timber (Oldfield et al., 1998). The species is also threatened in parts of its range by habitat loss (Oldfield et al., 1998) leading to increasingly fragmented remnant populations (Figure 3a-d).



Credit: FRIM-UNDP/GEF PSF Project

The fruit of *Gonystylus* spp.

³IUCN Threat No. 1.3.3.2 IUCN Threats Authority File (Version 2.1) (Anon., 2003m).

⁴IUCN Threat No. 1.3.3.3 IUCN Threats Authority File (Version 2.1) (Anon., 2003m).

Figure 3

Extent of lowland peat swamp forest on the east coast of Sumatra, the Malay Peninsula as well as the west and south coasts of Borneo, being the habitat of *G. bancanus* (adapted from Andriesse, 1992). The boxes indicate the areas shown in Figure 3a, Figure 3b, Figure 3c and Figure 3d.

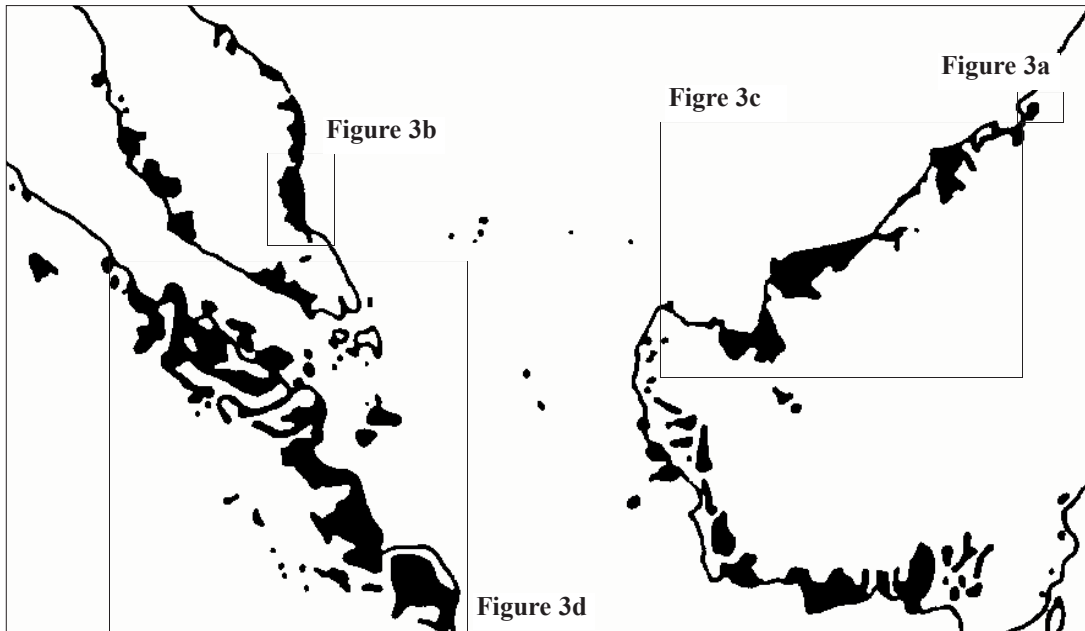


Figure 3a

Original compared with current extent of peat swamp forest in Klias Forest Reserve (3630 ha), the only *Gonystylus bancanus* habitat in Sabah, Malaysia that is protected from logging (adapted from a Sabah Forestry Department report (Anon., 2003g)). The boundary of the forest reserve is indicated by the solid black line.

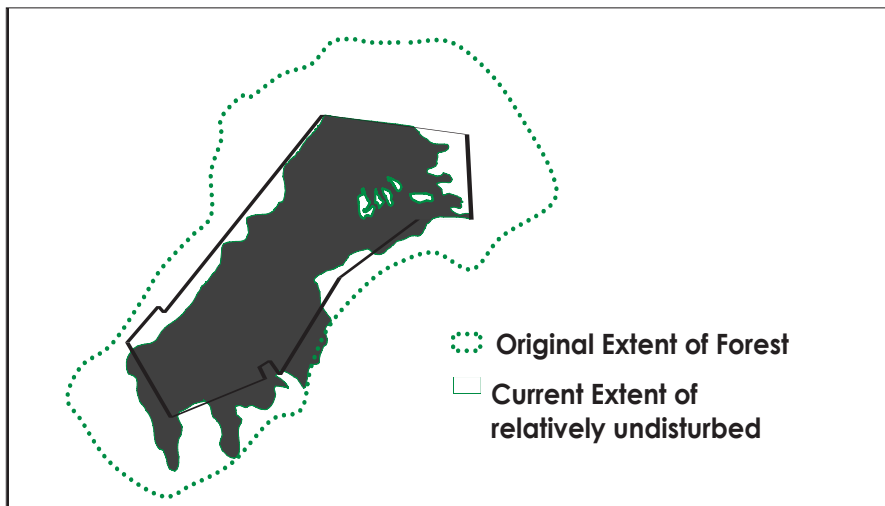


Figure 3b: Original compared with current extent of peat swamp forest in southeast Pahang, the only significant *Gonystylus bancanus* habitat remaining in Peninsular Malaysia: of the original 160 000 ha, less than 90 000 ha are in Permanent Forest Reserves. The boundaries of the forest reserves are indicated by the solid black lines (the reserves, from north to south, include Pekan Forest Reserve, Kedondong Forest Reserve, Nenasi Forest Reserve and Resak Forest Reserve). Source: adapted from a Pahang State Forestry Department report (Anon., 2003h).

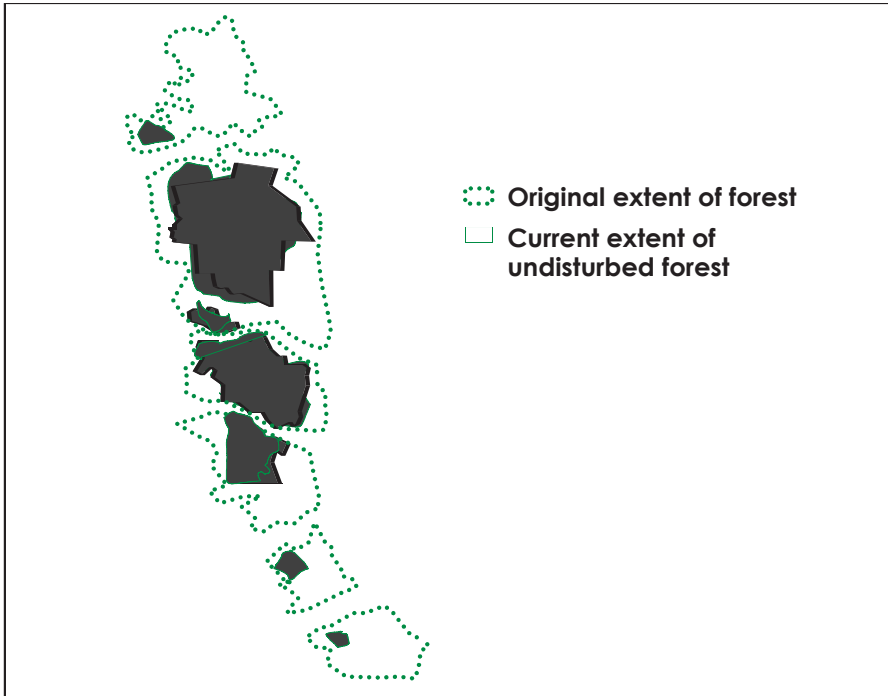
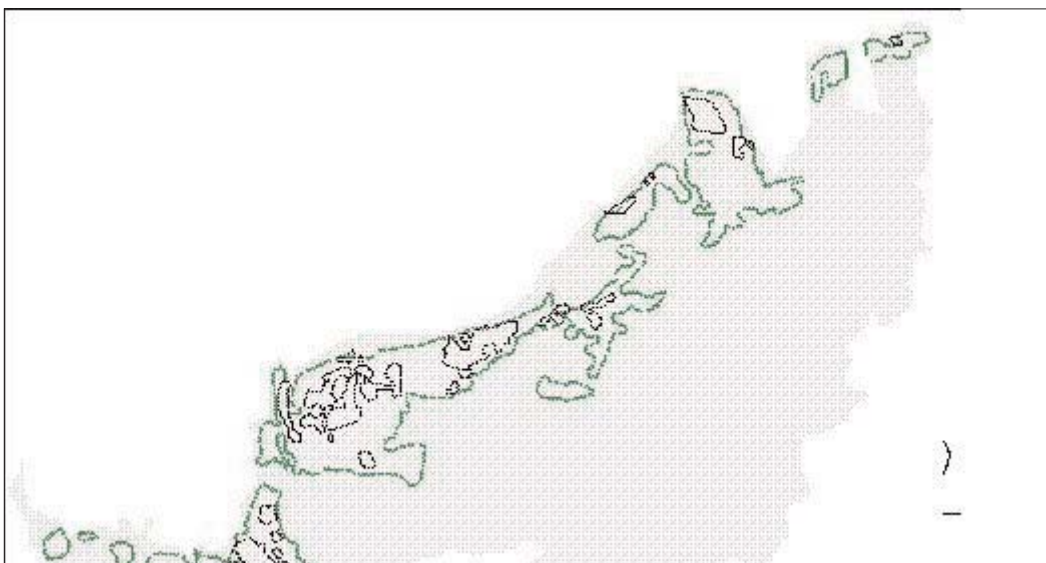


Figure 3c: Original 1.24 million ha of peat swamp forest (area bounded by dotted lines) in Sarawak, Malaysia (shaded area), compared with current swamp forest reserves (solid lines). All areas of peat swamp forest in Sarawak (including those within the forest reserves) had been logged or were licensed-out for logging by 1970 (Collins, et al., 1991).



Source: adapted from map entitled "Constituted Permanent Forest Estate", Sarawak Forest Department Website; and "Distribution of Peat Soils in Sarawak".

Figure 3d:
Original 9.7 million ha of peat swamp forest (dotted lines) in Sumatra, Indonesia, compared with protected areas (solid lines).



Source: adapted from Collins *et al.* (1991)

Ramin trade

Ramin is a lightweight to moderately heavy hardwood. The heartwood is white to yellowish-white or yellow, sometimes weathering to straw-coloured, and not distinctly demarcated from the 3-6 cm thick sapwood. The density is 460-840 kg/m³ at 15% moisture content. The grain is straight or shallowly interlocked, with the texture moderately fine to moderately coarse and even. The wood surface is slightly lustrous and lacks a conspicuous figure.



Ramin sample showing vital statistics of the timber's properties

In the 1940s, van Steenis (1948) suggested that the wood of most *Gonystylus* species was relatively unimportant commercially (see **Table 3**). However, he further noted that "in recent years there has been considerable exploitation of [the timber of] *G. bancanus* for internal building construction, planks, cases, etc." (van Steenis, 1948). Indeed, in the five-and-a-half decades since van Steenis made that observation, millions of cubic metres of Ramin timber have been harvested and traded for use in tens of thousands of different types of products (see Results and Discussion sections below). One cubic metre of sawn Ramin is worth more than USD500 bringing the value of the international trade in the species to exceed USD100 million each year (see Trade Statistics section for details).

Table 3
Uses of *Gonystylus* spp.

Species	Use
<i>G. affinis</i>	Wood (reddish, floats in water) known to be used for house-construction in Negeri Sembilan, Malaysia.
<i>G. bancanus</i>	Timber for general light construction, heartwood used for incense.
<i>G. confusus</i>	Decoction of roots given after child-birth (e.g. used in Pahang, Malaysia).
<i>G. forbesii</i>	Comparatively hard and heavy timber, used for construction, but only of minor importance.
<i>G. keithii</i>	As fish poison (pounded fruit mixed with ash) and as a medicine (unspecified), in Sabah, Malaysia.
<i>G. macrophyllus</i>	Comparatively heavy timber, used for construction; heartwood used for incense.
<i>G. maingayi</i>	Timber used for making planks and boards for domestic buildings; a decoction of the roots is administered after childbirth as a protective medicine.
<i>G. micranthus</i>	Timber for planks.
<i>G. velutinus</i>	Timber for planks and house construction in Sarawak, Malaysia.
<i>G. xylocarpus</i>	Timber for cheap furniture (Sarawak, Malaysia).

Source: van Steenis (1948), Soerianegara and Lemmens (1993)

The Listing of Ramin in the CITES appendices

The effect of trade on the conservation of *Gonystylus* spp. has long been deliberated by the Parties to the *Convention on International Trade in Endangered Species of Wild Fauna and Flora* (CITES)⁵. In 1992, at the Eighth Meeting of the Conference of Parties to CITES (CoP8), The Netherlands proposed to include Ramin (*Gonystylus bancanus*) in Appendix II of CITES. When it became clear that the range States did not support the proposal it was withdrawn (Soehartono and Mardiasuti, 2002). In 1994, at the ninth meeting of the Conference of Parties (CoP9) The Netherlands failed in a second attempt to get the Parties to consider listing Ramin⁶.

Following CITES debates on Ramin, it was reported that Dutch and Malaysian experts carried out an investigation in the mid-1990s and concluded "*G. bancanus* is not threatened with extinction in Malaysian swamp forests although regeneration in overexploited forests may be a cause for concern" (Oldfield *et al.*, 1998).

⁵ See **Annex 3** for information regarding CITES appendices

⁶ The Netherlands had proposed that COP9 adopt the following recommendation: "THE CONFERENCE OF THE PARTIES TO THE CONVENTION: APPEALS to the range States of Ramin (*Gonystylus bancanus*) to co-operate with each other and with consumer countries of this species to develop proper measures that contribute to the sustainable use and conservation of this species; and INVITES the range States of Ramin (*Gonystylus bancanus*) and the consumer countries to jointly develop a proposal to list this species in Appendix II or III of CITES at the tenth meeting of the Conference of the Parties. (CITES Doc. 9.53)." This proposal was supported by the CITES Plant Committee, the CITES Scientific Working Group and the European Community. The Indonesian delegation was privately supportive of the proposal, but was bound by an ASEAN agreement that opposed any listing of Ramin (Soehartono and Mardiasuti, 2002). In fact, all delegations to CoP9 from tropical nations had agreed to vote against any listing of tropical timber.

In 2001, following concerns over illegal logging within Indonesia's protected areas, Indonesia included its populations of *Gonystylus* spp. in CITES Appendix III with a zero quota effective from 12 April 2001 (CITES Notification No. 2001/026). Appendix III is a list of species included at the request of a Party that already regulates trade in the species and that needs the co-operation of other countries to prevent unsustainable or illegal exploitation (see **Annex 3** for more details).

However, soon after the first listing of Ramin, Indonesia refined its blanket ban on exports of the species. On 11 June 2001, Indonesia announced that it would provide for trade in registered stockpiles of 21 034 m³ *Gonystylus* spp. accumulated prior to 12 April 2001. This provision was set to expire on 5 August 2001. Furthermore, Indonesia decided to provide for trade in *Gonystylus* spp. timber and products originating from the PT. Diamond Raya Timber⁷ concession (see **Figure 11**) in Riau Province, Sumatra (CITES Notification No. 2001/040). Diamond Raya holds a *Certificate of Sustainable Forest Management* from Lembaga Ekolabel Indonesia (LEI), the national certification scheme, and a Certificate of Good Forest Management accredited by the Forest Stewardship Council (FSC). Ramin from Diamond Raya is processed in Indonesia solely by its parent company, PT. Uniseraya.

These initial notifications were later followed by a number of further refinements. On 10 August 2001, the CITES Secretariat issued a notification that Indonesia had extended the deadline for trade in stockpiles from 5 August to 31 December 2001 (CITES Notification No. 2001/053), however, within this period timber from the stockpiles required CITES Export Permits.

Indonesia listed *Gonystylus* spp. with the annotation "#13". Annotation '#1' is the most encompassing of all the annotations used for listing timber species on CITES; the superscripted '3' refers to Appendix III, and is used to distinguish the annotation from those used for Appendix I and II species.⁸

On 17 August 2001, Malaysia entered a reservation applicable to all recognizable parts and derivatives of *Gonystylus* spp. except sawn timber and logs (CITES Notification No. 2001/068). This reservation meant that Malaysia would therefore be considered a 'non-party' to CITES for the purposes of trade in Ramin processed products such as mouldings and doweling. As a non-party, Malaysia is exempted from the requirements of CITES for these products (see '**Overview of the requirements of CITES**', below, as well as **Annex 3**).

⁷ 'PT.' stands for *Perseroan Terbatas* and is used to denote a limited liability company

⁸ Annotation "#13" designates that the listing applies to all parts and derivatives of Ramin, except:- seeds, spores, and pollen (including pollinia); seedling or tissue cultures obtained *in vitro*, in solid or liquid media, transported in sterile containers; and cut flowers of artificially propagated plants.

Objectives of the Report

This report aims to assess the effectiveness of the measures taken to implement the requirements of CITES with respect to Ramin *Gonystylus* spp. in Indonesia, Malaysia and Singapore.

METHODS

This report is based on work carried out between July 2003 and July 2004. Methods used include a combination of desk-based analysis, field research and interview-based consultations, liaison with actors in the trade and industry, a series of workshops and collection of trade data from various agencies.

Interviews

Formal and informal interviews were held with representatives from the following organisations:

Indonesia

- CITES Management Authority: Directorate General of Forest Protection and Nature Conservation, Ministry of Forestry (PHKA) (*Perlindungan Hutan dan Konservasi Alam*)
- Directorate General of Customs and Excise
- Directorate General of Forest Utilization, and
- National Bureau of Statistics (BPS) (*Biro Pusat Statistik*)
- Ministry of Trade and Industry
- Provincial Forestry Agency of Jakarta, Riau and West Kalimantan
- World Wide Fund for Nature (WWF) Indonesia-Project ITTO-Illegal Logging

Malaysia

In Malaysia interviews were held with representatives from the federal government as well as the governments of Malaysia's three regions: Peninsular Malaysia, Sabah and Sarawak:

- Federal Ministry of Primary Industries
- CITES Management Authorities:
 - Malaysian Timber Industry Board (MTIB)
 - Sarawak Forest Department
- Malaysian Timber Council (MTC)
- Malaysian Timber Certification Council (MTCC)
- Sabah State Forestry Department
- Universiti Malaysia Sabah, School of International Tropical Forestry
- Sarawak Timber Industry Development Corporation (STIDC)
- Royal Malaysian Customs and Excise Department (Sabah, Sarawak, Pahang and Johor)
- Forestry Department Headquarters, Peninsular Malaysia
- State Forestry Departments: Pahang, Selangor
- Sarawak Forestry Corporation Sdn Bhd (SFC)

- Sarawak Timber Association (STA)
- Malaysian Nature Society (MNS) Kuching Branch
- World Wide Fund for Nature (WWF) Malaysia
- Wildlife Conservation Society (WCS) Malaysia, Kuching
- Forest Research Institute Malaysia (FRIM): United Nations Development Program (UNDP)/Global Environment Facility (GEF) Peat Swamp Forest Project
- Danish International Development Assistance (DANIDA) funded Peat Swamp Forest project
- Rimbaka Forestry Corporation Sdn Bhd

Singapore

- CITES Management Authority: Singapore Agri-Food and Veterinary Authority (AVA)
- Customs, Immigration, Quarantine (Jurong Port)

Field studies

Field research included visits to a number of forests, ports and factories to assess management systems in general as well as those applying to *Gonystylus* spp. in particular. Locations visited between July-December 2003 are listed below:

Forests

- Pekan Forest Reserve, Pahang (Peat Swamp Forest)
- Serendah Forest Reserve, Selangor (Dry Inland Forest)
- Deramakot Forest Reserve, Sabah (Dry Inland Forest/Freshwater Swamp Forest)
- KTS Plantation Sdn Bhd licence area, Sabah (Dry Inland Forest)

Factories

- Cymao Plywood Sdn Bhd, Sandakan, Sabah
- KD Plywood Sdn Bhd, Tawau, Sabah

Ports & border posts

- Peninsular Malaysia: Port Kelang, Muar, Batu Pahat
- Sabah: Kota Kinabalu, Sandakan, Tawau (including Pulau Sebatik - the entry point for timber from Nunukan, East Kalimantan)
- Sarawak: Semantan, Tebedu, Lubok Antu (all entry points for timber from West Kalimantan)
- Singapore: Jurong (entry point for timber from Riau)
- Indonesia: Jakarta, Palembang, Riau, Badau, Entikong, and Tebedu.

Literature review

A review of published and unpublished literature was carried out through a combination of web-based and traditional methods. The libraries and data-banks of the following institutions were of particular help:

- PHKA and BPS, Jakarta
- Herbarium Bogoriense, Bogor
- Ministry of Forestry (Manggala Wanabakti) Library
- TRAFFIC Southeast Asia, Petaling Jaya
- Borneo Programme, WWF Malaysia, Kota Kinabalu
- Forestry Department Headquarters Peninsular Malaysia, Kuala Lumpur
- International Enterprise Singapore (IE Singapore is the recently corporatised Singapore Trade Development Board)

The trade statistics from the Annual Reports of the various CITES Parties are compiled in a CITES Trade Database maintained by the United Nations Environment Programme - World Conservation Monitoring Centre (UNEP-WCMC) (<http://sea.unep-wcmc.org/citestrade/>). This database is referred to in the text as the 'UNEP-WCMC Database'.

Workshops

A series of three workshops were held over a period of six months to present the preliminary findings of the study and to elicit feedback from government and industry stakeholders. These workshops included national-level workshops in Indonesia (7 January 2003 at Hotel Pangrango, Bogor) and Malaysia (8 March 2004, Vistana Hotel, Kuala Lumpur), as well as a Tri-National Workshop involving Indonesia, Malaysia and Singapore which was held in Kuala Lumpur from 15-16 April 2004. A list of the participants of the Tri-National Workshop is attached as **Annex 4**.

Currencies

The following conversion rates are used for the currencies cited in the text. Unless specified otherwise, the 1 May 2004 rates are used.

<u>Local Currency</u>	<u>US Dollar (USD) Equivalent</u>
Malaysian Ringgit (MYR)	USD0.26 (rate fixed since 1998)
Sterling Pound (GBP)	USD1.8
Singaporean Dollar (SGD)	USD0.58
Indonesian Rupiah (IDR)	USD0.0001

RESULTS

Description of CITES Implementation

Overview of the requirements of CITES Appendix III

CITES Appendix III is a list of species included at the request of a Party that already regulates trade in the species and that needs the co-operation of other countries to prevent unsustainable or illegal exploitation. International trade in specimens of species listed in this Appendix is allowed only on presentation of the appropriate permits or certificates (see **Annex 3**).

Following the listing of *Gonystylus* spp. on Appendix III, all trade in Ramin involving Parties to CITES has required the following permits or certificates to be issued by the relevant CITES management authorities or competent authorities nominated by CITES Non-Party countries:

- *CITES Certificate of Origin* (for exports from Parties)
- *CITES Export Permit* (for exports from the Party who made the listing, i.e. Indonesia)
- *CITES Re-export Certificate* (for re-exports from Parties)
- *CITES "Pre-Convention" Certificate* (for re-exports from registered stockpiles that had been imported by the re-exporting Parties prior to the listing date)
- *Non-Party Country of Origin Certificate* (for imports that had been exported from Non-Parties to Parties, i.e. parts and derivatives except sawn timber and logs imported by Parties from Malaysia)
- *Non-Party Re-export Certificate* (for imports that had been re-exported from Non-Parties to Parties, i.e. parts and derivatives except sawn timber and logs imported by Parties via Malaysia)

In theory, the CITES mechanism works along the following lines. In the first instance, the Party needs to enact legislation or have an alternate legal basis to enable the national enforcement of the requirements of CITES. Based on this legislation, exporters of listed species would be required to apply to the competent authority for a permit or certificate. There should be provision for Customs to check for the issuance of these permits or certificates before approving export. The permits or certificates would again be checked by Customs in the importing country before import approval would be granted.

The following sections describe the degree to which these CITES obligations have been implemented by Indonesia, Malaysia and Singapore.

Indonesia

Overview

Indonesia became a Party to CITES in December 1978, with the Convention entering into force in March 1979. Indonesia implements CITES via a number of legislative mechanisms, including the following:

- i.) Laws (*Undang-Undang*)
- ii.) Government Regulations (*Peraturan Pemerintah*)

- iii.) Presidential Decrees (*Keputusan Presiden*)
- iv.) Ministerial Decrees (*Keputusan Menteri*)

These mechanisms are based on a hierarchy, with Laws having the highest authority. The implementation of CITES in Indonesia relies on all these mechanisms⁹. However, since 1998 the central government in Jakarta has given significant autonomy to local government authorities (provinces and regencies). This autonomy has led to local decrees that occasionally conflict with those of the central government (this issue is examined further in the discussion section).

Regarding the implementation of CITES specifically for Ramin, the Minister of Forestry has issued three Ministerial Decrees. The first decree put in place a complete ban on the harvesting and trade in Ramin; the second decree gave provisions for a limited harvest of Ramin under a number of strict conditions; and the final decree detailed the procedures for exporting Ramin (i.e. exporters of Ramin need to obtain a CITES Export Permit from PHKA). The first two decrees resulted in CITES notifications as seen in **Table 4** (selected excerpts of these decrees are included in **Annex 5**).

Table 4
Indonesian Decrees and Corresponding CITES Notifications

<i>Source</i>	<i>Date</i>	<i>Reference Number</i>
Indonesian Decree	11/Apr/2001	No. 127/Kpts-V/2001
CITES Notification	18/May/2001	No. 2001/026
Indonesian Decree	11/Jun/2001	No. 168/Kpts-IV/2001
CITES Notification	9/Jul/2001	No. 2001/040
CITES Notification	10/Aug/2001	No. 2001/053
Indonesian Decree	30/Oct/2001	No. 1613/Kpts-II/2001

The final Indonesian decree made on 30 October 2001 has yet to result in a CITES notification. Some of the provisions of the third decree go beyond CITES, for example, the decree imposed a ban on the export of Ramin logs, sawn timber and veneer sheets, even if they originated from Diamond Raya or registered stockpiles¹⁰. However, mouldings, dowels and blinds originating from registered stockpiles can receive CITES Export Permits. Section I 3(2)c of the decree gives provision for the export of other products containing Ramin to be exported *without* CITES permits once the CITES Secretariat has notified the other Parties via a notification. Such a notification has yet to be made.

Following the final decree, the Ministry of Forestry wrote to the Ministry of Finance which then issued a circular via the Directorate General of Customs and Excise to inform the relevant enforcement officers of the Forestry decree.

⁹ Laws include 5/1990, 5/1994, 23/1997 and 41/1999; Government Regulations include 23/1985, 6-8/1999, 20/2001; Presidential Decrees include 43/1978, 228/M/2001, 102/2001.

¹⁰ No. 1613/Kpts-II/2001 Section I 3(2)a - which adds that items to be exported for the purpose of research with the recommendation of the Scientific Authority (LIPI) are excepted.

Customs officers are the "front line" in controlling exports from Indonesia, and Customs procedures require exporters to make an export declaration¹¹. The circular on Ramin specified that exports of Ramin require a CITES Export Permit issued by PHKA. Export controls are generally specified under a decree (No. 228/MPP/Kep/7/1997 (4 July 1997)) of the Minister of Trade and Industry (MTI). The circular declared that since Ramin was now protected¹², products containing Ramin were to be classified as Supervised Export Goods (*Barang Yang Diawasi Ekspornya*) that may only be exported with PHKA approval. In January 2002, MTI made a further decree¹³. This decree actually banned the export of all species of flora and fauna on Appendix I & III of CITES¹⁴. However this decree did not specifically list Ramin or any of the other species that would be affected. So far MTI has not made any decree that makes specific mention of Ramin. It is not clear which agency is responsible for enforcing the MTI decree and whether there are any overlaps with PHKA's CITES mandate.

Regardless of the MTI ban, PHKA continues to give approval for the export of Ramin. PHKA approval was based on the source of the timber: as mentioned, the CITES notifications distinguished three sources of Ramin timber from Indonesia:

- i.) Ramin originating in pre-convention registered stockpiles;
- ii.) Ramin originating in the PT. Diamond Raya Timber concession; and
- iii.) Ramin originating from other sources (which were not permitted to be exported).

Up until 31 December 2001, only Ramin from stockpiles was permitted to be exported. From 1 January 2002, only Ramin from Diamond Raya is permitted to be exported. For stockpiles, PHKA required the Provincial Forestry Authority to issue a letter of endorsement and a stockpile inspection note. For Ramin from Diamond Raya, PHKA requires the Provincial Forestry Authority to issue a letter of endorsement and a certificate of forest product legality (*Surat Keterangan Sahnya Hasil Hutan or SKSHH*) that is issued in accordance with the Annual Allowable Cut (AAC) quota that is set based on the Non-Detriment Finding (NDF) carried out for the Diamond Raya concession (see Discussion section).

PHKA then issues a *CITES Export Permit* in quintuplicate, the original to accompany the shipment and copies for (1) Customs; (2) Regional Office of PHKA; (3) PHKA Headquarters; and (4) the exporter.

¹¹This is known as a *Pemberitahuan Ekspor Barang* (PEB) in Indonesia

¹²"Binatang liar dan tumbuhan alam yang dilindungi secara terbatas"

¹³*Decree of the Minister of Industry and Trade No. 57/MPP/Kep/I/2002*, dated January 31, 2002.

¹⁴"Wild animals and natural plants protected and or included into Appendix I & III of CITES, in live, dead condition, parts thereof, results thereof and goods made thereof." (*Ibid.*, Section III (8))

Malaysia

Overview

Malaysia became a Party to CITES in October 1977, with the Convention entering into force in January 1978. A thorough review of the procedures for the implementation of CITES listing for timber species in Malaysia was carried out by Chen and Perumal (2002). The findings of this review are generally still valid and are summarised below together with a number of updates and specific reference to Ramin. Issues relating to the actual *implementation* of the CITES procedures are included in the discussion section of the report. Sustainable forest management in Malaysia is briefly discussed in **Box 1**.

Since 1977, when Malaysia joined CITES, until 27 March 2004, the Federal Ministry of Science, Technology and Environment (MOSTE) was the national co-ordinating authority and the scientific authority for CITES implementation in Malaysia¹⁵. However, because of the differences in the legal, political and administrative frameworks among Peninsular Malaysia¹⁶, Sabah and Sarawak, the implementation of CITES in Malaysia is governed by a number of different legal mechanisms and management authorities (**Table 5**).

Table 5
CITES Management Authorities in Malaysia

Region	Product	Management Authority
Peninsular Malaysia ¹⁶	Timber	Malaysian Timber Industry Board (MTIB)
	Plants	Department of Agriculture
	Fauna	Department of Wildlife & National Parks
	Fisheries	Department of Fisheries; Fish Health Management & Quarantine Centre
Sabah	Timber	Malaysian Timber Industry Board (MTIB)
	Plants/Fauna	Sabah Wildlife Department
	Fisheries	Department of Fisheries
Sarawak	All products	Sarawak Forest Department

Notes: 'Timber' refers to timber and timber products; 'Fauna' refers to all fauna except fish and marine species; 'Fisheries' refers to all marine species except otters, dugongs and turtles.

Source: CITES Directory 2003

¹⁵A restructuring of the Cabinet on 27 March 2004 put the environment portfolio to a new ministry, the Ministry of Natural Resources and Environment (MONRE), the role of CITES Scientific Authority may also be given to MONRE, although this has yet to be confirmed.

¹⁶Peninsular Malaysia includes the following states: Johor, Kedah, Kelantan, Melaka, Negeri Sembilan, Pahang, Perak, Perlis, Pulau Pinang, Selangor and Terengganu; it also includes the federal territories of Putra Jaya and Kuala Lumpur (as well as the Federal Territory of Labuan, in this context).

In Malaysia, the regulation of trade in controlled items is made through the issuance of prohibition orders made by the Minister of Finance under powers bestowed by the *Customs Act 1967*, an act of Malaysia's Federal Parliament. Under the 1998 export prohibition order¹⁷, logs, sawn timber, moulding, plywood, particle board and fibre board all require a timber export licence (known as *Form JK 69*) to be approved each year by the Malaysian Timber Industry Board (MTIB). MTIB, in turn, derives its authority to issue such licences from the *Malaysian Timber Industry Board (Incorporation) Act 1973* (the text of the relevant sections of this legislation is found in **Annex 6**).

Following the listing of Ramin in CITES Appendix III, the Minister of Primary Industries issued a directive (*KPU Directive 6/8/01*) empowering MTIB to issue *CITES Certificates of Origin* and *CITES Certificates of Re-Export* for exporters applying to export Ramin logs or sawn timber. Furthermore, MTIB was designated the "competent authority" for the issuance of *Non-Party Country of Origin Certificates* for Ramin parts and derivatives (except sawn timber and logs) originating in Malaysia, as well as *Non-Party Certificates of Re-Export* for Ramin parts and derivatives (except sawn timber and logs) imported from elsewhere.

Under a 1998 import prohibition order¹⁸, importers wishing to bring logs or baulks (large scantlings and squares)¹⁹ into Malaysia are required to obtain annual import licences from MTIB. Following the ministerial directive noted above, importers applying to bring in Ramin logs or baulks must provide MTIB with a valid *CITES Export Permit*, *CITES Certificate of Origin* or *CITES Certificate of Re-Export* from the exporting country before MTIB will issue the licence.



Credit: TRAFFIC Southeast Asia

Verifying country of origin for logs and sawn timber is one of the most difficult tasks for responsible government enforcement agencies

The provisions of the MTIB Act relating to the regulation of the timber trade have yet to come into force in Sarawak²⁰. Under a November 2001 notification made by the Sarawak Minister of Resource Planning under the *Wild Life Protection Ordinance 1998* (Sarawak Chapter 26) an enactment of the Sarawak State Legislative Assembly, the administrative responsibility for the issuance of *CITES Certificates of Origin* and *CITES Certificates of Re-Export* for Ramin in Sarawak is handled by the Forests Department (the National Parks and Wildlife Division as well as the Regional Forest Offices of Sibul, Miri, Bintulu and Kuching). The Regional Forest Offices also have the responsibility to issue *Country of Origin Certificates* and *Certificates of Re-Export* for Ramin parts and derivatives (Director of Forests *in litt.* 18.03.2003).

¹⁷ *Customs (Export Prohibition) Order 1998*, Second Schedule, Section 28 (see **Annex 6**). Detailed procedures on the import and export of timber are provided in a set of *Import/Export Guidelines* published by MTIB (Anon., 2002d)

¹⁸ *Customs (Import Prohibition) Order 1998*, Second Schedule, Section 15 (see **Annex 6**)

¹⁹ The *Malaysian Grading Rules* define Large Scantlings and Squares (LSS) as "timber that has been converted with a saw or split by wedges or hewn having a cross section of not less than 60 square inches (375 sq. cm) and whose thickness equals or exceeds half of its width".

²⁰ The *MTIB (Incorporation) Act* came into operation in Peninsular Malaysia on 1 June 1973 [*P.U. (B) 220/1973*]; Parts I and II came into operation in Sabah and Sarawak on 4 March 1991 [*P.U. (B) 141/91*]; Parts III, IV, V and VI came into operation in Sabah on 1 January 1992 [*P.U. (B) 645/91*]

Box I

Sustainable forest management in Malaysia

Malaysia has demonstrated a general commitment to the principles of sustainable management of its forest resources, as evidenced by its ratification of treaties such as the *Convention on Biological Diversity* (1993), the *International Tropical Timber Agreement* (1994) and the *Convention on Wetlands of International Importance* (1975, ratified in 1995). Sustainability is also a key element of the *National Forestry Policy 1978* (revised 1992) as well as the forest policies of Sabah (1954) and Sarawak (1954). Using the principle of sustained yield, each state is allocated an AAC by the National Forestry Council on a 5-yearly basis, in line with the 5-year development plans.

Implementation of policy is monitored by a multi-faceted system of internal and external audits, including a National Forest Inventory (NFI) for Peninsular Malaysia every ten years. The NFI includes specific reference to 'Ramin', a heading which includes dry land forest species as well as the swamp species *G. bancanus*. In addition to the decennial NFI, annual third-party assessments are co-ordinated by the Malaysian Timber Certification Council (MTCC) and further independent third-party audits are carried out for certain forest areas which have been chosen to be assessed under the international Forest Stewardship Council (FSC) voluntary certification scheme.

Other range states

There have been no reports to CITES of exports of Ramin from any of the other range states such as Fiji, Papua New Guinea, the Philippines or the Solomon Islands. This may be because the range of *G. bancanus*, the main commercial Ramin species, does not extend to these countries. Nevertheless, it is possible that these countries are exporting other *Gonystylus* species, but if so, this is being done either without the appropriate CITES documents or is not being reported.

In Fiji, *G. punctatus* A.C. Smith is listed in Schedule 1 of Fiji's *Endangered and Protected Species Act 2002*. Section 9.1 of this legislation states that exports of specimens of this species requires a permit issued by the Fiji Department of Environment (R. Parry-Jones, TRAFFIC Oceania, *in litt.* to TRAFFIC Southeast Asia, 24 June 2004).

Singapore overview

Though a range state of *G. bancanus* and perhaps some other *Gonystylus* species, Singapore has no domestic Ramin production, having no production forests. However, Singapore is an important importer and re-exporter of Ramin (see section on Trade Statistics below).

Singapore became a Party to CITES in November 1986, with the Convention entering into force in February 1987. Singapore implements its CITES obligations through the *Endangered Species (Import and Export) Act 1989*²¹ (ESA). Ramin was listed under this Act effective from 1 January 2002 (see **Annex 7**).

²¹ "Laws of Singapore Chapter 92A", an Act to give effect to CITES by controlling the importation, exportation and introduction from the sea of certain animals and plants and parts of such animals and plants and for matters connected therewith.

The Agri-food and Veterinary Authority of Singapore (AVA) is the management authority in charge of implementing the provisions of the ESA. Under the Act, it is an offence to import a scheduled species without the relevant documents from the country of origin. It is also an offence to export/re-export a scheduled species without a *CITES Permit*. Any person caught violating the ESA is liable for prosecution, and may be fined up to SGD 5000 (USD2900) (SGD 10 000 (USD5800) for repeat offenders) and/or 1 year's jail. ("USD at 2004 rates")

The AVA effects trade controls through TradeNet - an integrated on-line import and export system operated by International Enterprise Singapore (IE Singapore), the recently corporatised Singapore Trade Development Board. According to Singapore's official timber trade procedures, import, export or re-export applications need to be processed using TradeNet (Anon., 2003i).

TradeNet requires all export or import consignments to make reference to the Harmonised System of Customs Classification (HS Code)²². HS Codes that specify CITES-listed species require approval from AVA. For example, all applications to re-export Ramin sawn timber under HS Code 440729500 (see **Annex 8**) via TradeNet automatically alert the applicant that an AVA CITES Permit is required. Applications for these permits require the completion of the *AVA Application Form for CITES Permit (Plant Specimens)*. Before approving applications, AVA requires traders to provide a valid CITES Export Permit, Certificate of Origin or Re-Export Permit. The requirements for species on CITES Appendix II and III are specified on the AVA website as follows:

"Import applications must be accompanied by the CITES export permit from the exporting country and substantiated with documentary evidence of legal acquisition of the specimen. The application form and a copy of the CITES export or re-export permit to the CITES Unit (or Plant Regulatory Branch - Plant Health for plants) should be submitted at least one week before the arrival of the specimens. The permits may be collected on the following working day from the date of application. ... The original CITES export/re-export permit must be presented to AVA immediately after Customs clearance.

"CITES Permit Fees [may be] paid by cash or cheque ... Each permit is valid for 3 months and for one consignment only. Description of Fees Rate:- *Certification of species or their parts and derivatives*: \$27 [USD16] per certificate. *Permit to export or re-export manufactured products as tourist items or personal effects*: \$10 [USD5.80] per permit. *Certification of true copy of certificate*: \$8.50 [USD5] per certificate. *Professional service fee*: (a) \$63 [USD37] per hour or part thereof. (b) \$133 [USD77] per hour or part thereof (outside office hours or on an urgent basis). **Technical service fee**. (a) \$38 [USD22] per hour or part thereof. (b) \$80 [USD46] per hour or part thereof (outside office hours or on an urgent basis)." ('Application for CITES Permits' from AVA Website (Anon. (2003i)).

For pre-convention Ramin, AVA has established a register of Ramin stockpiled prior to August 2001, the detailed volume of which is not publicly available. Ramin in transit is not subject to CITES controls under the ESA, neither is it under the *Customs Act 1960* (Chapter 70, Laws of Singapore) (s.34(3)).

²² For more information on the HS Codes, see the section on Trade Statistics below

Despite this, AVA representatives stated in the Tri-National Workshop that Singapore has on occasion acted to enforce CITES in transit zones and the ESA is being revised to specifically enable enforcement in such instances (Anon., 2004e).

Credit: Lim Teck Wym/TRAFFIC Southeast Asia



The mixed hardwood cargoes arriving in Singapore from Indonesia contain logs of various species. This pile of round logs unloaded at the Jurong Barter Trade Jetty on 24 September 2003 has yet to be sorted. The hue, brightness, bark and bole form of the logs enables rough macro-level species identification. A number of the logs appear to be Ramin *G. bancanus*, including the large light-coloured log in the top right corner of the image (the stringy strips of bark are particularly characteristic of the species)

AVA works closely with the Customs officials in the enforcement of CITES. Following the Ramin listing, AVA provided Customs checkpoints with samples of Ramin in order for Customs officials to better distinguish Ramin from look-alike species such as Jelutong (*Dyera* spp.) or Pulai (*Alstonia* spp.). Acting on tip-offs, AVA and Customs have seized quantities of illegal Ramin sawn timber on a number of occasions (see below - the sub-section of the statistical results that looks at sawn timber from Indonesia to Singapore). In the Tri-National Workshop, the Singapore delegation representative stated that some of these seized cargoes of Ramin have been repatriated to Indonesia - with the cost borne by the Singaporean company caught importing the illegal Ramin from Indonesia (Anon., 2004e).

Other importers/re-exporters

In theory there are numerous legislative provisions for enforcing CITES with regards to Ramin in non-range countries. However, despite the theoretical control framework, in practice there are a number of issues regarding the adequacy of these provisions. The import procedures for a number of non-range states and the issues associated with their implementation for Ramin are raised below. The various States analysed below were chosen based on the availability of information on their trade procedures combined with the significance of the Ramin trade into their territory.

Import controls in the European Union

A report by TRAFFIC Europe (Anon., 2004a) suggests that Ramin is being imported to the European Union (EU) without CITES documents by mislabelling the species or not putting species names on accompanying documents (e.g. invoices, bills of lading, specifications, etc.) to escape detection by Customs.

Such practices would, of course, be in violation of the EU import procedures. In the EU, Ramin is listed in Annex C of the EU Wildlife Trade Regulations, principally Council Regulation (EC) No. 338/97 and Commission Regulation (EC) No. 1808/2001. To import species listed in Annex C, importers must obtain a CITES Import Notification issued by the Management Authority of the importing country. This notification requires presentation of a valid CITES Export Permit, CITES Certificate of Origin or a CITES Re-export Certificate (or Non-Party equivalents). Generally copies of the documents are sufficient for the issuance of the notification, with originals to be presented upon arrival of the specimen in the EU. The Import Notification and the export document must be shown to the European Customs officers for clearance. The EU Wildlife Trade Regulations apply to all EU Member States. However, the TRAFFIC Europe report suggests that implementation is hampered by issues such as the deficiencies in the European HS Codes, which make no mention of Ramin as a separate category (Anon., 2004a).

According to Berends (2002), the approach of the European countries to Customs controls has changed in recent years. In the past, control was basically focussed on physical controls and concentrated at the border, which was costly and time consuming. Today, due to the enormous increase of movements of goods, physical interventions have become less feasible. In the EU for instance, only 3% of all goods that are introduced in the single market are examined more or less thoroughly at the time of Customs clearance. Therefore control strategies and procedures in the EU need to be modernised and adapted.

New methodologies have been designed to simplify, focus and optimise Customs control activities, e.g. targeted investigation on carefully selected goods, on special sites and at particular times. Computerised, post-import and audit controls using risk analysis are techniques that have become widely used and increasingly sophisticated (Affre and Kathe, in prep.).

Affre and Kathe (in prep.) provide an in-depth and detailed description of practical techniques that can be adopted by Customs officials for controlling the trade in CITES-listed timber species. These techniques include the improvement of enforcers' knowledge on the following elements:

- i) Statistical sources on timber trade;
- ii) Commercial practices of timber traders;
- iii) Illegal activities associated with timber trade;
- iv) Availability of precise information at a species level; and
- v) Possibilities of co-operation with other authorities at national and international levels.

Import controls in Taiwan, Province of China

The issues encountered in the EU are similar to those encountered in other import destinations. For example, Taiwan, Province of China, has a Wildlife Conservation Law that regulates the hunting and trade of wild animals, but does not regulate the trade in wild plants. The Bureau of Foreign Trade (BOFT) is the CITES Management Authority in Taiwan Province of China. BOFT enforces CITES via the *Foreign Trade Act*. However, this act only applies to Appendix I and Appendix II species (including plants) - there is no law in Taiwan Province of China regulating the trade in any species listed in CITES Appendix III. Thus BOFT and Customs do not check for Appendix III species (J. Wu, TRAFFIC East Asia *in litt.* to TRAFFIC International, 19 January 2004).

Import controls in Hong Kong

In Hong Kong, the Agriculture, Fisheries and Conservation Department (AFCD) is the CITES Management Authority responsible for issuing permits and carrying out enforcement together with the Customs and Excise Department (CED). Most CITES species have been listed on the *Animals and Plants (Protection of Endangered Species) Ordinance*. However, this Ordinance does not make specific reference to CITES. Nevertheless, the AFCD website shows how the Ordinance has been used to control the trade in CITES species through a system of licensing and permits (Anon., 2004i).

An issue of concern are the indications that Hong Kong's Ordinance is not automatically updated to include Appendix III species, so Ramin was slow to be listed (Chan, 2004). Nevertheless, AFCD issues CITES Re-export Permits for species such as Ramin before they were listed under the Ordinance (Chan, 2004). No import licence is required for Appendix III species, but AFCD reports imports of 343 m³ of Ramin in 2002 and 1649 m³ in 2003. Hong Kong does require export licences for Appendix III species (four licenses for Ramin were issued in 2002 for 116.4 m³; and five issued for 422.2m³ in 2003) (Chan, 2004).

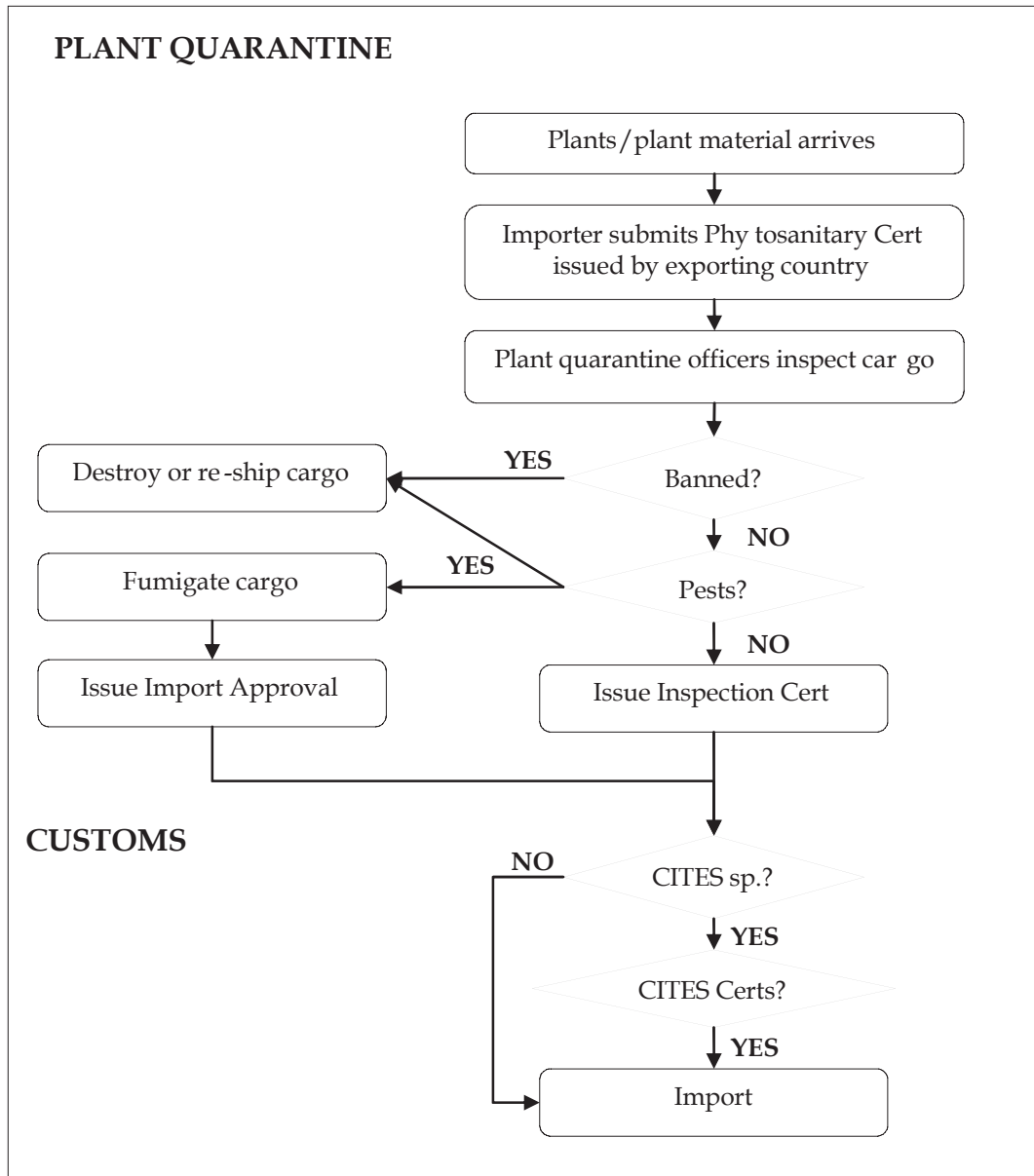
Import controls in North America

Following the listing of Ramin in CITES Appendix III, the US Department of Agriculture (USDA) sent a notice to all companies listed in US Customs records as importing or exporting Ramin between 1998-2001 (B. Petit de Mange, CITES and Plant Inspection Station Co-ordinator, USDA, *in litt.* to Anon., 30 July 2001). This notice informed the companies of the Ramin CITES listing, and informed the companies of the relevant CITES requirements. The notice added that commercial importers and exporters of CITES-regulated plant materials, including Ramin wood and its products, must additionally obtain a General Permit from the Permit Unit of the USDA Animal and Plant Health Inspection Service's Plant Protection and Quarantine division (PPQ). Furthermore, the notice, as posted on the PPQ website, pointed out that CITES specimens may only be imported and exported through designated ports (Anon., 2004j).

Due to a number of misconceptions regarding CITES, the effect of Indonesia listing has had some unintended consequences. The CITES Appendix III listing has had the effect of making some traders stop dealing in Ramin entirely. For example, following a number of seizures of illegal Ramin, a Canadian dowel dealer, Mohawk Handle Canada, is quoted as saying "We are not touching Ramin. We have no intention of using Ramin. Ramin is an endangered species" (Shukovsky, 2003).

Import controls in Japan

In Japan, Customs is tasked with determining whether a timber species is listed in CITES Appendices. This check is intended to take place following quarantine controls. However, in practice difficulties arise due to the fact that the Japanese HS Codes do not have specific categories for Ramin (the species being grouped together with other 'tropical wood'). The import procedures for timber into Japan are illustrated by the diagram below:



Trade Statistics

Overview

Trade parameters

In this section, the Ramin trade is examined by considering the global trade in Ramin, concentrating on the following variables:

- i) Species: Ramin, all species;
- ii) Product form: logs, sawn timber, processed products, all forms (see **Figure 2**);
- iii) Major Trade Routes: exports from Indonesia ('ID to All'), exports from Indonesia to Malaysia

- ('ID to MY'), exports from Indonesia to Singapore ('ID to SG'), exports from Malaysia ('MY to All'), exports from Malaysia to Singapore ('MY to SG'), exports from Singapore ('SG to All') (see **Figure 5**); and
- iv) Quanta: volume (cubic metres), value (in the currency reported, price (f.o.b. or c.i.f.)

Furthermore, this information is presented based on whether it is reported by the exporting state or the importing state, as well as whether it applies to CITES trade or to non-Party or illegal trade (as indicated by seizures of illegal Ramin cargoes).

In the absence of comprehensive Ramin-specific information, the parameters of the trade in Ramin are inferred by reference to the trade in all species for certain product type/route combinations.

Product form

From standing trees to finished product, Ramin timber can undergo a long and complicated chain of trade and processing. Some of the main processing lines for Ramin products are displayed in **Figure 4**. Examples of some of the products traded under each of the HS Code categories are given in **Table 6**.

Ramin in all of these forms is traded internationally, from logs to finished products. However, statistics on this trade, as well as enforcement of CITES for Ramin occurring in these many categories, is hampered by the fact that the HS Code does not have specific sub-chapters for products containing Ramin.

While some individual countries have some Ramin-specific sub-categories in their national HS Codes (see **Appendix 8**), these are normally restricted to the sub-chapters for logs (HS Code 44.03) and sawn timber (HS Code 44.07). The major product chapters for finished products such as furniture (HS Code 94) and toys (HS Code 95) do not have Ramin-specific sub-categories, despite the fact that large volumes of Ramin are traded in product forms belonging to these chapters.



Credit: Lim Teck Wyn/TRAFFIC Southeast Asia

Ramin can be stained to take on various colours and hues - this example shows six finished variations for use in venetian blinds ('Felton' is a registered trademark of Federlite Industries Sdn Bhd, a Malaysian manufacturer of high-grade Ramin slats in widths of 25mm and 50mm

Figure 4

Production chains for Ramin products together with the generic HS Code for the entire product category (NB. none of these codes are specific to Ramin)

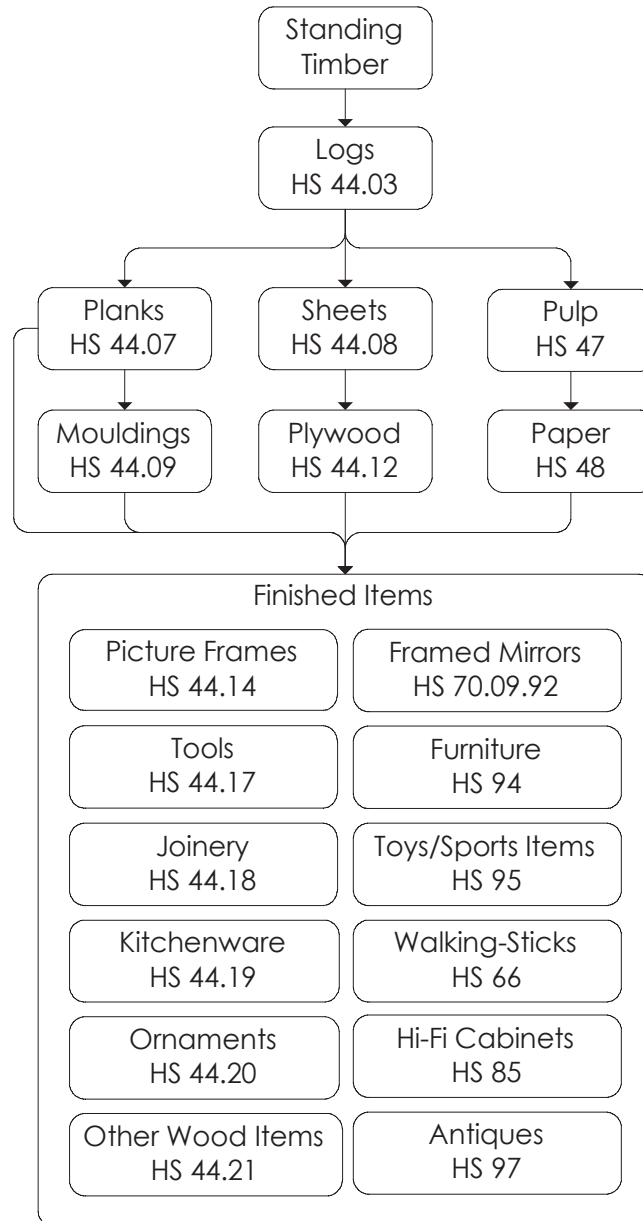


Table 6

Examples of product categories in which Ramin parts or derivatives occupy a significant share of the global market

HS Code	Products containing Ramin	Share
4403	logs, round wood, saw-logs, pulp-logs, baulks, beams, flitches, poles, piles, large scantlings and squares	Significant
4407	sawn timber, sawn wood, decks, cross-arms, planks, scantlings	Significant
4408	veneer, sheets, splices, finger-jointed planks	Significant
4409	strips, friezes, mouldings, roundings, dowels, turnery, profiles, door lippings, skirting boards	Large
4412	plywood, panels, wall panelling	Significant
4414	frames	Large
4415	packs, cases, boxes, crates, drums, pallets, collars	Significant
4416	casks, barrels, vats, tubs, cooperage, staves	Significant
4417	tools, lasts, shoe trees, broomstick handles, brush-backs, T-squares, set squares, rulers, tripods, straight edges	Significant
4418	joinery, carpentry, parquet panels, flooring, ceilings, panelling, shingles, shakes, window frames, doors, rabats, claddings, thresholds, shuttering, "builders' carpentry and joinery" (BCJ), stringers and stair treads	Significant
4419	tableware, kitchenware, trays	Significant
4420	marquetry, caskets, statuettes, ornaments, beads	Significant
4421	hangers, spools, cops, bobbins, reels, splints, pegs, pins, blinds, slats, toothpicks, fans, screens	Significant
47xx	pulp	Significant
48xx	paper, paperboard, cardboard	Significant
66xx	umbrellas, walking-sticks, handles	Significant
85xx	cases, boards, desks, cabinets and other bases for electrical equipment	Significant
94xx	futon beds, baby cots, kitchen cabinets	Significant
95xx	toys, cue-sticks & rests (for snooker/pool/billiards)	Significant
97xx	Picture frames, carvings, antique furniture	Significant

Source: Adapted from HS Codes & ITTO Categories. Notes: subjective descriptions 'significant' and 'large' here refer to the share of the global market in terms of the number of items containing Ramin parts or derivatives as a proportion of the total number of items traded in the global market - these are indicative descriptions based on the general feedback received from the interviews and research carried out under this study.

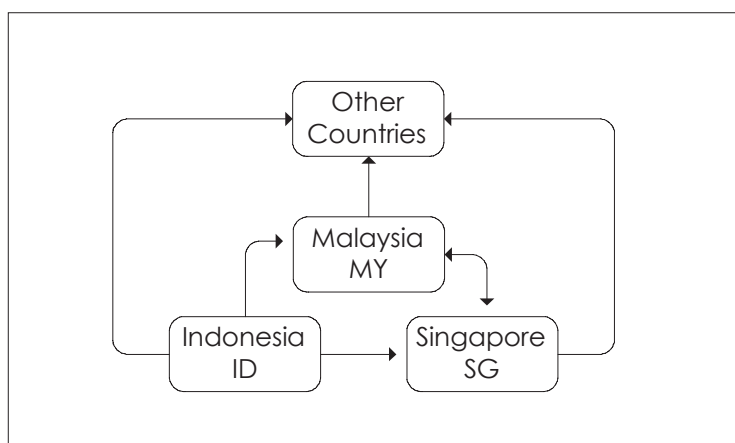
In this report, Ramin products are divided into three categories: logs, sawn timber and processed products²³. The definitions of these terms are based on the Harmonised System of Customs Classification (HS Code): "Logs" refers to all those items categorised under HS Code 4403; "sawn timber" is under HS Code 4407; and "processed products" includes all other recognizable parts and derivatives in any other HS Code product category (some relevant examples are shown in **Figure 4**)²⁴.

However, it should be noted that there are difficulties in comparing import/export data due to the fact that each country has slightly different HS Codes for Ramin (see **Annex 8**). Furthermore, there is no standard used for reporting product categories to CITES (these reports do not use the HS Codes)²⁵.

International trade routes

The main direction of trade between the three focal nations follow the lines displayed in **Figure 5**. The volume of Ramin exported/re-exported back to Indonesia is not felt to be significant.

Figure 5
Ramin trade routes



These trade routes are summarized in the following matrix:

Exporter	Importer			
	All	ID	MY	SG
ID	ID-All	x	ID-MY	ID-SG
MY	MY-All	x	x	MY-SG
SG	SG-All	x	SG-MY	x
All	All-All	x	x	x

Note: 'x' denotes combinations which are either not valid or are not felt to be significant; 'All' refers to all other countries.

²³This categorization is adopted for simplicity and clarity; it conforms with the terminology used in CITES. The FAO and the ITTO each have their own terminology coding systems (see Annex 11)

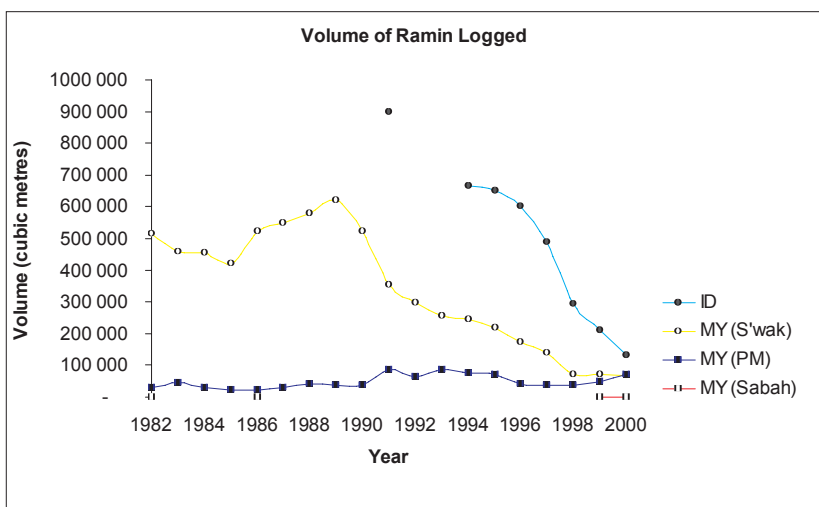
²⁴The Discussion section raises a number of issues relating to categorisation of products

²⁵The UNEP-WCMC CITES Trade Database uses the following five categories: carvings, logs, sawn wood, timber, timber pieces

Production of Ramin logs

Indonesia and Malaysia have been logging significant volumes of Ramin since the 1930s. From highs of 1.5 million cubic metres annually in the 1970s, as reported verbally at a workshop (Anon., 2004e), **Figure 6** suggests that production of Ramin logs in Indonesia and Sarawak (Malaysia) has experienced a precipitous decline in recent years. The detailed insets accompanying **Figure 3** suggest that the decline in production could be attributed to the exhaustion of the Ramin stock in virgin peat swamp forest. Indeed, these maps illustrate that, outside Peninsular Malaysia, the only significant remaining virgin peat swamp forest exists inside protected areas.

Figure 6
Legal production of Ramin logs reported from 1982 to 2000



Source: State Forestry Departments (PM = Peninsular Malaysia, Sabah and S'wak = Sarawak), National Bureau of Statistics (BPS Indonesia)

Note: Gaps indicate unavailable information



Credit: FRIM-UNDP/GEF PSF Project

The particular characteristics of Ramin bark are useful in distinguishing the species from others in peat swamp habitat

According to the official log production statistics, the year 2000 marked a number of interesting occurrences in terms of Ramin production. Malaysia became the lead producer of Ramin logs, overtaking Indonesia for the first time in many years with a volume of 137 512 m³ versus Indonesia's 131 307 m³. Most Malaysian Ramin (51%) came from logging in Peninsular Malaysia - with Sarawak producing less than half of Malaysia's Ramin for the first time since records were kept. An overwhelming 97% of the Ramin production in Peninsular Malaysia came from the south-east Pahang Peat Swamp Forests (68 153 m³). For more than 70 years, Sarawak dominated Ramin production in Malaysia, but in the year 2000, more Ramin was logged in Pahang

than in Sarawak. **Figure 3b** and **Figure 3c** suggest that this is because no virgin peat swamp forest remains in Sarawak, while areas of virgin peat swamp forest are still being logged in Pahang.

From comprising as much as 30% of all species of logs produced in Malaysia in the 1950s, Ramin has declined to constituting less than one percent in the year 2000 (see **Table 7**).

Table 7
Volume of domestic production of Ramin logs in Malaysia (in cubic metres)

Region/Year	1999	2000	2001	2002
Peninsular Malaysia	50 505	70 337	45 076	51 033
Sabah	181	133	n/a	n/a
Sarawak	71 957	67 042	n/a	n/a
Total	124 642	137 512	n/a	n/a
<i>Total (for all spp.)</i>	<i>21 687 000</i>	<i>15 095 000</i>	n/a	n/a
Ramin % of all species	0.57%	0.91%	n/a	n/a

Source: Forestry Department Annual Reports (Peninsular Malaysia Headquarters, Sabah and Sarawak)

Despite the recent decline in log production, Ramin remains a significant timber species in processing, especially in terms of mouldings and dowels.

Logging of Ramin in Indonesia takes place mainly in the peat swamp forests of Kalimantan and Sumatra. Exploitation of Ramin in West Kalimantan began in 1958 (Sukanda and Usmanyas, 1991), and by the early 1990s West Kalimantan and Central Kalimantan accounted for over 90% of Ramin production. Riau Province in Sumatra has also been a significant centre of Ramin production.

The distribution of cut Ramin among the various Indonesian regions can be seen by the stockpile of 255 948 m³ of Ramin in various forms that was registered in June 2001 (**Table 8**). Note that the Ramin stockpiles in Java are the result of timber that has been shipped there from the other islands. According to the Ministerial Decree (*No. 1613*), the stockpile had to be cleared by 31 December 2001; however, only 8570 m³ of Ramin were recorded as being exported from this stockpile by that date. The PHKA representatives at the Tri-National Workshop stated that the Minister of Forestry may issue a decree to the effect that the remainder of the stockpile should be destroyed (Anon., 2004e).

Table 8
Indonesia's stock of Ramin (cubic metres) registered in June 2001

Region	Logs	S.timber	Mouldings	Dowels	Others	All
Kalimantan	52 363	72 275	12 667	2 689	779	140 773
Sumatra	23 135	20 142	3 980	0	0	47 256
Java	6 547	44 255	14 546	2 057	515	67 919
Total	82 045	136 672	31 193	4 746	1 294	255 948

Source: Indonesian Forestry Ministerial Decree No. 168/Kpts-IV/2001

The Diamond Raya concession, in Riau Province, is 90 240 ha of peat swamp forest and mangrove forest. In 1999 Ramin (*G. bancanus*) was estimated to account for about 20% of its annual allowable production of 60 000 m³ of logs (Anon., 2000b). In 2002, an audit found that Ramin made up about 30% of the volume extracted, with about 10-20 m³ (4-7 stems) ha⁻¹ being harvested. It was reported that Ramin made up 78% of the volume of Diamond Raya's sales in 2001, with 19 265 m³ of Ramin logs being sold to PT Uniseraya (the concession holder's parent company) between January and December 2001. It was reported that logs with a total volume of 44 300 m³ were sold in 2002 and 39 424 m³ in the first half of 2003; however the species break-down was not stated in these reports (Anon., 2003a). Based on the input of the non-detriment findings (NDF) Working Group set up to determine the Annual Allowable Cut (AAC) for Diamond Raya, PHKA allocated an AAC to Diamond Raya of 8000 m³ of Ramin logs in 2002 and the same for 2003. Based on the high level of stocking of the 2004 coupe, the NDF Working Group decided to recommend an AAC of 13 469 m³, representing two-thirds of Ramin trees with a diameter greater than 40 cm.

Indonesian exports

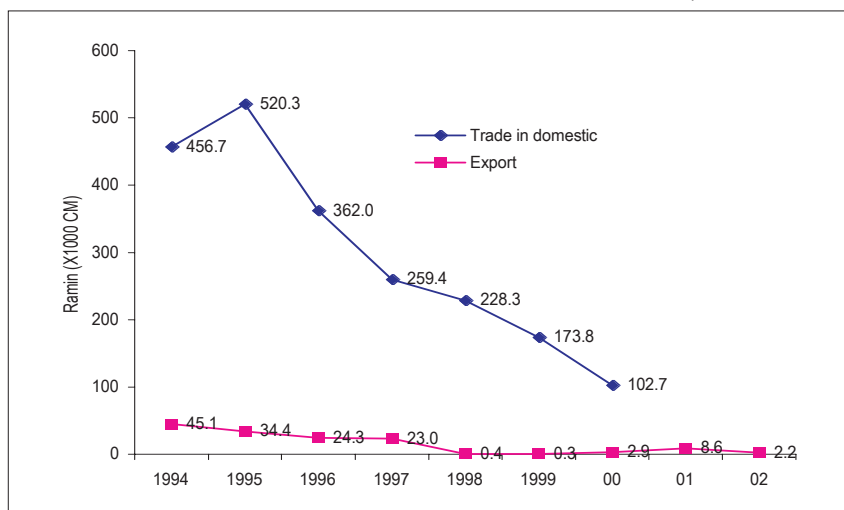
Ramin exported from Indonesia and imported by all countries (ID to All)

All forms

In the 1970s, 1980s and early 1990s Indonesia regularly exported more than 500 000 m³ of Ramin. However, in 1998 exports crashed, with only 260 m³ of Ramin exports reported. In 2001, the National Bureau of Statistics (BPS) reported 8570 m³ of Ramin being exported, whereas PHKA reports CITES exports of 23 622 m³.

In 2002, when the only permitted exports of Ramin were those from PT Diamond Raya Timber, PHKA reported a total of 3770 m³ of Ramin products were exported legally - with CITES Export Permits. However, BPS records show that 2206 m³ of Ramin products were exported without any CITES documents in 2002. This discrepancy is examined further below. **Figure 7**, below compares exports of Ramin with domestic trade in the species.

Figure 7
Domestic and international trade in Indonesian Ramin, 1994-2003



Source: National Bureau of Statistics (BPS), Indonesia

Logs (ID to All)

Indonesia imposed an export tax on logs of all species in 1979, and began phasing in a ban on raw timber exports in the early 1980s (Halesworth, undated). By 1985, the export of unprocessed timber was banned entirely in order to protect local industry and to encourage exports of higher-value wood products such as plywood. This ban was later replaced with an export tax - initially 200%, declining to 10% by the end of the year 2000 as part of an agreement with the International Monetary Fund (IMF). (Indonesia has an ongoing loan programme of around USD5 billion with the IMF which is linked to economic and legal reforms).

Given indications that illegal logging became more rampant after the export taxes were reduced, the government pressed the IMF to allow it to re-instate the export ban (Andi, 2000). In October 2001, a newspaper report said the Ministry of Forestry together with the Minister of Trade and Industry issued a joint decree putting in place a temporary ban on exports of logs for wood chip (Anon., 2002a). That ban expired in April 2002, but was extended to May to give time for the government to discuss the matter with the IMF. On 8 June 2002 a complete ban on the export of all species of round logs was announced²⁷.

There are thus a number of decrees banning the export of Ramin logs from Indonesia. However, export of Ramin logs has continued despite the ban. This issue is dealt with further under the sections looking at Indonesia's trade with Malaysia and Singapore ("Ramin exported from Indonesia and imported by Malaysia (ID to MY)", etc.).

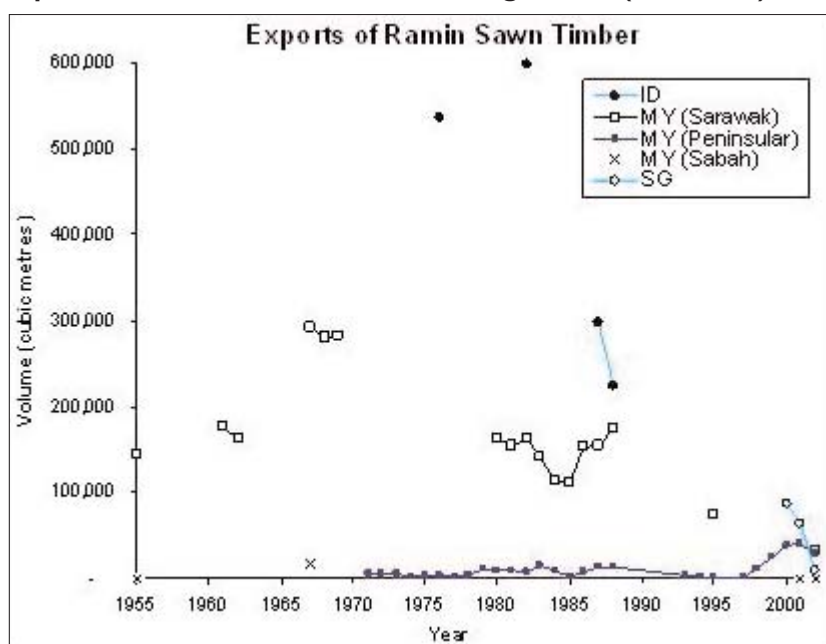
Sawn timber (ID to All)

Exports of rough-sawn timber from Indonesia of all species are banned (Nyoto pers comm. to Tri-National Workshop, 16 April 2004). In 2003, the Minister of Trade and Industry issued a decree (No. 32/MPP/Kep/1/2003). That requires any exporters of sawn timber from Indonesia to obtain an export permit as well as a special permit from the Timber Industry Revitalisation Body (BRIK).

In 1976, Indonesia exported 535 278 m³ of Ramin sawn timber, making up 83% of its total exports of sawn timber (Djajapertjunda, 1978). Exports peaked in the early 1980s and have seen a dramatic decline since then (see **Figure 8**).

²⁷Decree of the Minister of Industry and Trade No. 57/MPP/Kep/I/2002, dated January 31, 2002. The decree specified HS Code 44.03, and defined this as "Round wood, namely parts of trees cut into logs or billets or twig free logs with the minimum diameter of 30 cm and unlimited length of all kinds of wood".

Figure 8
Exports of Ramin sawn timber from range states (1955-2002)



Sources: Forestry Department Annual Reports (Peninsular Malaysia, Sabah and Sarawak), IE Singapore, BPS Indonesia

In October 2001, commercial export of Ramin sawn timber was banned by *Forestry Decree No. 1613/Kpts-II/2001*. Despite the ban, Indonesia's Bureau of Statistics recorded exports of 1399 m³ of Ramin sawn timber to eight other CITES Parties in 2002 (see **Table 9**). PHKA did not issue any CITES Export Permits for sawn timber - therefore, all of this trade was in violation of CITES. Field investigations suggest that the most probable reasons for these illegal exports are lack of co-ordination between PHKA and Customs as well as insufficient information reaching the Customs officers on the ground (Anon., 2004b).

Table 9
Indonesia's exports of Ramin sawn timber in 2002 (in cubic metres)

Destination	Volume (m ³)
China	860
Singapore	180
Japan	132
South Korea	73
Hong Kong	72
Taiwan, Province of China	60
Malaysia	21
Germany	0.7
Total	1 399

Source: BPS Indonesia 2002

Note: Volumes were reported in kg and converted based on an assumed density of 540 kg per cubic metre.

More information regarding the illegal trade in Ramin sawn timber is provided on the sections covering Indonesia's trade with Malaysia and Singapore.

Processed products (ID to All)

Of the 3770 m³ of Ramin products exported legally with CITES permits in 2002, mouldings made up the vast majority (68% of the volume), followed by dowels (26%), finger-jointed timber (4%), and gates (2%). These exports were all shipped by PT Uniseraya (the PT Diamond Raya parent company) from the Port of Selat Panjang in Riau to 18 destinations overseas.

The main buyer countries were Italy (45% of the volume), followed by the United Kingdom (11%). In total, the European Union (EU) imported 2980 m³ of CITES Ramin from Indonesia in 2002 (**Table 9a**).

Table 9a
Volume (cubic metres) of Indonesian CITES exports of Ramin to European Countries according to products in 2002

Country	Mouldings	Dowels	F-Jointed	Doors	Total (m ³)
Italy	1 557	49	110	0	1 716
UK	17	413	0	0	430
Austria	194	0	20	17	231
Spain	74	144	0	0	218
Netherlands	216	0	0	0	216
Denmark	21	70	0	0	90
Germany	80	0	0	0	80
Total	2 158	675	130	17	2 980

Notes: 'F-Jointed' refers to finger-jointed timber

Source: PHKA Indonesia (2003)

In addition to this legal export, there were numerous cases of exports that were not in compliance with CITES. For example, since the listing of Ramin in Appendix III, HM Customs and Excise (the UK Customs department) has seized some 142 790 kg (around 240 m³) of Ramin processed products from Indonesia (G. Clarke, HM Customs & Excise, *in litt.* to A. Affre, TRAFFIC Europe, February 2004).

There have also been illegal shipments of Ramin from Indonesia to North America. For example, BPS records that 806.66 m³ of Ramin parquet blocks were shipped to the USA in 2002. These shipments were recorded as leaving Indonesia via three ports: the Musi River Seaport, Palembang (777.88 m³); the Sultan Mahmud Badarudin Airport, Palembang (26.17 m³); and the Sukarno Hatta Airport, Jakarta (2.59 m³). There does not appear to be any evidence that PHKA issued CITES permits for these shipments; neither is it apparent that the US CITES Management Authority reported any imports of these shipments.

Other cargoes of Indonesian Ramin shipped to the USA without CITES permits (and therefore illegally) were seized by the US authorities and included 93 782 Ramin dowels (worth about USD0.25 each) and 420 bundles of Ramin dowels that were sent by exporters based in Java and Sumatra and arrived in the Port of Seattle and Tacoma in four shipments between December 2001 and May 2002. Court case summaries state that these shipments did not have CITES permits and they were later seized by the US authorities (Anon., 2003b).

Federal authorities have seized 26 shipments of Ramin wood at the port of Seattle and Tacoma between August 2001 and June 2003. No other port in the USA comes close to the number of Ramin seizures at Seattle and Tacoma. The Homeland Security Department in Seattle and Tacoma retain wood cargoes for inspection to ensure it is not Ramin. However, newspaper reports suggest that the department's capacity for retaining and inspecting these cargoes has been stretched beyond its limit (Shukovsky, 2003).

So far, Seattle and Tacoma inspectors have uncovered shipments in forms such as broom handles, croquet sets, picture frames and furniture. But the biggest seizures by far have been Ramin pool cues. About 883 000 pieces of Ramin were confiscated and held in the custody of the Bureau of Customs and Border Protection or the US Marshals Service (Shukovsky, 2003).

In March 2002, an NGO press briefing said GBP130 000 (USD234 000) worth of Indonesian Ramin (in the form of picture frame mouldings) without CITES permits were seized as they landed in Folkstone, United Kingdom (Anon., 2003c). The company was apparently fined GBP80 000 (USD144 000).

Ramin exported from Indonesia and imported by Malaysia (ID to MY)

All forms (ID to MY)

Exports of Ramin from Indonesia to Malaysia showed a significant increase between 1993 and 1997; this was followed by a crash, with no exports recorded for 1999 and 2000; low levels of exports were recorded in 2001-2002 (Table 10).

Table 10
Ramin exported from Indonesia to Malaysia (cubic metres)

Year	Exports (m ³)
1993	0.2
1994	2
1995	156
1996	212
1997	246
1998	40
1999	0
2000	0
2001	19
2002	21

Source: BPS Indonesia (reported in kg and converted using 540 kg per cubic metre)

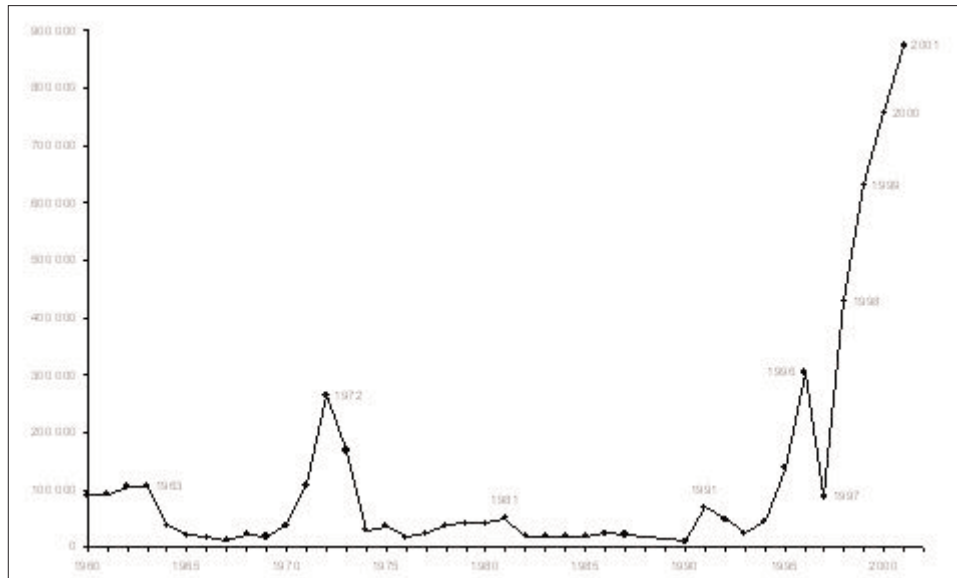
In terms of CITES-permitted trade in Ramin, PHKA reported exports of 516.6 m³ of Ramin timber to Malaysia in 2001. The CITES Annual Report data from the UNEP-WCMC Database (viewed on 24 July 2004) reports no CITES Ramin exported directly from Indonesia to Malaysia in 2002; the 21 m³ reported by BPS did not appear to have CITES permits (however the discrepancy could be due to delays in reporting by PHKA or delays in updating the database).

Logs (ID to MY)

Malaysia's imports of logs of all species have apparently increased significantly in recent years (see **Figure 9**). With the exception of a slight dip during the 1997 economic crisis, there has been an upward trend of log imports into Malaysia since 1993.

Figure 9

Log imports (all species) into Malaysia 1960-2001 (in cubic metres)



Source: FAOSTAT Database (www.fao.org) viewed on 24 July 2004

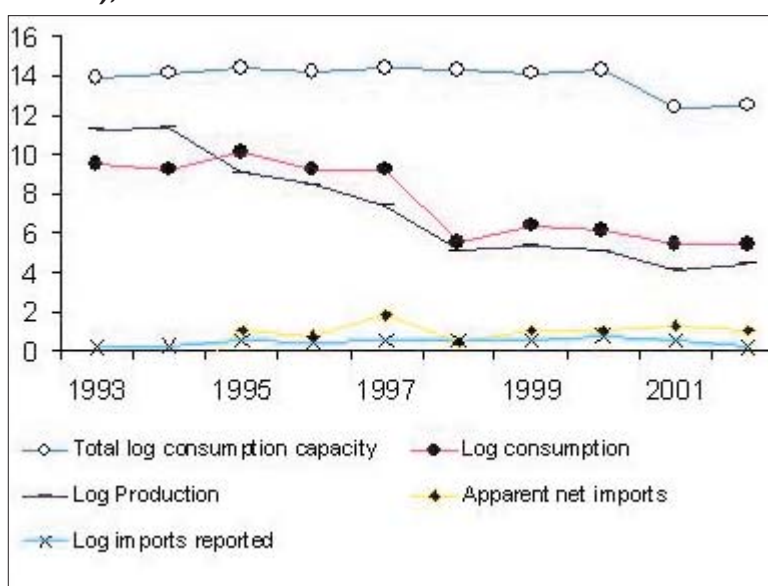
The Ministry of Primary Industries stated that the rapid increase in log imports was "mainly due to the need to supplement domestic supply of logs for manufacturing, particularly in Peninsular Malaysia and Sabah" (Anon., 2001b).

Based on Forestry Department trade statistics, Peninsular Malaysia became a net importer of logs in 1995 (Mohamed Imanuddin and Poh, 2003). However, the possibility of smuggling means that the precise volume of the trade in logs from Indonesia to Malaysia is not clear. In June 2000, an international news service reported that the Indonesian Ministry of Forests alleged that 70 000 m³ of timber were being smuggled from Riau to Peninsular Malaysia each month (Anon., 2000).

The excess demand for logs in Peninsular Malaysia could be used as a means to gauge the potential for log imports from Indonesia. In this regard, the Forestry Department trade statistics prove instructive. For example, in 2002, Peninsular Malaysia's saw mill consumption exceeded domestic log production by over one million cubic metres. This excess consumption is calculated by simply subtracting domestic log production from domestic log consumption, i.e. sawmills and plywood/veneer mills consumed 5 425 635 m³ of logs, while logging in Peninsular Malaysia's forests and tree plantations only produced 4 358 290 m³ of logs (Mohamed Imanuddin and Poh, 2003). Similar short-falls of over one million cubic metres were also reported for the years 1999, 2000 and 2001.

Log imports, as recorded by the Forestry Department (Mohamed Imanuddin and Poh, 2003) account for less than 10% of the apparent short-fall in domestic log production in Peninsular Malaysia (see **Figure 10**). The rest of the short-fall could be accounted for by unrecorded domestic log production or unrecorded log imports, with the latter being the more probable. Interviews carried out in the course of this TRAFFIC study revealed that the Forestry Department is not responsible for recording log import statistics, with MTIB and Customs playing a more active role in this regard. However, neither MTIB nor Customs publish these statistics separately, rather they submit the information to the National Statistics Department. However, the National Statistics Department publishes statistics for the whole of Malaysia, without providing a break-down by region - thus hampering analysis for Peninsular Malaysia.

Figure 10
Total log production and consumption trends in Peninsular Malaysia (in millions of cubic metres), 1993-2002



Source: Peninsular Malaysia Forestry Department statistics (Mohamed Imanuddin and Poh, 2003)

With this general scenario in mind, the specific case of Ramin can be examined, noting that the actual total volume of Ramin log imports is difficult to determine because species specific information on timber imports is rarely recorded. In fact, over the years, imports of Ramin logs by Malaysia have been encouraged by Malaysia's preferential tariff policies; for example, in 1969 Sarawak removed the duty on the import of Ramin saw-logs²⁸ and veneer logs²⁹ with the explicit purpose of encouraging imports from Kalimantan, in particular Pontianak³⁰.

For 1998-1999, Malaysia's official MATRADE Database records imports of 220.9 m³ Ramin logs³¹ from Indonesia; some of this entering Malaysia via Singapore (28.2 m³ of baulks in 1998). Note, that for the same period, Indonesia only reported 40 m³ of exports to Malaysia and zero exports to Singapore. There could be numerous reasons for this discrepancy, with smuggling out of Indonesia a distinct possibility.

²⁸A 'saw-log' is "a (felled) tree trunk suitable for cutting up into timber" (Anon., 1997b)

²⁹A 'veneer log', also known as a 'peeler log', is "the trunk of a tree, esp. a softwood tree, suitable for the manufacture of veneer by the use of a rotary lathe, which peels thin sheets of wood from the log" (Anon., 1997b)

³⁰Customs Duties (Amendment) (No.19) Order 1969 (25 July 1969)

³¹"Logs" here includes "baulks" (HS 4403.49.320) and "pulpwood" (HS 4403.49.310)

Following Indonesia's announcement on 8 June 2002 that it was banning the export of round logs, Malaysia announced on 25 June 2002 a ban on imports of round logs from Indonesia. Effective 1 June 2003, Malaysia strengthened its import ban to include a ban on the import of squared logs (flitches, baulks, large scantlings and squares) of a cross sectional area greater than 60 square inches (375 cm²) (Lim, 2003)³².

There have been an increasing number of seizures of an increasing volume of illegal Ramin logs being smuggled from Indonesia to Peninsular Malaysia. An MTIB representative at the Tri-National Workshop reported that these seizures of Ramin logs amounted to the following: in 2002, six seizures of 107 m³; in 2003, 21 seizures of 310 m³; and from January to March, 2004, seven seizures of 751 m³ (Anon., 2004e). However, there are allegations that despite these seizures, illegal Ramin logs continue to enter Malaysia. Therefore, it would be prudent for the enforcement agencies to continue to strengthen their efforts at enforcing CITES in this regard.

Sawn timber (ID to MY)

Following the ban on the export and import of round logs, the trade between Indonesia and Malaysia has largely shifted to sawn timber. There is a significant volume of imports of sawn timber of all species from Indonesia into Peninsular Malaysia, Sabah and Sarawak. Some of this sawn timber includes Ramin, mostly in transit to other destinations.

In 2003, the Sarawak Timber Industry Development Corporation (STIDC) reported imports of 160 275 m³ of sawn timber³³ via Lubok Antu Timber Depot alone. Of this, none was declared to be Ramin, but about 17% was declared to be from mixed light hardwood species ('MLH'). Malaysian newspapers reported that around 10 t (14 m³) of Ramin sawn timber (worth around MYR40 000 (USD10 400)), smuggled into Malaysia via Lubok Antu, were seized en route to Sibu by the Sarawak Forestry Corporation Sdn Bhd (SFC) on 30 October 2003 (Anon., 2003j; Anon., 2003k).



Credit: TRAFFIC Southeast Asia

Ramin timber smuggled from Indonesia, following seizure by Customs in Port Kelang, Peninsular Malaysia

An MTIB representative reported to the Tri-National Workshop that there have been increasing numbers of seizures of Indonesian Ramin sawn timber in Peninsular Malaysia: from none in 2002, to 593 m³ in 2003, and 2317 m³ in 2004 (January to March) (Anon., 2004e). A single large seizure of Ramin sawn timber in 2004 was being air-dried in a Free Commercial Zone with the intention of being re-exported.

³²This is stricter than the Indonesian log export ban that defines 'log' as a piece of timber with a diameter greater than 30 cm (this works out to be about 706 cm²).

³³112 193 t/0.7 m³ /t (ITTO standard conversion factor for sawn timber)

Processed products (ID to MY)

No statistics are available on the volume of processed Ramin products shipped from Indonesia to Malaysia.

Ramin exported from Indonesia and imported by Singapore (ID to SG)

All forms

Indonesia's BPS reported significant volumes of Ramin exports to Singapore in the early 1990s; as with exports to Malaysia, these volumes crashed in 1998, with volumes of exports picking up slightly in 2001-2002 (**Table 11**).

Table 11
Ramin from Indonesia re-exported by Singapore (cubic metres)

1	2	3	4	5
<i>Type</i>	<i>Legality of Timber</i>	<i>Legality of Export</i>	<i>Exporter Record</i>	<i>Importer Record</i>
(i)	Legal	Legal	Recorded	Recorded
(ii)	Legal	Illegal	Not recorded	Not recorded
(iii)	Legal	Illegal	Not recorded	Recorded
(iv)	Illegal	Legal	Recorded	Recorded
(v)	Illegal	Illegal	Not recorded	Not recorded
(vi)	Illegal	Illegal	Not recorded	Recorded

Source: BPS Indonesia (reported in kg and converted using 540 kg per cubic metre); UNEP-WCMC CITES Database (2002 re-exports only)

The BPS statistics show marked discrepancies with the PHKA statistics and the Singaporean statistics. For example, the volume of exports Indonesia reported to CITES does not match that depicted in **Table 11**. PHKA reported exports of 371 m³ of Ramin to Singapore in 2001, but only 36.68 m³ (Ramin mouldings) in 2002. In this instance, the BPS statistics also do not tally with the re-export figures from Singapore, with the highly unlikely scenario of the volume of Indonesian Ramin being re-exported from Singapore in 2002 apparently being more than the total volume Indonesia exported to Singapore in the previous seven years.

Singapore does not publish statistics of its imports from Indonesia. An exception to this policy is noted in an informal agreement made in 1976 between the then prime minister of Singapore, Lee Kuan Yew, and the then president of Indonesia, Mohamed Suharto. Lee (2000) noted: "When Suharto visited Singapore, unofficially, on 29 November 1976 ... I agreed to provide him, unofficially, with our trade statistics to help them curtail "smuggling"." (see **Annex 9** for the context of this agreement).

Since this agreement, Singapore has handed bilateral trade data to the Indonesian Ministry of Foreign Affairs through the Singaporean Embassy in Jakarta. Indicative of this discrepancy, trade data for 2002 compiled by Singapore put non-oil imports from Indonesia at USD7.4 billion while Indonesia's Central Statistics Agency (BPS) only recorded exports to Singapore of USD4.6 billion (Guerin, 2003).

In order to curtail the smuggling of apparently USD2.8 billion worth of goods, Indonesia has requested trade statistics from Singapore showing details broken down by HS Code, rather than general commodity group. However, Singapore has yet to provide these statistics, suggesting that the enormous discrepancies were due mainly to accounting anomalies rather than smuggling (see discussion section) (Guerin, 2003). AVA reported to the Tri-National Workshop that Indonesia has never requested the statistics on Singapore's importation of CITES species from Indonesia, so these have not been provided to their Indonesian counterparts (Anon., 2004e).

Singapore's imports from Indonesia can be inferred by reference to the re-export information that it does report to CITES. A total of 2461.119 m³ of Ramin originating in Indonesia (including pre-convention stock) were re-exported from Singapore in 2002 (CITES Management Authority of Singapore, in litt. to TRAFFIC Southeast Asia, 27 May 2004).

Logs (ID to SG)

Despite Indonesia's log export ban since 8 June 2002, there has been a steady flow of logs from Indonesia to Singapore. In 2002, the UNEP-WCMC Database records show that Singapore re-exported 883.39 m³ of Ramin logs from Indonesia. In 2003, TRAFFIC field investigations revealed that Singapore continues to import logs from Indonesia - without any distinction between the species of these logs, and seemingly unaware of the Indonesian log export ban.

Sawn timber (ID to SG)

The total volume of illegal Ramin sawn timber that is exported from Indonesia to Singapore is difficult to estimate. However, NGOs reported that six shipments of approximately 222 m³ of illegal Indonesian Ramin sawn timber were seized in October 2002 in Singapore's Sungai Kadut Industrial Estate (Anon., 2003c). In the context of the discrepancies in the trade statistics identified above, it is probable that shipments of illegal Ramin from Indonesia have entered Singapore without the approval of the Singaporean CITES Management Authority.

Processed products (ID to SG)

Indonesia's CITES report for 2001 lists exports of 371 m³ of processed Ramin products bound for Singapore. These were mostly dowels (six consignments totalling 268 m³), followed by slats (two consignments, totalling 84 m³) and lastly one 36 m³ consignment of mouldings. As mentioned, the 2002 reports list only 37 m³ of mouldings. As indicated by the Indonesian BPS statistics, the actual trade in Ramin processed products is much higher than that reported to CITES.

Malaysian exports and re-exports

Ramin exported from Malaysia and imported by all countries (MY to All)

Logs (MY to All)

Ramin logs were first exported from Malaysia in 1938 (cf. Mal. For. 14, 1951). In the 1950s, 60s and 70s, exports of Ramin logs made up around one third of total timber exports. Sarawak exported 86 542 m³ of Ramin logs in 1955 and 157 661 m³ in 1968 (Sarawak Forest Department Annual Reports). In the early 1960s Sabah was also a significant exporter of Ramin logs, exporting 21 956 m³ in 1961 (Sabah Forestry Department 1961 Annual Report). In the 1970s Peninsular Malaysia exported an average of about 850 m³ Ramin logs annually, peaking at 1791 m³ in 1973 (Forestry Department Headquarters, Peninsular Malaysia, Annual Reports).

Over the years, all three administrative regions in Malaysia have imposed restrictions on the export of logs in order to ensure a supply of low priced raw material to encourage value-added in-country timber processing. The restrictions in place today vary from region to region, with large volumes of logs still being exported from Sabah and Sarawak.

Log bans in Peninsular Malaysia were introduced in phases, starting with bans on the export of certain species of logs in 1972³⁴. Eventually, the export of logs of all species (including Ramin) were banned in 1985 (Mohamed Imanuddin and Poh, 2003). Exemptions to this ban are occasionally granted, however the volume of exports is very small, with only 128 m³ of logs of all species being exported from Peninsular Malaysia in 2003 (MTIB website www.mtib.gov.my, viewed on 24 July 2004).

Sarawak banned the export of Ramin logs in 1980³⁵ (Chen and Perumal, 2002), although it continues to export logs of other species, with a total of 4 741 497 m³ of round logs being exported in 2003 (Sarawak Forest Department).

Sabah prohibited the export of all logs in 1993. Even though the log export ban has now been lifted, Sabah has not reported exports of Ramin logs for a number of years, although it does export significant quantities of logs of other species, with 726 616 m³ exported in 2003 (Sabah Forestry Department).

No exports of Ramin logs from Malaysia have been reported to CITES (Sarawak Forest Department Annual Reports to CITES, 2001 and 2002; Perhilitan Annual Report 2001, UNEP-WCMC CITES trade database) Despite the fact that there have been no exports reported, Singapore reports imports of Ramin logs from Malaysia (see section on trade from Malaysia to Singapore). Singapore asserts that this discrepancy is due to traders mis-declaring sawn timber as logs (Ong Ai Khim, AVA, *in litt.* to TRAFFIC Southeast Asia, 12 May 2004).

³⁴1972: Damar Minyak, Durian, Keruing, Mengkulang, Meranti, Merbau, Mersawa, Nyatoh, Sepetir; 1973: Jelutong; 1978: Balau, Chengal, Kempas; 1979: Terentang, Sesendok; 1983: Bintangor, Kapur, Kasai, Kelat, Keledang, Kulim, Kungkur, Macang, Melunak, Merpauh, Simpoh; 1985: all other species (Mohd Imanuddin and Poh, 2003)

³⁵Ramin Logs (Prohibition of Export) Order 1980 (10 May 1980)

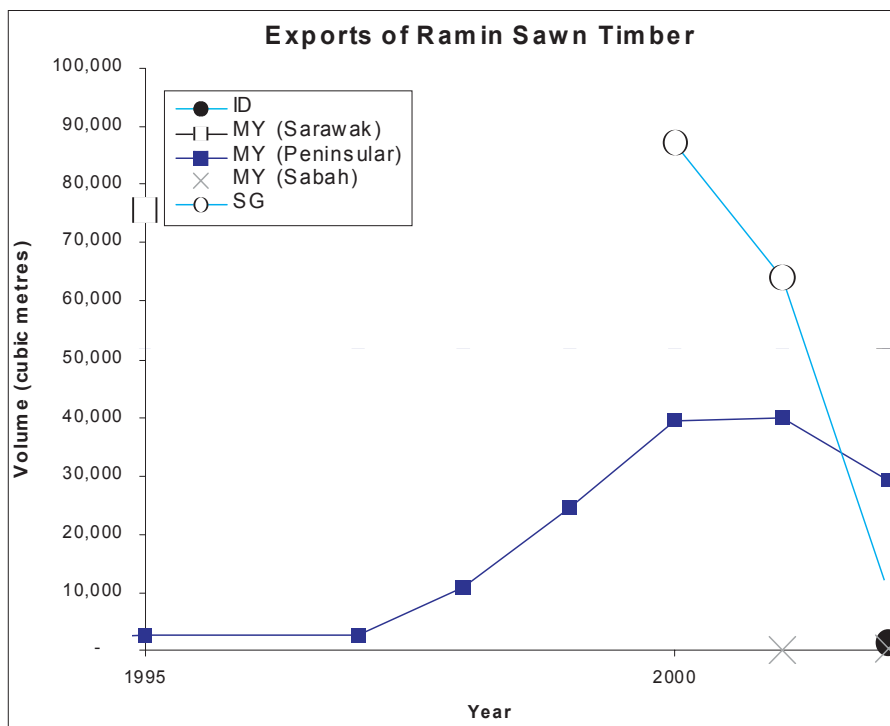
Sawn timber (MY to All)

In addition to logs, Malaysia has also exported large volumes of sawn Ramin over the years. Until recently, the vast majority of this came from Sarawak, with less than 10% coming from Peninsular

Malaysia and Sabah combined (see **Figure 8**). However, to support further local processing, Sarawak imposed restrictions on the export of sawn Ramin in 1987³⁶. In 1991, Sarawak banned the export of Ramin sawn timber shorts and squares³⁷. From highs of around 300 000 m³ in the 1960s, Sarawak only exported 33 417 m³ of Ramin sawn timber in 2002 (Sarawak Forest Department CITES Annual Report).

Peninsular Malaysia exported a relatively steady volume of Ramin sawn timber since the early 1970s, with volumes hovering around 10 000 m³ a year. However, since 1997 there has been a surge of exports of Ramin sawn timber (see **Figure 11**, noting change of scale from **Figure 8**). In 2003, Peninsular Malaysia exported 44 139 m³ worth more than MYR80 million (USD21 million). This increase in sawn-timber exports is partially attributable to heavy logging in the peat swamp forests of the state of Pahang, on the east coast of Peninsular Malaysia (see Figure 3c) (Forestry Department Headquarters, Peninsular Malaysia, Annual Reports).

Figure 11
Exports of Ramin sawn timber from range states (1995-2002) (detail of Figure 8)



Sources: Forestry Department Annual Reports (Peninsular Malaysia, Sabah and Sarawak), IE Singapore, BPS

³⁶Sawn Ramin Timber (Restriction of Export) Order 1987 (Sarawak).

³⁷Ramin Shorts and Squares (Prohibition of Export) Order 1991 (Sarawak). The Malaysian Grading Rules define 'Shorts' as lengths of sawn timber less than six feet long, for example flooring blocks, furniture shorts, box shooks, turning squares, etc.

However, it is unlikely that the surge in exports of Ramin sawn timber from Peninsular Malaysia is entirely attributable to the increased domestic log production. While records show high proportions of production being exported as sawn timber in the past³⁸, the surge in exports of Ramin sawn timber as a proportion of log production since 1999 is unprecedented (see **Table 12**). In 2001, the round wood equivalent (r.w.e.) of the sawn timber exports from Peninsular Malaysia were almost twice (177%) of the volume of logs produced. Given the fact that records also show that substantial volumes of Ramin sawn timber were consumed domestically (see section on 'Processed Products' below) it seems highly probable that large volumes of Ramin were being imported by Peninsular Malaysia in the period 1998-2002.

Table 12
Peninsular Malaysia's domestic production of Ramin logs (cubic metres) and exports of Ramin sawn timber (cubic metres r.w.e.), 1994-2002

Year	Production	Export	% Exported
1994	37 762	9 940	8%
1995	36 460	21 235	10%
1996	43 213	14 902	8%
1997	36 697	3 554	10%
1998	38 097	6 732	41%
1999	50 505	2 838	69%
2000	70 337	3 600	81%
2001	45 076	3 672	126%
2002	51 033	3 595	82%

Source: Forestry Department Peninsular Malaysia Annual Reports

Note: r.w.e. - round wood equivalent volume based on 70% sawing yield

³⁸In 1984, MTIB reports 10 432 m³ of Ramin sawn timber exported from Peninsular Malaysia with a sawing efficiency of 70%, the round wood equivalent would be roughly 52% of Ramin logs produced in that year.

Ramin is among the top five most valuable Malaysian timber species, with quality Ramin sawn timber³⁹ fetching around USD500 per cubic metre in recent years (**Table 13**).

Table 13

Exports of sawn timber from Peninsular Malaysia in 2003, sorted by price (f.o.b. per cubic metre)

Species Group	Volume (m ³)	Price	
		MYR	USD
Foreign species	7702	4211	1108
Red Meranti	235 602	2083	548
Jelutong	2605	2078	547
Mempisang	1637	1876	494
Perupok	148	1869	492
Ramin	44 139	1820	479
HHW species	46 061	1123	295
Rubberwood	67 329	895	235
MHW species	209 765	651	171
Other LHW species	318 004	600	158
Grand Total	932 992	1127	297

Note: MYR ~ USD0.26, LHW - Light Hardwood, MHW Medium Hardwood, HHW Heavy Hardwood

Source: MTIB

A total of 102 092 m³ of Ramin sawn timber was given certificates declaring them to be of Malaysian origin by Malaysian CITES authorities in 2001 and 2002 (**Table 14**). This timber went to 20 countries with the bulk going to Hong Kong (27%) and Italy (21%) (**Table 15**).

Significant discrepancies are observed in the UNEP-WCMC Database, with the main discrepancy being the trade with Italy. For example, in 2002, Italy reported imports of 142 285 m³ of Ramin from Malaysia while Malaysia only reported exporting to Italy 8429 m³ in 2001 and 11 608 m³ in 2002.

In 2003, Italy reported similarly high levels of Ramin imports from Malaysia - 102 505 m³. Data for 2003 from the whole of Malaysia is not yet available, however there are no indications that anywhere near this level of Ramin were exported to Italy.

³⁹It is worth noting that not all Ramin sawn timber produced is of export quality. Forestry Department reports suggest that most orders specify timber be graded 'select and better', with less than 10% of sawn timber exported being of a lesser grade or ungraded. The Malaysian Grading Rules for sawn timber use the following grade marks:- '*' (prime), 'SEL' (select), 'A' (standard), 'C' (sound), 'S' (servicable/merchantable), 'U' (utility), '& UP' (grade x and better), 'KD' (kiln dried).

Table 14

Recorded exports of CITES-permitted Ramin sawn timber from Malaysia by region of origin (in cubic metres)

Region	Aug-Dec 2001	2002	2003
Peninsular Malaysia	21 301	29 361	44 139
Sarawak	17 979	33 417	n/a
Sabah ⁴⁰	34	139	n/a
Total Malaysia	39 314	62 778	n/a

Sources: Sarawak Forest Department Annual Reports to CITES (2001 and 2002)⁴¹ ; Perhilitan Annual Report (2001); MTIB Statistics (2002, 2003)

Table 15

Exports of Ramin sawn timber from Malaysia in 2001 (August-December), by country of destination

Country	Volume (m ³)
Hong Kong	10 753
Italy	8429
China	6226
Singapore	4832
Japan	3978
Germany	1288
Taiwan, Province of China	1194
Netherlands	646
UK	467
Other	401
Viet Nam	363
Belgium	283
France	108
Denmark	85
Australia	76
Switzerland	46
New Zealand	36
Indonesia	35
South Africa	22
Spain	17
Total	39 285

Source: UNEP-WCMC CITES Trade Database (based on exports reported by Malaysia)

⁴⁰In its report to CITES, PERHILITAN grouped Sabah volumes together with Peninsular Malaysia volumes; for 2001 Sabah reported exports of 312 m³ of Ramin sawn timber in addition to those reported by to CITES (Sabah Forestry Department 2001 Statistics)

⁴¹There were significant errors in summation in both the 2001 and 2002 Sarawak Forestry Department annual reports to CITES (apparently due to confusion over the use of commas to denote decimal points), the figures shown here are believed to address these errors

Only one reported seizure of illegal Ramin from Malaysia has been identified. The CITES Management Authority of Germany reports eight pieces of Ramin sawn timber from Malaysia were seized in 2003 (M. Sterz, CITES Management Authority of Germany, *in litt.* to TRAFFIC Europe, February 2004).

Processed products (MY to All)

MTIB's *Procedures for the Import and Transport of Timber and Timber Products* (Anon., 2002d) defines Ramin "parts and derivatives" as "doors, mouldings, baby cots, laminated finger-joints, picture frames, dowels and others". Due to its reservation on parts and derivatives, Malaysia only reports to CITES the volume of exports of logs and sawn timber, however, probably more than twice as much Ramin is exported in processed form⁴². Partial information on the volume of exports of Ramin parts and derivatives that were accompanied by MTIB Country of Origin certificates is given in **Table 16**.

Table 16
Number of Country of Origin Certificates granted for exports of Ramin parts and derivatives from Malaysia

Region	Aug-Dec 2001		Jan-02	
	No.	m ³	No.	m ³
Pen. Malaysia & Sabah	106	4 312.9	21	1 936.9

Sources: Ministry of Primary Industries (2002)

Timber mouldings (including dowels) are one group of processed product containing Ramin. Ramin constitutes a significant proportion of the mouldings produced in Malaysia. In fact, the species is recorded as being among the top five species of sawn timber consumed by the moulding industry in Peninsular Malaysia, with 61 926 m³ (3.9% of the total) used in the first six months of 2001 (Poh *et al.*, 2001). This input represents a highly significant volume of logs, with the round wood equivalent, assuming approximately 50% conversion, being roughly 120 000 m³ (i.e. more than the total Ramin log production of Peninsular Malaysia in the previous two years). The implication of these statistics is that Peninsular Malaysia imported substantial volumes of Ramin to supply its moulding industry.

Other significant processed products containing ramin include veneer sheets (HS Code 44.08) and plywood (HS Code 44.12). Interestingly, these are not explicitly specified in MTIB's definition of parts and derivatives. It is not clear whether any Malaysian certificates have been issued for these product types, despite the fact that it is likely that Malaysia exports more than 1000 m³ of Ramin veneer/plywood annually. This assertion is based on the calculation that in Peninsular Malaysia about 5% of Ramin log production goes into local plywood/veneer mills (derived from annual reports from Forestry Department Headquarters, Peninsular Malaysia). With a 75% conversion factor (from log to veneer) this would suggest domestic veneer/plywood production of about 4% of the log production volume, with less being exported. Assuming similar factors for the whole of Malaysia, production of domestic Ramin veneer/plywood would be around 3500 m³ in 2000, more than a third of which is probably exported.

⁴²In 2003, Malaysia's total exports of plywood and veneer were 4 336 880 m³ compared with 2 355 477 m³ for sawn timber.

Ramin exported from Malaysia and imported by Singapore (MY to SG)

Logs (MY to SG)

Malaysia has not reported exporting any Ramin logs to Singapore in the past 10 years. Nevertheless, Singapore reports that significant quantities of Ramin logs have been imported from Malaysia (IE Singapore, see **Table 17**).

Singapore first started recording imports of Ramin logs in January 2003 when their customs classification system was expanded (see **Annex 10**). In 2003, Singapore reported imports of 2504 m³ of Ramin logs from Malaysia under HS Code 4403. This included volumes under code numbers 44034931 (Pulpwood of Ramin in the Rough) and 44034934 (Saw-logs & Veneer Logs of Ramin Roughly Squared) (see **Table 17**). Furthermore, in 2002, the official trade statistics indicate that Singapore gave CITES permits for the re-export of 451 m³ of Ramin logs reported to be from Malaysia.

Table 17
Imports of Ramin logs to Singapore from Malaysia in 2003

HS Code	m ³	SGD/m ³	USD/ m ³
44034931	313	649	376
44034934	2191	798	430
Total	2504	779	452

Source: IE Singapore

Notes: Prices are quoted f.o.b. (SGD = USD0.58)

Despite these trade statistics, there appears to be significant confusion on whether Singapore actually does import Ramin logs from Malaysia. The CITES Management Authority of Singapore states that these imports declared as saw logs and veneer logs of ramin roughly squared were actually sawn timber which were wrongly declared (CITES Management Authority of Singapore, *in litt.* to TRAFFIC Southeast Asia, 27 May 2004). The prices reported do indeed appear to be consistent with prices for sawn timber (see **Table 18**).

Sawn timber (MY to SG)

Singapore reports significant imports of Ramin sawn timber from Malaysia (**Table 18**). These imports more or less tally with the exports reported by Malaysia. For example, the UNEP-WCMC CITES Trade Database (viewed on 27 July 2004) states that Malaysia reported exports of 4831 m³ between August and December 2001 and 3760 in 2002.

Table 18
Imports of Ramin sawn timber to Singapore from Malaysia

Country	m ³	SGD/m ³	USD/m ³
2000	7452	669	388
2001	11 832	608	352
2002	2431	732	425
Jan-Jul 2003	6104	560	325

Source: IE Singapore

Notes: Prices are quoted c.i.f. (SGD = USD0.58)

Singaporean re-exports

Ramin re-exported from Singapore and imported by all countries (SG to All)

All forms (SG to All)

Singapore does not produce any Ramin of its own. In theory, Ramin from Singapore could come from four sources: Indonesian Ramin with CITES Export Permits, Malaysian Ramin with relevant certificates, pre-convention Ramin and Ramin that does not comply with CITES, sourced from Indonesia, Malaysia, or other range States.

Following the CITES listing, the CITES Management Authority of Singapore registered stocks of pre-Convention Ramin held by Singaporean traders. The CITES Management Authority of Singapore reported to the Tri-National Workshop that 30% of Singapore's pre-convention stockpile had yet to be disposed of (Anon., 2004e), and subsequently verified that as of May 2004, 14.08% of the pre-convention stockpile remained, with this all being in the form of sawn timber (AVA *in litt.* to TRAFFIC Southeast Asia, 27 May 2004). The volume of the stockpile has not been reported and is difficult to estimate because Singapore did not report statistics of its imports from Indonesia for the years prior to the Ramin listing.

Logs (SG to All)

In 2002, UNEP-WCMC CITES Trade Database records that Singapore reported re-exports of approximately 1330 m³ of Ramin logs. IE Singapore only started reporting Ramin log exports in 2003 - with reported re-exports of 30 m³ of Ramin logs worth SGD36 000 (USD20 880, i.e. USD696 per m³) to Hong Kong under HS Code 44034939 ('other Ramin wood in the rough not elsewhere specified'). The origin of these logs was not reported.

Sawn timber (SG to All)

Singapore's reported re-exports of Ramin sawn timber fell sharply between 2001 and 2002, with quantity traded picking up in 2003 (Table 19).

Table 19
Re-exports of Ramin from Singapore in the form of sawn timber

Country	m ³	SGD/m ³	USD/m ³
2000	47 597	521	302
2001	35 690	769	446
2002	5456	876	508
2003 (Jan-Jul) ⁴³	9307	650	377

Notes: Prices are quoted f.o.b. (SGD = USD0.58)

Source: IE Singapore

⁴³Using the revised HS coding system (see Annex 8)

In 2002, Singapore re-exported Ramin in the form of sawn timber to 11 countries, with more than half of the re-exports going to China, Malaysia and Hong Kong (**Table 20**).

Table 20
Re-exports of Ramin sawn timber from Singapore in 2002 by country of destination
(sorted by price per cubic metre)

Country	m ³	SGD/m ³	USD/m ³
Spain	34	1618	938
Sweden	84	1560	905
UK	374	1297	752
Italy	762	1167	677
Japan	94	1096	636
Germany	393	1069	620
Denmark	117	991	575
Hong Kong	1041	804	466
China	1311	783	454
Taiwan, Province of China	138	775	450
Malaysia	1052	544	315
Total	5400	878	509

Notes: Prices are quoted f.o.b. (SGD = USD0.58); no information on country-of-origin is available for these statistics.

Processed products (SG to All)

Based on CITES Annual Report data recorded in the UNEP-WCMC Database (viewed on 3 June 2004), Singapore did not report any re-exports of Ramin processed products to CITES for 2001 or 2002.

Ramin re-exported from Singapore and imported by Malaysia (SG to MY)

Logs (SG to MY)

Malaysia does not have comprehensive data on timber imports, recording relatively insignificant volumes (150 m³) of imports of Ramin baulks (HS Code 4403.49.320) from Indonesia and Singapore in 1998 and 1999 (MATRADE Commodity Database, accessed on 24 March 2003).

Sawn timber (SG to MY)

According to Singaporean statistics, Malaysia imports a significant quantity of Ramin sawn timber via Singapore (**Table 21**). Some of this trade appears to be in compliance with CITES (**Table 22**). However, a full analysis would require more information.

Table 21
Re-exports of Ramin sawn timber from Singapore to Malaysia

Year	m ³	SGD/m ³	USD/m ³
2000	3 419	541	314
2001	6 975	537	311
2002	1 052	544	316

Source: IE Singapore

Table 22
Imports of Ramin sawn-timber to Peninsular Malaysia and Sabah from Singapore accompanied by CITES Certificates of Re-Export

Period	No. of Certs	m ³
Aug-Dec 2001	34	379.9
Jan-02	14	286.7

Sources: Malaysian Ministry of Primary Industries (2002)

Trade between non-range states

About 10% of exports of Ramin reported to CITES take place in non-range states (see summary below). The focus of this report is on Indonesia, Malaysia and Singapore. Nevertheless, there is significant trade in Ramin between non-range States. For example, in 2003, Hong Kong CITES Management Authority issued 75 re-export permits for 1236 m³ of Ramin declared as country-of-origin Malaysia (98% to the USA, and the rest to Canada, Japan, The Netherlands and Australia). The Hong Kong authorities have also been involved in enforcement efforts that have resulted in two seizures of illegally sourced Ramin between 2002 and 20 January 2004 (one shipment was seized upon import and one upon export) (Chan, 2004). NGOs have reported that Ramin mouldings were seized en-route from Italy to the USA in August 2002 (Anon., 2003c).

Table 0
Summary of CITES-permitted trade in all forms of Ramin products 2001-2003 (as available on 1 August 2004)

Country Reporter	Exports		Imports		Re-exports	
	E	I	I	E	E	I
Indonesia	30 723		7455	0	0	0
Malaysia	76 369		270 378	912	1429	0
Italy	x		x	252 688	24 983	16 002
China	x		x	9621	15 020	5165
HongKong	x		x	92	22 011	0
Singapore	x		x	0	8963	5001
USA	x		x	6681	3467	0
Denmark	x		x	5511	889	0

Source: UNEP-WCMC CITES Trade Database (viewed on 1 August 2004)

Notes: E = (re-)exports as reported by (re-)exporting Party; I = imports as reported by importing Parties; 'x' denotes not applicable.

DISCUSSION

Estimation of extent of illegal trade

The statistics presented in the previous section present a number of issues for discussion regarding the implementation of CITES for Ramin *Gonystylus* spp. A number of non-governmental organisations (NGOs) have been prominent in raising these issues.

In 1999, Environmental Investigation Agency (EIA), a non-governmental organisation (NGO) with offices in London and Washington DC, working together with Telapak Indonesia, a Bogor-based Indonesian NGO, mounted a joint campaign against illegal logging in Indonesia. As part of this campaign, they targeted the Ramin trade, producing a number of reports and making frequent press releases highlighting the international trade in "illegally sourced" timber (Currey *et al.*, 2001; Anon., 2003c; Thornton *et al.*, 2003; Lawson, 2004).

Currey *et al.* (2001) suggest that this illegal trade contributes to a loss of biological diversity in Indonesia's forests, using the destruction of habitat of the endangered orang-utan (*Pongo pygmaeus*) as an example. In particular, Currey *et al.* (2001) conclude that "huge quantities of illegal logs and sawn timber are regularly transported from Indonesia to Singapore and Malaysia and 'laundered' into the international system".

These various allegations are discussed below through a country-by-country analysis of the significance of the statistical results that were presented in the previous sections. However, prior to this discussion, it is worth examining what is meant by terms such as "illegal" and "smuggling" in the context of Ramin and otherwise.

The legality of timber products in general is a complicated issue without an internationally accepted definition. However, in order to simplify the discussion, it may be useful to categorise shipments of timber in international trade into six types (see **Table 24**). Note that this table does not include a separate category for 'legality of import', because for the purposes of this discussion it is assumed that if exports are CITES-legal then the legality of imports is not an issue (however, it is recognised that this assumption may not always hold - especially in the case of exports from a Non-Party to a Party).

Table 24
Types of timber in international trade

1 <i>Type</i>	2 <i>Legality of Timber</i>	3 <i>Legality of Export</i>	4 <i>Exporter Record</i>	5 <i>Importer Record</i>
(i)	Legal	Legal	Recorded	Recorded
(ii)	Legal	Illegal	Not recorded	Not recorded
(iii)	Legal	Illegal	Not recorded	Recorded
(iv)	Illegal	Legal	Recorded	Recorded
(v)	Illegal	Illegal	Not recorded	Not recorded
(vi)	Illegal	Illegal	Not recorded	Recorded

Source: after Chrystanto and Iman (2003)

The legality of timber according to column (2) of the table is considered in this report to refer to whether the timber was originally harvested in compliance with the laws of the country of origin. Appendix III requires that:

"The export of any specimen of a species included in Appendix III from any State which has included that species in Appendix III shall require the prior grant and presentation of an export permit. An export permit shall only be granted when the following conditions have been met:

"(a) a Management Authority of the State of export is satisfied that the specimen was not obtained in contravention of the laws of that State for the protection of fauna and flora;" (CITES Article V, (2))

For Appendix III species, CITES is concerned with legal production for specimens only from the listing state (i.e. Indonesia in the case of Ramin). CITES does not require the authorities of non-listing States (such as Malaysia in the case of Ramin) to ensure that specimens were produced legally. Indeed, in terms of Ramin, illegal logging is of particular concern only in Indonesia. TRAFFIC's consultations with government, private sector and NGO stakeholders indicated that logging of Ramin in Malaysia appears to be largely conducted under appropriate licences. Nevertheless the fact that the Malaysian state governments intend to log some of the last remaining virgin stands of Ramin *G. bancanus*, merits an examination of the legality and sustainability of Ramin logging in Malaysia.

Apart from the requirements relevant to the listing State (i.e. Indonesia, as discussed above), Appendix III requires that CITES Parties trade (whether export, re-export or import) specimens legally (see column (3) of **Table 24**). CITES does not require verification of legal production for specimens from States that have not listed the species under Appendix III. Based on the CITES annual reports, it is relatively straightforward to establish the volume of Ramin that is being traded in compliance with CITES if all parties submit regular and complete reports. The volume of illegal Ramin could then be inferred by taking all other known trade in Ramin and subtracting an allowable percentage that could be attributed to normal discrepancies such as those identified by Chrystanto and Iman (2003) (see **Table 25**, next page).

Table 25
Factors leading to trade discrepancies

No.	Factor
1	Primary Normal Factors
1.1.	Change in fiscal year
1.2.	Method of product valuation
1.3.	Time lag between export and import
1.4.	Exchange rate fluctuation
1.5.	Declaration of destination (trans-shipment)
2	Secondary Normal Factors
2.1.	Conversion of product weights to volumes
2.2.	Volume conversion from standard to metric
2.3.	Differences in volume estimation method (e.g. log scaling method)
2.4.	Combined shipment of mixed products
2.5.	Different product Classification
2.6.	Accounting method
3	Abnormal Factors
3.1	Under Invoicing
3.2	Mis-specification of product type, characteristics, species or grade
3.3	Fraudulent trade data
3.4	Smuggling

Source: adapted from Chrystanto and Iman (2003)

Factor No. 3.2 is of special importance to CITES. In respect to mis-specification of species, it is important to distinguish two types of non-compliance. Firstly, there is the possibility of *bona fide* non-compliance due to ignorance of CITES requirements. Secondly, there is *mala fide* non-compliance where the mis-specification is done to deliberately deceive.

In the case of Ramin, Malaysia has frequently expressed its concern that there was no proper consultation before Indonesia's listing of Ramin in 2001. Consequently, (as will be expanded upon below) there is still widespread ignorance in Malaysia as to the requirements of CITES with respect to trade in Ramin. For these reasons, it cannot automatically be assumed that the discrepancies highlighted in the previous section were on the whole *mala fide*. Such assumptions may divert attention from significant shortcomings in implementation of and compliance with CITES.

A number of inferences could be made regarding the volume of Ramin that is illegal. In particular, the volume of illegal imports into a country could be inferred by reference to the volume of exports, minus domestic production and a number of other factors (see **Equations 1 & 2**).

Equation 1.	Total – Legal = Illegal
Total	Total volume of Ramin sawn timber exported
Legal	Volume of legal Ramin sawn timber available for export
Illegal	Volume of illegal Ramin sawn timber exported
Equation 2.	((Product – Export + Import) x 0.7 – Convert) x 1.10 = Avail
Product	Volume of domestic Ramin log production
Export	Volume of Ramin log exports
Import	Volume of legal Ramin log imports
0.7	Conversion rate from logs to sawn timber (assuming 70% recovery – an average sawing yield)
Convert	Volume of Ramin sawn timber converted domestically
1.1	Factor attributable to normal factors leading to discrepancies ⁴⁴
Avail	Volume of legal Ramin sawn timber available for export

An important consideration in making these inferences is the average conversion rates that are used to determine round wood equivalent volumes (r.w.e.). There is a large variance in the efficiency of conversion depending on the technology employed, however a rough indication of the rate of loss upon conversion of timber during various degrees of processing is given in **Table 26** below.

Table 26
Average round wood equivalent (r.w.e) conversion rates

	<i>logs</i> ⁴⁵	<i>baulks</i>	<i>sawn timber</i>	<i>mouldings</i>
Conversion rate	-	0.75	0.5	0.25
Multiplier to get r.w.e.	1	1.33	2	4

It is stressed that, inference is limited by the variability of all the factors outlined. Therefore this method of inference is limited.

⁴⁴This assumes that normal factors lead to discrepancies of 10%, however, this figure is arbitrary and difficult to estimate.

⁴⁵Note too that for every log reaching the saw-mill a substantial volume of timber has been lost, whether due to damage during harvest, or loss during extraction and haulage.

Logging in Indonesia

Legality of logging in Indonesia

Illegal logging in Indonesia's forest reserves and national parks increased following the deterioration of law and order after the economic crisis of 1997. Of its 120.35 million ha of natural forest, 43 million ha have been affected by illegal logging at a rate of 2.1 million ha annually (Murphy, 2001).

Illegal logging is depleting Indonesia's remaining stands of Ramin. In particular, Ramin in Tanjung Puting National Park in Central Kalimantan is allegedly being systematically logged out (Currey *et al.*, 2001). In 1999, a Ministry of Forestry team visited Tanjung Puting National Park, and the ministry's then secretary general, Suripto, was quoted in the media saying that one logging company was processing 60 percent of all the timber stolen in the area. The Central Kalimantan governor responded by creating a Tanjung Puting oversight commission, but some have questioned the credibility of its membership (Currey *et al.*, 2001).

The Ministry of Forestry has said that illegal loggers had formed networks in Indonesia and that their operations were hard to track down. Illegal loggers face a maximum sentence of 10 years imprisonment and a fine of IDR 200 million (USD20 000) (as stipulated by the 1990 Law on Conservation) (Anon., 2001a).

It is estimated that about 17 to 32 million m³ of round wood are produced from illegal logging in Indonesia each year. Though the annual allowable cut (legal production) of Ramin was 24 000 m³ in the year 2000, the National Bureau of Statistics recorded production of Ramin in that year to be more than 130 000 m³ (BPS Statistics 2003).

Indonesian newspaper reports suggest that the Ministry of Forestry is under great pressure from the logging industry to reverse the decision on Ramin, with companies complaining that they are being forced out of business. In Central Kalimantan, companies pushed local and central government officials to delay the implementation of the Ramin decree, then threatened to take the Ministry of Forestry to court over the issue. In Kapuas district of the province, the local assembly refused to accept the decree and allowed logging to continue. In June 2002 Ramin was still being felled and sold at high prices in Central Kalimantan (Anon., 2002b).

How far any measures can be imposed by central government has become all the more questionable since the implementation of regional autonomy began in January 2002. The refusal of Kapuas district to impose the Ramin logging ban is a sign of the unwillingness of local governments to take orders from Jakarta. So far the decentralisation process has been chaotic and confused and, in many areas, has resulted in yet more deforestation. Since district heads (known as Regents or Bupati) were given the right to issue small forest exploitation permits of less than 100 ha (IPPK), hundreds of logging permits have been issued in forest-rich areas like East Kalimantan and many hundreds more are in the pipeline. Indonesian newspapers are reported to have suggested that while the companies or co-operatives that receive the permits are supposed to be local community initiatives, they are often claimed to be controlled by firms backed by powerful businessmen (Anon., 2001a).

As far as illegal logging is concerned, the situation remains just as confused. When, in May 2001, a national parliamentarian complained that local people were illegally logging in 174 inactive timber concessions, Indonesian newspapers apparently reported that the Minister of Forestry said it was up to the Bupati to resolve the issue, since they will be the ones responsible for issuing licences (Anon., 2001a). This would appear to conflict starkly with announcements that the government is committed to clamping down on illegal logging. According to a ministerial decree issued in November 2000 (*No. 051.I/Kpts-II/2000*), Bupati were limited to issuing permits of up to 100 ha, and governors up to 1000 ha. Governors are responsible for any concessions which cover one or more districts and central government retains control over concessions which overlap more than one province. The power of local government to issue logging permits was revoked by *Ministerial Decree No. 541/Kpts-II/2002*, however, the ministerial decrees themselves are now being challenged by some local authorities.

Sustainability of logging in Indonesia

A legal framework is generally acknowledged as a fundamental component of sustainable forest management. Thus it can be assumed that illegal timber is also unsustainable timber. In the case of CITES-permitted Ramin from Indonesia, the non-detriment findings (NDF) studies at PT. Diamond Raya aim to ensure that the Ramin originates from a sustainably managed harvesting system. The LEI and FSC certificates also offer support to the assumption that Ramin from the PT. Diamond Raya concession is logged sustainably. However, it is worth noting that even the Diamond Raya FSC certificate has been questioned, with some parties pointing out significant failures by the FSC-accredited assessor company contracted to carry out the assessment of Diamond Raya. An FSC report documents allegations of illegal logging taking place within the Diamond Raya concession as well as identifying how concerns are being addressed (Anon., 2004h).

Logging in Malaysia

Legality of logging in Malaysia

Recent reviews of forest law enforcement in Malaysia include Rusli and Amat (2001) and Blakeney (2001). These follow early work by Callister (1992). The general conclusion of these studies is that the level of illegal logging in Malaysia is low compared with Indonesia, with the incidence of forest crime showing a declining trend.

Sustainability of logging in Malaysia

Despite the declining levels of forest crime and Malaysia's stated commitment to sustainable forest management, the actual sustainability of logging practices in Malaysia remains in question. Jomo et al. (2004) provide a comprehensive review of the many pressing social and economic issues facing forest management in Malaysia. Though Jomo *et al.* based their conclusions on research carried out in the late 1990s, the issues they identify remain intractable.

On the issue of conserving threatened species, such as Ramin, Malaysia has acknowledged the international agenda by taken a number of steps such as hosting the seventh meeting of the Conference of

the Parties to the Convention on Biological Diversity (CBD). However, some NGOs used the CBD as a platform to attack Malaysia. For example, a report by the NGO Greenpeace asserted that "logging in Malaysia has gone far beyond the level of sustainability and most of its remaining forests are seriously degraded" (Anon., 2004f).

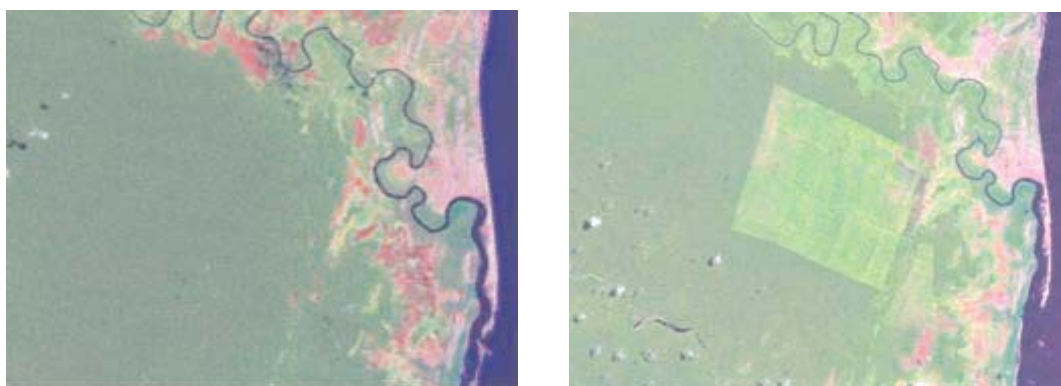
Among the information that Greenpeace distributed at the CBD was a report that highlighted a particular case of relevance to the conservation of Ramin in Malaysia. This case involved the clear-felling of 4000 ha of Ramin-rich swamp forest near the town of Nenasi in the State of Pahang (Anon., 2004f). The Nenasi case was first highlighted by a series of Malaysian news reports that outlined a number of irregularities connected with the logging (Beh, 2003; Gan, 2003). Certain allegations are of relevance to this study, such as that the logging of the area violated numerous aspects of Malaysian law as well as the fundamental principles of sustainability.

The alleged violations included the assertion that the Nenasi clearance encroached on a forest reserve and did not result in replacement of the forest lost by expanding the forest estate elsewhere. This would be contrary to Malaysia's *National Forestry Policy*, and the *National Forestry Act 1984*⁴⁶ which aim to ensure that the forest under the 'Permanent Forest Estate' (PFE) will be maintained in perpetuity - the cornerstone of sustainability. Indeed, according to a Pahang State Forestry Department technical report (Anon., 2003h), the area cleared appears to be substantially within the 25 000-ha Nenansi Forest Reserve (which had been gazetted in 1976 as part of the PFE⁴⁷) (see **Figure 3b**).

Furthermore, there are indications that the clearance of the forest in Nenasi violated the gazetted *Local Structural Plan for the District of Pekan* (Anon., 1996) which had zoned the area as an 'Environmentally Sensitive Area' to be kept under permanent forest cover. The clearance of the forest would thus appear to be in violation of the *Town and Country Planning Act 1976*. Gan (2003) further claimed that no Environmental Impact Assessment was carried out for the Nenasi logging; this omission contravenes the provisions of the *Environmental Quality Act 1974*⁴⁸.

Figure 11

The location of the 4000-ha clearance can be seen by comparing a satellite image of the area taken in 1992 (left) with one taken in 2001 (right) (Source: Anon., 2004f). The rectangular shape of the area cleared is also apparent in Figure 3b.



⁴⁶National Forestry Act 1984 (Act 313) as amended by P.U.(A) 82/1986, and the National Forestry (Amendment) Act 1993 (Act A864), which was adopted and gazetted by the Legislature of the State of Pahang Darul Makmur on 17 December 1987 (Enactment 6/1986) and 23 December 1993 (Enactment 9/93).

⁴⁷WK361 (23.09.1976)

⁴⁸Environmental Impact Assessments are required for logging environmentally sensitive areas

The Forestry Department technical report (Anon., 2003h) suggests that the Nenasi case is part of an on-going trend, witnessing the loss of the remaining Ramin habitat in Malaysia (including that in the so-called Permanent Forest Estate). This suggests that, while Malaysia may have a sound forest policy, implementation is lacking in some instances.

Smuggling from Indonesia to Malaysia and Singapore

Export controls in Indonesia

Overview of export controls in Indonesia

In addition to the CITES controls highlighted in the earlier section, Indonesia has a number of mechanisms to control the export of timber. For example, following a 2003 decree of the Minister of Trade and Industry (No. 32/MPP/Kep/1/2003), exporters of forest products must be registered with the Agency for Forest Industry Revitalisation (BRIK) (*Badan Revitalisasi Industri Kehutanan*).

For legal timber, there is a complex paper trail leading from the stump to the point of export. The following is just a sample of the documents required:

- Forestry Legality Document (SK-SHH) (Surat Keterangan Sahnya Hasil Hutan)
- BRIK Endorsement Document (BRIK)
- ETPIK Endorsement Document
- Customs Export Declaration Form (PEB) (Pemberitahuan Eksport Barang)
- Shipping manifest
- Letter of indemnity
- Bill of lading (B/L)
- Delivery order (DO)
- Shipping permit
- Mate's receipt/dock receipt

There are also receipts for the payment of forest product royalty, reforestation fees, and export tax (Chrystanto and Iman, 2003). Furthermore, Ramin requires a CITES Export Permit (SATS-LN).

Timber delivered from mills to the ports is required to be accompanied by an SKSHH as well as a BRIK. These documents need to be attached to the PEB for checking and approval by a Customs Service Officer (CSO). However, the CSO does not normally carry out a physical inspection of the forest product (Government Regulation No. 10/1995, Article 4). A freight forwarder usually handles the PEB, shipping manifest, letter of indemnity, B/L and DO as well as arranging the Customs documents for the importing country. Based on the PEB, the Port Administrator issues a shipping permit. While the shipping company issues a Mate's Receipt or a Dock Receipt as well as the B/L for obtaining the DO from the importer.

In a joint decree made by the Minister of Transportation, Minister of Forestry and Minister of Trade and Industry (22 January 2003), domestic shipping can only be carried out by ships chartered in Indonesia

carrying the Indonesian flag. Furthermore, the cargo owner is responsible for ensuring the cargo has an SKSHH. The shipping company must ensure that the B/L and manifest match the shipping order. The shipping permit issued by the port administrator requires the SKSHH. Forestry officials based in the port are required to check the SKSHH and ensure that it matches the shipment in terms of species, form, volume and number of items.

Customs officials have to enforce more than 150 regulations on imports and exports issued by various ministries. Many of these regulations are reported to be in conflict with each other as well as in conflict with local regulations. Field interviews indicate that this situation makes the task of enforcement difficult for Customs officials (Anon., 2004b).

For example, the National Agency for Export Development website states that when the Ministry of Industry and Trade, along with the Ministry of Forestry, issued a decree to ban the export of logs, many regional administrations, referring to the Autonomy Law, have issued their own regulations to allow the export of this commodity (Anon., 2004c).

The Government of Indonesia issued Presidential Decree No. 54/2002 to set up a special team to solve the various Customs problems in response to complaints about smuggling and fraud by Customs officials. An Indonesian newspaper reported that the team included top officials from the Ministry of Finance, the Ministry of Industry and Trade, the Ministry of Forestry, the State Ministry of Communications and Information, the National Police and the Armed Forces (Anon., 2002b).

There have been numerous expressions by the central government over the need to improve the situation regarding border controls. For example, Indonesian Industry and Trade Minister Rini M S Soewandi has stated that the smuggling of goods to Singapore is rampant and that joint border patrols need to be established with Singapore, like those already in place with Malaysia (Guerin, 2003).

In particular, CITES is one mechanism that the central government is seeking to use to control smuggling. PHKA has stated that Indonesia strongly believes that the Appendix III listing contributes effectively towards controlling illegal logging in the country and managing any international trade, but "international co-operation is still required to make this work" (Samedi, 2003).

Interviews carried out in the course of this study revealed that some Customs officials were ignorant of the restrictions on the export of Ramin from Indonesia. With assistance from TRAFFIC Southeast Asia, PHKA carried out a field assessment from 9-16 March 2004 to examine the effectiveness of export controls from key ports in Indonesia (Anon., 2004b). This study assessed the level of understanding of the relevant legislation regarding Ramin for officials from the departments of Forestry, Customs and Marine Police in four export points (see **Figure 14** for precise locations):

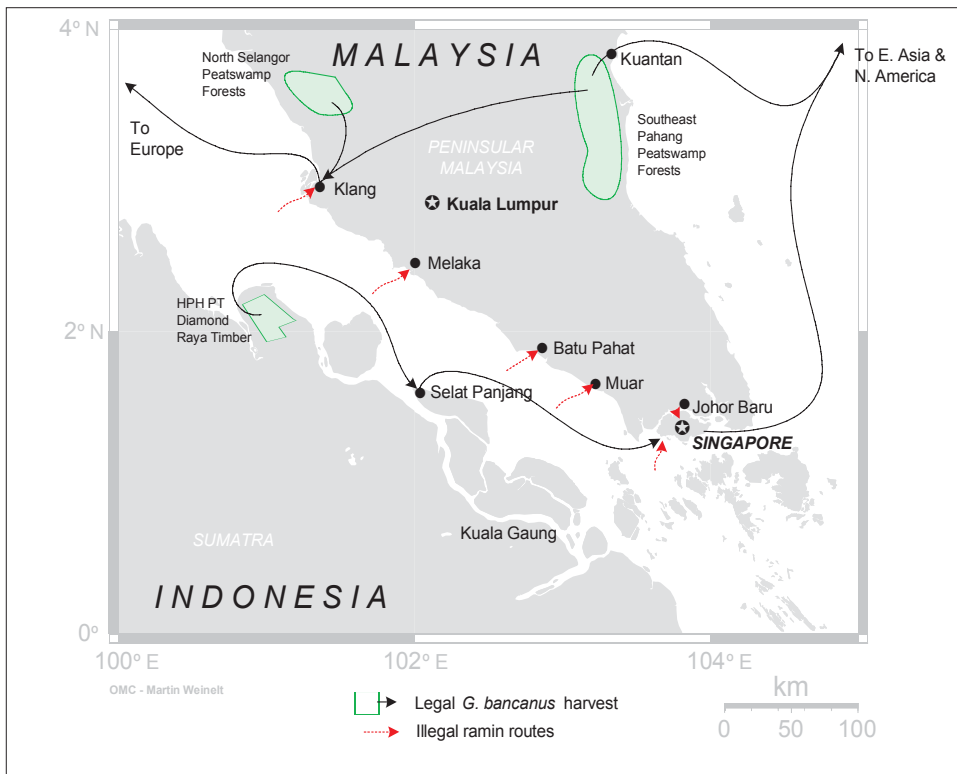
- Port of Jakarta (CKG and Priok)
- Port of Palembang, South Sumatra
- Port of Selat Panjang, Riau
- Town of Nanga Badau, Kapuas Hulu District, West Kalimantan (the town on the Indonesian side of the border from Lubok Antu)

The study found varying degrees of implementation in these points. Of particular concern was the fact that Customs officials in Palembang and Badau were not aware of the restrictions on the export of Ramin. Furthermore, the field investigations indicated that the general understanding of CITES seemed to be low, with officials in Selat Panjang being under the false impression that domestic trade in Ramin also required CITES documentation (Anon., 2004b).

Export controls in Sumatra

The PHKA field team reported that Forestry Officials in Palembang stated that illegal Ramin is frequently shipped to Malaysia and Singapore from Sungai Gaung, a river on the border between the provinces of Jambi and Riau (see "Kuala Gaung" in **Figure 12**) (Anon., 2004b).

Figure 12
Trade routes between Sumatra, Malaysia and Singapore.

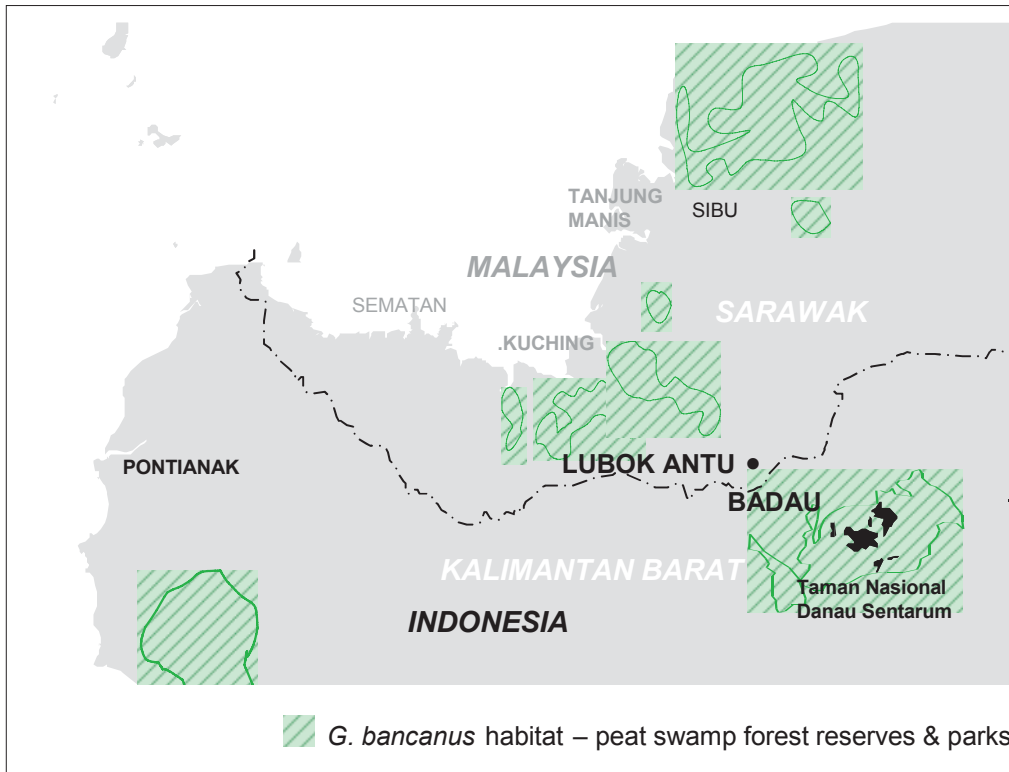


Source: TRAFFIC Southeast Asia field notes, 2003-4

Export controls in Kalimantan

In 2003, newspaper reports said the Indonesian Ministry of Forestry estimated that Kalimantan lost at least 1000 truck loads of illegal logs every week or about 10 000 cubic meters between June and July 2003 (Anon., 2003d). This is claimed to include mainly Meranti logs from Betung Kerihun National Park on the border of West Kalimantan and Sarawak. The Ministry of Forestry claimed that it was powerless to stop the trucks at the border as they only have the authority to arrest loggers within the forest (Kurniawan, 2003).

Figure 13
West Kalimantan Border Trade with Sarawak: Lubok Antu-Badau



Source: TRAFFIC Southeast Asia field notes, 2003-4

As noted above, the TRAFFIC-PHKA field study revealed that the understanding of the restrictions on Ramin were very poor among the officials manning the border posts with Malaysia. Officials were under the impression that only Ramin logs were restricted from being exported, there was no awareness regarding the CITES listing and the provisions that it entailed. The field team estimated that around 200 lorries, each carrying around four cubic metres of timber, passed through Badau every day (**Figure 13**). The Kapuas Hulu District Forestry Office estimated that 191 348 m³ had passed through to Malaysia in 2003, with about 30% (57 000 m³) being Ramin. However, Indonesian Customs officials at the same crossing estimated over the same period of time was a volume of only 1456 m³. For 2003, the Malaysian authorities record imports of 112 192 m³ of timber through the Lubok Antu depot (D. Nena, STIDC, *in litt.* to TRAFFIC Southeast Asia, 14 April 2004).

The findings of the TRAFFIC-PHKA field study add support to the recommendations of the TRAFFIC-co-ordinated Indonesian National Workshop (these recommendations are listed in the '**Recommendations**' section, below).

Import controls in Malaysia

Malaysia's reservation on the CITES listing

As noted, Malaysia has taken out a reservation on Ramin parts and derivatives other than logs and sawn timber. At the Tri-National Workshop, the rationale given for this reservation was two-fold: (1) the

increased difficulties in enforcement for processed products especially in regards to species recognition and (2) the likelihood of illegal origin was lower for parts and derivatives (Anon., 2004e).

Malaysia pointed out that it was more likely that logs and sawn timber would be smuggled than finished products such as veneer, dowels and mouldings which require more sophisticated machinery to manufacture. The practicalities of enforcement have led to listings of other timber species on CITES also having processed products excluded from the listing (e.g. Big Leaf Mahogany *Swietenia macrophylla*). Despite the reservation on processed products, Malaysia is committed to enforcing CITES for Ramin logs and sawn timber.

Co-ordination of CITES in Malaysia

Despite the existence of a National Forestry Council and a CITES National Committee, co-ordination between the 16 or so agencies responsible for enforcement in Malaysia appears to be an issue. The agencies with a direct and indirect role in the implementation of CITES in Malaysia are listed in **Table 27** and **Table 28**. Despite a collective Cabinet decision to stop importing round logs from Indonesia in 2001, the Malaysian Minister of International Trade and Industry (MITI) visited Jakarta in 2003 and declared that Malaysia imports round logs from Indonesia via the Barter Trade system (**Box 2**, see next page).

Box 2

Barter trade between ports and communities in the region has been going on since long before the formation of the modern political entities of Indonesia, Malaysia and Singapore. Although there is some barter (such as Malaysian sugar in exchange for Indonesian logs), much of this trade includes exchange for cash - so the term "barter/border trade" is perhaps more appropriate to describe the trade.

Recently, Malaysia has been urging the private sector to open up more barter trade complexes (Anon., 1999), as well as promoting barter trade "as a means to overcome the currency problem" caused by the instability of currencies in the region in the late 1990s. There are numerous barter trade complexes in Peninsular Malaysia, Sabah and Singapore; however there are no official complexes in Sarawak (some illegal barter of sugar for logs is reported as taking place).

During bilateral talks held in Batam in May 1999, Indonesia and Malaysia agreed to step-up barter trade. This agreement, made between the then President of Indonesia, Bacharuddin Jusuf Habib, and the then Prime Minister of Malaysia, Mahathir Mohamad, included reference to logging issues, and "decided on ways and means of ensuring that these things do not happen to the detriment of each other's country". (Anon., 1999)

The following is an excerpt from a speech by Malaysian Minister of International Trade and Industry YB Dato' Seri Rafidah Aziz presented at the Seminar on Malaysia-Indonesia Business Opportunities, Jakarta, Indonesia, 26 February 2003 (emphasis added):

"Border/barter trade between Malaysia and Indonesia has been increasing since 1999. Total border trade recorded in 2001 was USD204.7 million, an increase of 3.7 percent from USD197.4 million in 2000. Trade recorded for the first six months of 2002 was USD105.4 million.

"The main items exported by Malaysia through this channel were processed agricultural products, used motorcycles, electrical goods and cement. Imports by Malaysia were timber products, **round logs**, fresh fish, pepper and other consumer products.

"This form of trading offers an additional channel to enhance bilateral trade including through barter and exchange of goods. Malaysia has therefore put in place facilitating measures in the form of designated jetties for barter trading activities, complete with customs, immigration and quarantine facilities."

(Source: Ministry of International Trade and Industry website, www.miti.gov.my viewed on 1 October 2003)

The Malaysian National Workshop and the Tri-National Workshop held under the auspices of this TRAFFIC study discussed the issue of barter/border trade at some length. A general consensus emerged that the provisions of CITES should still apply for irregular trade channels such as Free Trade Zones, and Barter Trade Centres.

Table 27**Key CITES enforcement agencies in Malaysia and their parent ministries**

Authority	Ministry
Royal Malaysian Customs & Excise Department	Federal Ministry of Finance
Malaysian Timber Industry Board	Federal Ministry of Plantation Industries and Commodities (MOPIC)
Sarawak Forest Department	Sarawak Ministry of Planning & Resource Management

Table 28**Authorities with indirect controls on Ramin in Malaysia and their parent Ministries**

Authority	Controls on Ramin	Ministry
State Forestry Departments in Peninsular Malaysia (10 States)	Harvesting, Processing and Domestic Transport	The forestry committees of the Executive Councils (Excocs) of the Ten States in Peninsular Malaysia
Sabah Forestry Department	Harvesting, Processing, Domestic Transport, Import and Export	Natural Resources Office in the Chief Minister's Department (Sabah)
Department of Wildlife & National Parks	Reporting to CITES Secretariat	Federal Ministry of Natural Resources and Environment
Sabah Wildlife Department	Reporting to CITES Secretariat	Sabah Ministry of Tourism, Culture and Environment
Department of Agriculture	Phytosanitary Controls	Federal Ministry of Agriculture
Sarawak Timber Industry Development Corporation (STIDC)	Import and Export Controls in Sarawak	Sarawak Ministry of Planning and Resource Management

Overview of import controls in Malaysia

Every year Malaysia holds meetings with Indonesia regarding the social and economic issues affecting their common borders. These meetings, known as Sosek Mal-Indo, have provided the forum for discussing illegal logging and log smuggling for a number of years. The matter has also been discussed during bilateral meetings between the heads of the two states (Muhd. Yusuf, 2003). Despite these initiatives, the problem of timber smuggling in general, and Ramin smuggling in particular, continues.

The Malaysia Ramin National Workshop held under this TRAFFIC project noted that the smuggling was partly due to the fact that the length of Malaysia's border with Indonesia makes policing difficult. There is evidence that Ramin smugglers attempt to by-pass Customs by bringing Ramin into Malaysia via illegal landing points on the west coast of Peninsular Malaysia as well as via those entry point along the Sarawak border that do not have permanent Customs check-points stationed at the border crossing. In order to address this issue, there was general consensus at the Malaysian National Workshop that there was a need to increase checks for illegal landing sites in Peninsular Malaysia as well as to establish permanent border posts at all major crossing points in Sarawak. This would necessarily require

co-operation from Customs, Marine Police and other agencies that are already involved in monitoring the Malaysia's borders.

Another issue identified by the National Workshop was that of shipments of Ramin passing through Customs without being declared as containing Ramin. There was a number of generic descriptions used ranging from "general cargo" to "mixed light hardwood". Part of the problem was discrepancies between the HS Codes used in Malaysia, Indonesia and Singapore. Compounding this problem was the fact that Customs lacks the ability to carry out checks on the species of timber. This short-coming is sometimes exploited by the mis-declaration of Ramin as 'Jelutong' or other light-coloured species of hardwood. In order to overcome this, the meeting suggested that the government co-ordinate a mechanism of species checks to assist Customs.

Another issue related to the problem of undeclared cargoes was Ramin entering Malaysia via Free Commercial Zones and Barter Trade Zones. Trade through these routes is not subject to the same Customs controls as other routes. Despite the fact that CITES does not apply to the transit or trans-shipment of specimens through or in the territory of a Party while the specimens remain in Customs control (CITES Article VII (1)), the CITES CoP (Conf. 9.7) recommended that Parties adopt legislation allowing them to seize and confiscate specimens in transit or being trans-shipped without valid export documentation or proof of the existence thereof. As far as CITES is concerned, a Party is responsible for implementing the Convention throughout its entire territory.

However, the Barter Trade Agreement between Malaysia and Indonesia has been interpreted by Malaysian (and Singaporean) authorities as allowing traders to ship cargoes into Malaysia (or Singapore) without Customs clearance documents from Indonesia. The loopholes created by the Free Commercial Zones and the Barter Trade Zones were seen as weakening Customs' control on the trade in legal Ramin timber.

There are a number of simple steps that Malaysia could have take to control the inflow of illegal timber. One of these measures would be to empower Customs officers to seize shipments of illegal Ramin. However, Malaysia has yet to list Ramin under its Customs Import Prohibition Order. This point was raised during the Malaysian National Workshop as a component of this TRAFFIC study, with a suggestion put forward that Ramin be listed under the Fourth Schedule of the Import Prohibition Order (which would also apply to Free Trade Zones (FTZ)). This suggestion did not receive the endorsement of all the members of the workshop, as representatives of the trade felt that such a listing would add to bureaucracy and be an unnecessary burden on genuine traders dealing with legal products. Despite the fact that Malaysia's legal imports of Ramin were very small (less than 100 m³ per annum), no consensus was reached during the workshop on the issue of listing Ramin on the Customs orders.

The Fourth Schedule of the Import Prohibition Order specifies which goods may only be imported into Malaysia "in the manner provided". This schedule already lists a number of CITES species. For example, this schedule states that coral (HS Code 05.08) that is "alive or dead except those which have been processed and used as jewellery" (HS05.08) may only be imported provided "[t]hat the import is accompanied by an import permit and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) import permit issued by or on behalf of the Director General of Fisheries, Malaysia".

A listing of Ramin under the Customs import and export prohibition orders is essential for the effective implementation of CITES. The Customs orders apply to the whole of Malaysia and would provide a uniform and comprehensive means of controlling the trade in Ramin. However, at the moment the mechanisms used for the implementation of CITES for Ramin are inadequate and differ from region to region.

Import controls in Peninsular Malaysia

In Peninsular Malaysia there is no legislation specifically controlling the import of Ramin. The existing controls are put in place via administrative mechanisms and have been shown to be inadequate for enforcing CITES. In particular, there are no controls restricting the import of Ramin sawn timber into Peninsular Malaysia. As a result, information gathered from field studies suggests a strong probability that illegal Indonesian Ramin sawn timber without CITES permits (coming from Sumatra and Kalimantan) continues to enter Peninsular Malaysia via points such as Port Klang, Melaka, Batu Pahat, Muar and Johor Port.

Following Indonesia's listing of Ramin in CITES Appendix III, it was decided that MTIB would take the role of management authority for the species. MTIB then had a series of meetings with Customs, which resulted in Customs issuing an administrative circular to inform Customs officers of the new requirements for Ramin. However, these administrative measures are not equivalent to the Customs prohibition orders. As a result, Customs officers are not empowered to restrict cargoes importing sawn timber. Furthermore, Customs officers do not require cargoes of timber to declare whether or not they contain Ramin and neither do they carry out regular checks on the species of timber shipments (this is partially due to a lack of capacity).

The forestry departments (FDs) of the various states in Peninsular Malaysia, however, do have the capacity to carry out species checks. However, the FDs do not have the mandate to check for Ramin. Furthermore, the FDs only check logs and not sawn timber.

Even the MTIB does not have a clear mandate to control imports, with its Act focussing on controlling exports rather than imports. As a result, the MTIB does not carry out regular checks on timber imports. Furthermore, shipments of Ramin sawn timber that were seized by MTIB (under provisions of the MTIB Act) had to be released because Malaysia has yet to pass any law or regulation to restrict the import of Ramin sawn timber.

Import controls in Sabah

Each month large volumes of shipments of timber arrive in Sabah from Indonesia (mainly via the east coast port of Tawau). The volume of Ramin in these shipments is not thought to be significant (Ramin is mostly found on the south and west of Borneo, not on the east coast). Nevertheless, it was observed that the implementation of CITES for timber imports into Sabah faces the same obstacles as in Peninsular Malaysia, indeed the control of timber imports into Sabah are generally ineffective in excluding illegal timber of any species.

Prior to the 1997 Helmsman Case⁴⁹, the Sabah Forestry Department controlled the import of timber into the state. However, following that case, Sabah handed the responsibility for controlling timber imports over to the Federal Government, via the agency of MTIB. However, as in Peninsular Malaysia, MTIB does not carry out regular checks on timber imports into Sabah.

As in Peninsular Malaysia, Customs does not carry out checks on timber imports to see whether or not they contain Ramin. The Forestry Department does carry out checks, but, as noted, it has handed authority for imports over to the Federal Government and therefore does not restrict shipments. In effect, the responsibility for the actual enforcement of CITES with regards to Ramin imports into Sabah is not clear.

In addition to the designated Customs checkpoints (**Annex 10**), there are a number of un-official crossings from Kalimantan into Sabah. In 2002, to control illegal immigrants, nine Immigration Check Points were set up in the villages of Long Midang, Tau Lambui, Labang, Long Kayu, Long Apaoping, Long Nawang, La Sandrian, Simanggaris and Sorodong, all in East Kalimantan's district of Nunukan. To cross the border, local people are required to produce a resident's card and other necessary documents.

Import controls in Sarawak

Currey *et al.* (2001) claims that the following are entry points for illegal Ramin timber into Sarawak:

- Sematan Port (from Central and West Kalimantan)
- Lubok Antu (from West Kalimantan)

Lubok Antu is a town located on the 847 km border between Sarawak and West Kalimantan. Along this border, the Indonesian government has used satellite imagery to identify 185 routes used to take wood from West Kalimantan to Sarawak. Of these routes, 87 are roads and trails (these are associated with villages: 32 in Malaysia and 55 in Indonesia), while 98 are rivers, including 11 large rivers (see Figure 14).

⁴⁹The Helmsman Case is outlined here based on a couple of news reports of the time (Bala Kumar and Vanar, 1997; Anon., 1997c):- On January 18 1997 the Sabah Forestry Department and the Marine Police stopped a Port Klang-registered freighter near the Port of Tawau. The freighter, MV Able Helmsman, was bound for Japan laden with 16 000 cubic meters of wood in the form of 3056 logs valued at about MYR7.1 million (USD2 million). Prior to this action, at least six similar shipments of logs had been exported.

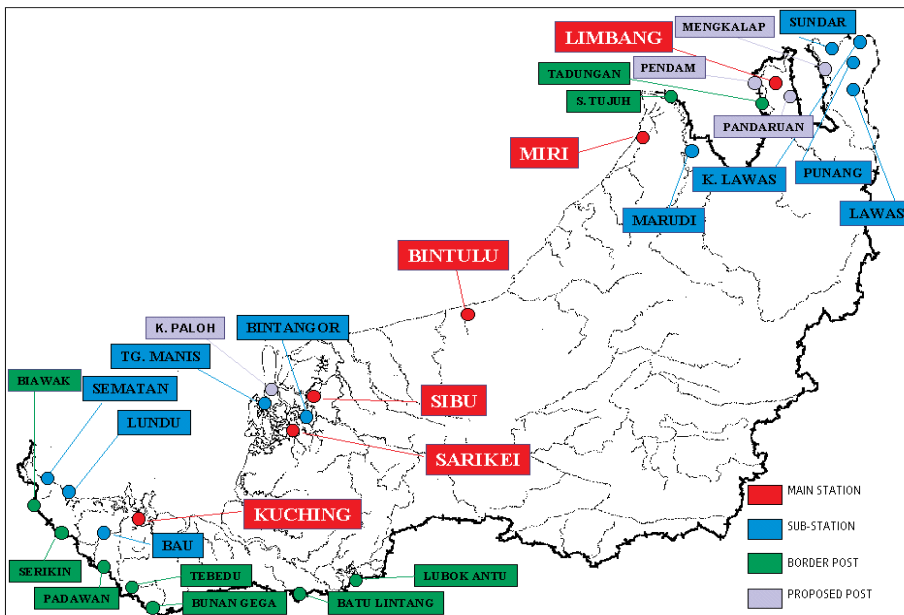
In October 1996, MTIB had issued a log re-export permit to Syarikat Rasband, the Helmsman's Tawau-based shipping agent. However, the permit had expired on 31 December 1996 and no new permit had been issued. Furthermore, the logs bore no property marks or royalty-payment marks - it was reported that the unpaid royalties would have amounted to MYR3.6 million (USD936 000). It was believed that the shipment may have originated in Indonesia, however the logs had no documents from Indonesia such as Customs clearance forms - thus raising the question as to whether the logs were illegally felled in Sabah or illegally imported from Indonesia.

The case drew a lot of media attention and resulted in a number of responses by the authorities. The chairman of the National Forestry Council, the Deputy Prime Minister, initiated a number of inquiries, including a federal-level committee, a state cabinet committee and an investigation by the Anti-Corruption Agency. The Customs, Forestry Department and the Marine Police were also directed to submit a report on the matter. None of these reports has been published, however, it is believed that it was recommended that the Federal Government review the procedures on import and re-export of round logs. Since this case, the Sabah Forestry Department has refrained from action against shipments of logs.

In particular, five routes in four districts are identified as "main gates for wood smuggling to Malaysia" (Antara News Agency 'Indonesia deals with illegal logging issue' quoting Indonesian Forestry Minister M. Prakosa):

- Nanga Badau in Kapuas Hulu district (sawn timber/processed products) (as noted, this town is across the border from Lubok Antu);
- Pouring Kencana in Kapuas Hulu (logs);
- Jagoi Babang in Bengkayang district (logs);
- Paloh in Sambas district (logs); and
- Senaning in Sintang district (logs).

Figure 14
Scheduled Customs check points in Sarawak



Source: Jabatan Kastam Sarawak (website: <customssar.mmu.edu.my> viewed on 28 February 2004)

On the Sarawak side of the border, timber smuggling allegedly takes place in the towns of Serikin (across from the town of Seluas in Bengkayang district), Muara Tebas, Kota Samarahan, Sematan, seas off Satang and Talang, Talang islands, Tebakang near Serian, Tebedu (across from the town of Entikong in Sanggang district) and Jajoi Bambang (Goh, 2003).

There have been a number of estimates at the scale of this cross-border trade, up to 1000 lorry loads per week, 10 000 m³ for June-July 2003. In Kapuas Hulu district alone, the Indonesian forestry office recorded "smuggling" by 23 806 lorries or 95 232 m³ of timber. The species of this timber is believed to be "mainly" meranti (Kurniawan, 2003). However there is an extensive area of Ramin-rich peat swamp forest across the border from Lubok Antu and, as noted, illegal Ramin has been seized at the border.

Since 7th June 2003, the Customs Department Sarawak has required declarations of timber from Indonesia via the Tebedu Checkpoint to be accompanied by a PEB and an SKSHH. Consignments without the documents were to be turned back at the checkpoint. Upon suspicion that these documents were being

forged, Sarawak Customs requested specimens of the signatures of those officials authorised to sign these documents, however their Indonesian counterparts were reportedly not forthcoming.

Lubok Antu has a Customs office, however the town is located some distance from the border. There is no checkpoint at the border - thus increasing the chance of smuggling. Plans to build an integrated border post in Lubok Antu have yet to be implemented.

Furthermore, STIDC has revised its procedures on entry of timber from Indonesia where the consignment will be issued with Application Form for Physical Species Inspection with effect from 4th June 2003. This form is to be distributed to the lorry drivers for them to fill in the particulars of the consignment. The completed form is to be returned to STIDC for endorsement. Endorsement will only be given to if the cargo does not contain Ramin or if it does contain Ramin accompanied by the appropriate CITES certificates.

Import controls in Singapore

The statistics obtained by this study indicate that Singapore imports significant quantities of Ramin. Much of this Ramin is reported to originate in Malaysia, however, the fact that some the Ramin is reported to be in the form of logs and Malaysia does not export Ramin logs raises some questions, notwithstanding the fact that AVA has clarified that the confusion was due to sawn timber being declared wrongly as logs.

In particular, this study found that Singaporean companies import significant quantities of logs from Indonesia via the Jurong Barter Trade Jetty. Field investigations revealed that importers are not required to declare the species of the logs - raising the possibility that some of the logs could be Ramin. Furthermore, some of the log imports were found to be mis-declared as sawn timber. The officials on duty in at the Jurong checkpoint did not verify that the HS Codes on the Customs declaration form matched the cargo. Indeed, there appeared to be some confusion over which HS Code applied for logs and which applied to sawn timber. During the field investigations enforcement officers agreed on the need for more training in this regard.

Import controls in non-range states

Many of the issues encountered by Malaysia and Singapore regarding the enforcement of CITES for Ramin are also faced by non-range states that import Ramin. There are often inadequacies in national legislation when it comes to implementing the provisions of CITES for timber species, especially timber species listed on Appendix III. There are also difficulties created by the fact that there are no specific HS Codes for Ramin in many non-range states (e.g. EU, Taiwan (Province of China), Hong Kong SAR, and Japan etc.).

Re-export of smuggled Indonesian Ramin by Malaysia and Singapore

Overview of re-export of smuggled Ramin

There have been a number of allegations that the CITES management authorities of Malaysia and Singapore knowingly 'launder' illegal Indonesian Ramin in contravention of CITES (Currey, 2001; Lawson, 2004). In this regard, it should be noted that there are instances under CITES where so-called

'laundering' is actually permitted. For example, CITES allows specimens of pre-convention Indonesian Ramin, i.e. that imported prior to CITES, to be re-exported by Malaysia and Singapore.

Furthermore, Malaysia, as a non-Party for processed Ramin, owing to its CITES Reservation, is entitled to export processed Indonesian Ramin without any certificates. In such instances CITES puts the onus on the country importing the processed Ramin from Malaysia to demand the certification - as all Parties to CITES should, so long as they have not also taken out a CITES Reservation to trade in Ramin - rather than on Malaysia to supply the certification in the first instance.

Finally, CITES allows for seized Appendix III specimens to be auctioned and then re-exported using CITES Re-Export Permits. In such cases, the source of the material must be noted as code 'I' which signifies that the specimen was the result of a seizure; the country of origin in such a case normally being stated as 'unknown'. However, it is important to note that nowhere is it permitted to issue CITES country of origin certificates for specimens that actually originate from outside the country issuing the certificate.

Malaysian re-export controls

Overview of Malaysian re-export controls

There is a general lack of awareness of CITES among exporters of timber products and products containing timber parts. This is coupled with the fact that Ramin is not restricted by any Customs export prohibition order. As a result, most exports and re-exports of Ramin processed products probably do not receive any certificates - CITES or non-Party. Furthermore, it is probable that Indonesian Ramin that is smuggled into Malaysia and Singapore is re-exported without any certificates (CITES or non-CITES).

However, perhaps a more serious issue is the allegation that Malaysia actively 'launders' illegal Indonesian Ramin against the provisions of CITES. It was suggested during the TRAFFIC-convened Malaysian Ramin National Workshop that no fail-safe checking mechanism was being used to ensure that Malaysian CITES certificates or Malaysian Non-Party Certificates of Origin were only given for use with genuine Malaysian Ramin. Furthermore, there is the issue of other trade-related documents being issued by Malaysian authorities that give the impression that shipments of Ramin originated in Malaysia. These documents include bills of lading (B/L), invoices as well as country of origin certificates issued by agencies other than the designated competent authority. The meeting supported the proposal that existing chain-of-custody systems could be harnessed to provide guarantees in this regard.

Peninsular Malaysia and Sabah re-export controls

MTIB issues CITES certificates and non-CITES Party Country of Origin certificates for exports of Ramin without verifying that the applicant actually has Ramin of proven Malaysian origin (i.e. no current CITES procedures are in place for monitoring the chain of custody for Ramin harvested in Malaysia). While no infraction is alleged, this opens the door for the possibility that MTIB certificates are used for 'laundering' Ramin that has been smuggled into Malaysia from Indonesia. A similar situation exists where bills of lading and other documentation are given to shipments without verifying that the origin of the cargo is actually Malaysian.

Sarawak re-export controls

A similar situation exists in Sarawak, where the Sarawak Forest Department does not actually verify the chain-of-custody of Ramin that proves the Malaysian origin of the Ramin. As a result Sarawak Forest Department CITES Certificates and Non-Party certificates could also be used for 'laundering'. Likewise other non-CITES certificates of origin such as the STIDC certificate are issued without an audited chain-of-custody. It should be noted there is a precedent for checking the origin of timber before export - STIDC does require log exporters to submit⁵⁰ a **Removal / Transit Pass** issued by the Forest Department (this is of course for logs other than Ramin, because, as mentioned, the export of Ramin logs is banned).

Singaporean re-export controls

There are a number of forms of Ramin that AVA, as the CITES Management Authority of Singapore, can legally issue re-export certificates for:

- Genuine pre-convention Ramin from registered stockpiles
- Malaysian CITES Ramin
- Malaysian Non-Party Ramin
- Indonesian CITES Ramin
- Confiscated Ramin of unknown origin that was the result of a seizure of an illegal cargo, provided source code 'I' is used

However, there are a number of instances where Ramin could be illegal - either Malaysian Ramin imported without any certificates, or Indonesian Ramin imported after the listing without any certificates. In such instances, it would be contrary to CITES for AVA to issue re-export certificates. It is crucial that Ramin from these illegal sources does not get passed of as Ramin from of the stockpile of pre-convention Ramin.

Notwithstanding AVA's clarification that the imports were actually sawn timber, the fact that IE Singapore reported imports of large volumes of Ramin logs from Malaysia (when Malaysia does not report exports) raises the question as to whether illegal Indonesian logs were imported as Malaysian logs. Interviews with the Customs department of the bordering Malaysian state of Johor suggest that there is a possibility that illegal Indonesian Ramin logs are smuggled into Johor and then taken across the causeway into Indonesia as 'Malaysian'.

In this regard it is further noted that there is some confusion as to whether the Singaporean legislation also controls Malaysian Ramin. The schedule of the ESA specifies only Indonesian populations of Ramin, however in practice, AVA state that enforcement is carried out on all sources of Ramin. AVA state that Singapore does control Ramin from Malaysia, requiring every import of Malaysian Ramin to have a Certificate of Origin from Malaysia before importation is allowed (CITES Management Authority of Singapore, *in litt.* to TRAFFIC Southeast Asia, 27 May 2004). Nevertheless, there appears to be some confusion on this matter among some key enforcement officers stationed at entry points to Singapore (TRAFFIC field notes, 2003). Smugglers could be exploiting this confusion to bring illegal Indonesian Ramin into Singapore via Malaysia.

In correspondence to TRAFFIC, Singaporean officials have stated that it is unlikely that it is accepting illegal Indonesian logs under the pretext that they are from Malaysia. The CITES Management Authority of Singapore states that the records of Ramin logs from Malaysia were the result of mis-declarations (Ong Ai Khim, AVA, *in litt.* to TRAFFIC Southeast Asia, 12 May 2004). AVA has shown that it has received CITES-certified Malaysian Ramin *sawn timber* from the ports of Pasir Gudang, Johor; Klang, Selangor; and Sibul, Sarawak, and states that it was never informed of the Malaysian Ramin log export bans, it further states that Ramin importers in Singapore had wrongly declared imports of Ramin *sawn timber* from Malaysia under the HS Codes for Ramin logs (Ong Ai Khim, AVA, *in litt.* to TRAFFIC Southeast Asia, 12 May 2004).

Furthermore, AVA has given the assurance that AVA CITES re-export permits are issued back to back with CITES export permit from the country of origin. In instances where the re-export are pre-convention stock, AVA state that they first ascertain that the company does have pre-convention stock before AVA issues a re-export permit (while AVA maintained a stock register for each company).

As noted, it was reported to the Tri-National Ramin Workshop that 30% of the Ramin registered as imported into Singapore prior to 2002 still remained in Singapore in 2004 (Anon., 2004e). There were a number of questions regarding the monitoring of the stockpile, however, most of these concerns have been addressed by the AVA clarification that only 14.08% of the stockpile remains as of May 2004, this is all in the form of kiln dried sawn timber.

Listing of Ramin *Gonystylus* spp. on CITES Appendix II

Rationale behind Appendix II listing proposal

Given the difficulties with the implementation of CITES with Ramin listed on Appendix III, Indonesia has proposed the listing of Ramin in Appendix II as a further tightening of regulatory controls. CITES Appendix II lists species that are not necessarily threatened with extinction but that may become so unless trade is closely controlled. It also includes species of which the specimens in trade look like those of species listed for conservation reasons (Article II, paragraph 2 of the Convention). International trade in specimens of Appendix-II species may be authorized by the granting an export permit or re-export certificate; no import permit is necessary. Permits or certificates should only be granted if the relevant authorities are satisfied that certain conditions are met, above all that trade will not be detrimental to the survival of the species in the wild.

Factors such as the low level of international understanding regarding the requirements of Appendix III has led Indonesia to consider whether it would be appropriate to propose transferring Ramin to CITES Appendix II to provide more avenues for control such as NDF studies to ensure that trade in Ramin was sustainable. Appendix II is more widely understood and implemented than Appendix III and thus would provide an opportunity for stricter, wider implementation by the Parties to CITES. Furthermore, Appendix II has the additional criteria that Parties ensure that specimens are legally acquired, while under Appendix III the requirement for legality only applies to the listing state.

In April 2004, Indonesia informed the Tri-National Ramin Workshop that it would be willing to propose

such a transfer at the thirteenth meeting of the Conference of Parties to CITES (CoP13) to be held in Bangkok in October 2004⁵¹.

It is worth noting that, while Appendix II listing is sometimes misconstrued as being a trade prohibition, over 90% of the trade in CITES species is that under Appendix II. Appendix II is not intended to curtail the sustainable trade in commercial species - in fact, appropriately issued Appendix II permits can be seen as a form of timber certification that give some degree of an assurance to the buyer as to the legality and sustainability of the specimen.

Objections to Appendix II listing proposal

In response to Indonesia's proposal, Malaysia stated at the Tri-National Workshop that it felt that transferring would not solve the current issues related to Ramin and it felt that Appendix III was the appropriate appendix for Ramin logs and sawn timber. Furthermore, there were still a number of uncertainties as to what Appendix II would entail in terms of the methodology that would be required to carry out NDF for Ramin (NDFs have yet to be required for a mainstream commercial tropical Asian timber species). While the 2001 listing of Big Leaf Mahogany set the precedent for the listing in Appendix II of a significantly traded commercial tropical timber species, Ramin would be a precedent in terms of tropical Asian timber. Although Indonesia has already carried out NDF assessments for PT. Diamond Raya Timber's concession in Sumatra, there were concerns that carrying out NDF for Ramin for the whole of Malaysia would be a much more difficult exercise due to the fact that Malaysia's Ramin habitat is spread out between the east and west coasts of the peninsula as well as in Sabah and Sarawak.

Non-Detriment Findings

If the proposal were to be accepted by CoP13 in October 2004 in Bangkok, Thailand, Ramin would be the first significant commercial tropical Asian timber species to be listed on Appendix II. However, there are already a number of tropical Asian tree species listed, including Agarwood *Aquilaria malaccensis* and Red

Sandalwood *Pterocarpus santalinus* (both listed in 1995). Malaysia is a range state for *A. malaccensis*, therefore the Malaysian Scientific Authority should already be carrying out NDFs for this species. However, Chen and Perumal (2002) report that, despite being a Party to CITES since 1977, Malaysia has yet to establish a functioning Scientific Authority.

The lack of a functioning CITES Scientific Authority has meant that Malaysia has yet to carry out any NDFs. In particular, NDF methodology is not in use for Agarwood. Neither Peninsular Malaysia nor Sarawak carry out NDF for Agarwood (L. Chua, FRIM, *in litt.* to TRAFFIC Southeast Asia, 2003; C.S. Tawan, University Malaysia Sarawak, *in litt.* to TRAFFIC Southeast Asia, 5 June 2003).

Even if a precedent had been set by Agarwood, Ramin harvesting. Therefore, the conduct of NDFs for Ramin is likely to be different. Cognisant of the fact that the Indonesian NDFs were carried out for a limited area, it would nevertheless be helpful to examine the methodology used in these studies. For the NDF study in Indonesia, PHKA established a working group comprising representatives of the Indonesian

⁵¹On 5 May 2004, Indonesia submitted an Appendix II listing proposal for *Gonystylus* spp. for consideration at CITES CoP13, accompanied by Annotation #1, designating coverage for all parts and derivatives.

CITES Scientific Authority (LIPI), Bogor Agricultural University, the Forest Research Centre, Oxygen (a local non-governmental organisation) and PT Diamond Raya Timber. The terms of reference of the group included the provision of input for the establishment of an Annual Allowable Cut (AAC) for Ramin in the PT Diamond Raya Timber concession. The reports of the working group (Anon., 2002c; Anon., 2003e) are to be presented to the Ministry before the end of every calendar year.

The NDF study for Diamond Raya involved a coupe-by-coupe assessment of the regeneration of Ramin following harvesting. This included an analysis of pre-felling and post-felling inventories in each logging coupe to determine the status of the Ramin population in the residual stand. Based on the residual Ramin stem density (for both seedlings and trees), size-class distribution, and damage levels, the NDF team concluded that the current levels of harvest were not detrimental to the survival of the Ramin in the Diamond Raya concession area. The AAC quota (e.g. 8000 m³ for 2002) was set on a stem and volume basis - with the intention of ensuring that a third of the original Ramin stock remained undamaged following the harvest. In order to achieve this intact residual stocking level, the NDF team decided to set the cutting intensity at 30% of the density and volume indicated by the pre-felling inventory (only trees with a diameter at breast height greater than 40 cm). The working group reported that the AAC was intentionally conservative, taking into account the possibility that up to a third of the residual Ramin trees could be damaged during harvesting (Anon., 2002c).

The NDF study for Diamond Raya consisted of very straightforward silvicultural assessments. It would be well within the capability of the Malaysian Forestry Departments to carry out similar studies to determine an appropriate NDF in Malaysia either on a state-level or on an individual licence level.

CONCLUSION

Tri-National

The implementation of CITES Appendix III for Ramin *Gonystylus* spp. in Malaysia, Indonesia and Singapore can be said to be only partially effective at best. Ramin that has been illegally logged in Indonesia still makes its way onto the world market, often via Malaysia and Singapore. There are strong indications that some of this illegal Ramin is traded with permits issued by the CITES Management Authorities in Malaysia and Singapore. Fortunately, there are a number of complementary measures that the three countries can take that would greatly improve the effectiveness of their controls. If the recommendations of this study are acted upon, CITES will start to have the effect that it is intended to have.

Indonesia

The implementation of CITES for Ramin trade in Indonesia is hindered by a lack of co-ordination between the various agencies as well as between the authorities at central, provincial and district levels. The increasingly federal nature of the Republic of Indonesia has led to increased autonomy. This autonomy is hampering the control of logging and the timber trade by central government authorities in Jakarta. Indeed it is with a form of admission that its internal controls have failed that the government of Indonesia turned to the outside world for help. Some argue that CITES was not intended to deal with such problems which

are fundamentally domestic in origin, while others argue that the situation faced by Indonesian Ramin is precisely the kind of problem that CITES Appendix III was designed to address.

Whatever the CITES status of Ramin, the Indonesian authorities will need to ensure that due attention is given to addressing the numerous issues hampering the implementation of CITES at the national level with regards to Appendix III.

Malaysia and Singapore

The governments of both Malaysia and Singapore are keen to show the international community that their countries are responsible trading nations committed to both the spirit, and the letter, of international conventions such as CITES. In this regard, it would be in the interest of these governments to take heed of the numerous issues affecting the full implementation of CITES Appendix III for Ramin - both in terms of tightening import loopholes as well as eliminating the illegal re-export of Indonesian Ramin. Malaysia also needs to consider whether transferring Ramin to CITES Appendix II would offer increased benefits for management controls of its domestic production.

RECOMMENDATIONS

Overview

The following recommendations include those put forward during the national and tri-national workshops held as components of this study (**Annex 12**), as well as recommendations from TRAFFIC. The action points have been re-ordered according to the priority that TRAFFIC feels they deserve. Some of the wording of the workshops' recommendations have been slightly modified with the intention of retaining the original intent.

Tri-National

Taskforce on Ramin trade law enforcement

The governments of Indonesia, Malaysia and Singapore should create a tri-national taskforce on CITES Ramin trade law enforcement to enhance intelligence sharing, enable monitoring of CITES implementation, resolve illegal trade and frame long-term co-operative action. Malaysia has already committed to lead this taskforce (Mohd. Nazuri Hashim Shah, MTIB, in litt. to TRAFFIC Southeast Asia, May 2004), and TRAFFIC strongly encourages Malaysia to publicly announce its commitment to leading the Tri-National Taskforce process, and to set a date to meet with Indonesia and Singapore to discuss implementation. Such a taskforce would provide an avenue for the implementation of the other recommendations of the Tri-National Workshop such as information sharing and co-ordination of collaborative activities. This recommendation still applies whether or not Ramin is transferred to Appendix II, as the fundamental issues regarding the enforcement of CITES at national and tri-national levels would remain the same.

Information sharing

The governments of Indonesia, Malaysia and Singapore should improve existing mechanisms for rapid exchange of information on interdiction of infractions (and to encourage law enforcement) regarding trade in Ramin. While the formation of the Tri-National Taskforce is in progress, interim mechanisms for the exchange of information regarding the trade in Ramin are needed. To a certain extent, contacts facilitated by the Tri-National Workshop should be strengthened and, where necessary, formalised. An e-mail list/group could easily be created as a forum for the discussion of issues related to the enforcement of CITES for Ramin: such a forum could then lead to further mechanisms for bilateral exchange of information.

The governments of Indonesia, Malaysia and Singapore should disseminate information on all national Ramin export and re-export requirements (legislation and procedures for all jurisdictions) to be disseminated to the three countries (and their importing partners) to ensure all relevant agencies are informed of existing regulations and the specific documents that are required to accompany each shipment. The barter trade system as a possible route for smuggling ramin would need to be reviewed and strengthened against being used as an avenue for infractions. This should be a priority once the Tri-National Taskforce and information exchange mechanisms are put in place. As a start, the information contained in this report could be used to form the basis for discussion (although it should not be seen as a substitute for government-to-government communication).

HS Codes and trade statistics

The governments of Indonesia, Malaysia and Singapore should harmonise their Customs HS Codes for Ramin cargoes and products. As a more long-term goal, the three nations should consider ways to harmonise their Customs tariff codes in terms of Ramin products. Indeed, this recommendation applies to all Parties to CITES, and is an area where an intergovernmental organisation such as ASEAN, ITTO, FAO or the CITES Secretariat could possibly assist, as well as relevant NGOs such as TRAFFIC.

The governments of Indonesia, Malaysia and Singapore should clarify statistical data discrepancies through consultation between CITES Management Authorities and Customs departments (to assist enforcement of Appendix III, and to demonstrate actions being taken at the national level). This is perhaps the most difficult recommendation to implement. In some ways it will be helped by the implementation of the recommendations regarding the harmonization of Customs tariff codes. The key will be to increase co-ordination between the various agencies and Customs to ensure the Customs declaration form is filled in correctly as most official statistics are derived from the forms. There is also an urgent need to consolidate national statistics collection, analysis and dissemination to overcome such discrepancies.

Indonesia

Enforcement system

The Government of Indonesia should improve its trade enforcement/monitoring system. These improvements could begin with a review of the current trade enforcement procedures of PHKA and

suggest improvements on the ground. This should include how PHKA in Jakarta monitors the work of PHKA in the provinces, and the communication between BPS and PHKA (as the CITES Management Authority). At the moment there is no monitoring mechanism except the statistics collected by BPS at points of export, but the analysis of statistics that could aid enforcement actions is not carried out. Data collection could also be collected by the provincial PHKA and fed to a central system where analysis is carried out. Data would include official records, enforcement records, and other documentation of work in the Ramin regions.

Stockpile

The Government of Indonesia should re-register the national stockpile of pre-Convention Ramin and decide what to do with the remaining stock. At the Tri-National Workshop convened under this project, delegates from Indonesia stated that they would prefer to see pre-Convention stocks destroyed. This would assist in building confidence that Indonesia is taking and continues to take appropriate measures to control illegal harvest and trade of Ramin.

Information sharing

The Government of Indonesia should disseminate information regarding the enforcement of CITES for Ramin to the relevant enforcement officers. This is urgently needed. The information could be delivered via direct visits and briefing from departments in Jakarta to the provincial offices as well as brochures and leaflets with relevant directives on what the enforcement officers should do in cases of Ramin trade, or illegal trade. Policy and decrees created by various agencies without consultation with each other tend to undermine the controls. The Government of Indonesia should also consider sharing with Malaysia information regarding the methodology used for making Non-Detriment Findings (NDF) for the P.T. Diamond Raya concession.

The Government of Indonesia should mandate the provincial offices of PHKA to monitor the trade in Ramin. This will assist in strengthening the line management control of Ramin trade as the provincial control would report directly to the central PHKA that controls all CITES exports and imports. This should be instituted as a priority.

The Government of Indonesia should improve co-ordination among Ministry of Forestry, MTI, Customs and the National Bureau of Statistics. This action relates to the national level co-ordination between different agencies that have some function in relation to data collection regarding the Ramin trade. Any action suggested by the Co-ordination body should be forwarded to the ground staff to ensure they are able to carry them out promptly.

Barter trade

The Government of Indonesia should resolve the internal problems regarding barter trade issues among the relevant national agencies (Customs and MTI). Barter trade is a procedural loophole for transporting Ramin out of Indonesia to neighbouring countries. No Indonesian documentation appears to accompany barter trade shipments when arriving in neighbouring countries. With few checks either in Indonesia or by neighbours, it is easy to smuggle Ramin using the Barter Trade routes when shipped

among other timber products. Barter trade should be controlled in Indonesia with designated ports, etc., the authorities of which could then monitor the crossings and will have the ability to cross-check with Customs of neighbouring countries.

Malaysia

Import controls

The Government of Malaysia should identify a mechanism to efficiently enforce CITES for imports of logs and sawn timber via co-ordination between Forestry Departments and MTIB in Peninsular Malaysia and Sabah. As a first step, Malaysia should list Ramin under the Customs Orders. This is absolutely crucial in the enforcement of CITES for Ramin in Malaysia. As there are numerous precedents for listing CITES species under the Customs Orders, there should be no barrier to making this the primary response by Malaysia.

In addition to the above, it will be important to identify one Ministry or agency to oversee the enforcement of CITES for Ramin throughout Malaysia. The creation of the new Ministry of Natural Resources and Environment has had a number of desirable consequences, but it poses the dilemma that the enforcement of CITES for Ramin may be even further disjointed.

The Government of Malaysia should increase checks of illegal landing sites in Peninsular Malaysia. It is encouraging to note that checks on illegal landing sites in Peninsular Malaysia have been stepped up since the Tri-National Workshop - these checks are already proving fruitful in uncovering various smuggling operations involving Ramin and other prohibited items. It is hoped that the momentum is kept up and a clear message is sent to smugglers that Malaysia does not accept illegal Ramin.

Export/re-export controls

The Government of Malaysia should design and implement a mechanism to ensure that CITES permits and equivalent certificates are only marked 'Country of Origin: Malaysia' for Ramin of verified Malaysian origin. In order to protect Malaysia's reputation and not jeopardise the legitimate trade in Malaysian timber, an end must be put to the practice of issuing certificates before confirming the country of origin. In this regard, it is noted that Malaysia already has a number of well-established systems that could be used to verify that timber actually originated in Malaysia - with the Forestry Departments able to trace logs back to individual coupes, if not back to the stump. Linking such systems to the issuance of the CITES Certificates would allow verification of Malaysian origin.

The Government of Malaysia should determine the procedure for the disposal of confiscated cargoes of illegal Ramin. The CITES Secretariat confirmed that confiscated cargoes of illegal Ramin can be auctioned off and even re-exported using Malaysian CITES Re-Export Certificates using the code 'I' designating specimens of unknown origin resulting from a seizure.

Inter-agency coordination

The Government of Malaysia should disseminate information on CITES procedures to industry and all relevant government agencies, including Customs, Port Authorities, the Forestry Departments, and Marine Police. It is encouraging to note that MTIB and the Sarawak Forest Department have already taken action in this regard, however, further action is necessary, especially in terms of the requirements on exporters of Ramin parts and derivatives to which Malaysia is a CITES non-Party.

Barter trade and Free Trade Zones

The Government of Malaysia should clarify requirements and procedures for trading timber under the "barter trade"/border trade agreement with Indonesia in Peninsular Malaysia and Sabah. While Customs officials have received a circular from Customs Headquarters regarding the need to check for a CITES permit or certificate with Ramin shipments, it would be appropriate to emphasise that Barter Trade/Border Trade is not exempt from the requirements of CITES.

The Government of Malaysia should determine mechanisms to ensure that Free Zones are not used for laundering illegal Ramin. Steps should be taken to allow enforcement of CITES in the Free Trade Zones (in accordance with the recommendations of CITES Res. Conf. 9.7). In particular, it should be determined whether a listing of Ramin under Schedule 4 of the Customs Import (Prohibition) Order would facilitate such enforcement. If this Order would facilitate control and enforcement, then implementation should be a matter of priority.

The Government of Malaysia should carry out a study to determine the status of Ramin in Malaysia and to develop appropriate silvicultural guidelines for peat swamp forests in general and Ramin in particular. This study should address the current status of Ramin populations and determine the sustainable yield (Annual Allowable Cut) and thus the maximum volume that can be sustainably exported. Should Ramin be listed in CITES Appendix II, this study could be used to form the basis for non-detriment findings. If Ramin remains on Appendix III, such a study would still be useful in ensuring the sustainable management of Ramin in Malaysia, building on the existing management systems. This study could also complement and support the existing National Forest Inventory and State Inventories.

MTIB - Malaysian Timber Industry Board,
SWFD - Sarawak Forest Department
KPU - Ministry of Primary Industries,
FRIM - Forest Research Institute Malaysia,
MTCC - Malaysian Timber Certification Council.
MPIC - Ministry of Plantation Industries and Commodities
MNRE - Ministry of Natural Resources and Environment

Singapore

Taskforce

The Government of Singapore should support the creation of the Tri-National Taskforce on CITES Ramin trade law enforcement. Singapore too would benefit from the formation of the Tri-National Taskforce.

Information sharing

The Government of Singapore should provide statistics regarding its trade in Ramin with Indonesia. Singapore should consider releasing the particulars of its imports of Ramin from Indonesia to ensure transparency and aid enforcement efforts throughout the region.

Training

The Government of Singapore should carry out further training to enable enforcement officers from the relevant agencies, including AVA, Customs and Port Authorities, to adequately perform their duties with respect to the implementation of CITES for Ramin. In particular, courses in timber species identification as well as the use of the HS Codes would appear to be useful. TRAFFIC extends an offer of technical assistance should it be felt to be needed in this regard.

Non-range States

In addition of the need to improve the HS Code system, in particular the Customs tariff codes for CITES specimens, there are a number of areas where non-range States need to play a role in the effective implementation of CITES for Ramin. In general, there needs to be greater emphasis given to Appendix III in national legislation. Failing this, Parties to CITES should objectively consider Indonesia's proposal for transferring Ramin to Appendix II. Furthermore, non-range States generally need to improve their national legislation with regards to enforcement of CITES for plant species generally and timber species in particular.

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ANNEX I

Distribution and status of *Gonystylus* spp.

Species (& Synonyms)	Authority	Status	Distribution
<i>Gonystylus acuminatus</i>	Airy Shaw	NE	South & East Borneo, ?Malaya, ?Sumatra
<i>Gonystylus affinis</i> (syn. <i>G. beccarianus</i> Tiegh.)	Radlk.	NE	Malaya, Southwest Sarawak, ?West Kalimantan, East Sabah
<i>Gonystylus affinis</i> var. <i>elegans</i>	Airy Shaw	NE	
<i>Gonystylus areolatus</i>	Domke ex Airy Shaw	NE	South & East Borneo
<i>Gonystylus augescens</i>	Ridl.	NE	Kuching, Singkawang-Benkayang-Mampawah
<i>Gonystylus bancanus</i> (syn. <i>Aquilaria? bancana</i> Miq., <i>G. miquelianus</i> Teijsm. & Binn.)	(Miq.) Kurz	VU A 1cd	Malaya, Southeast Sumatra, Banka, Borneo, Philippines, Myanmar (NB. peat swamp)
<i>Gonystylus borneënsis</i> (syn. <i>Asclerum borneense</i> Tiegh.)	(Tiegh.) Gilg	NE	Mt Matang, Sandakan, Bt. Pin
<i>Gonystylus brunnescens</i>	Airy Shaw	NE	East Malaya, Borneo (NB. non-inundated)
<i>Gonystylus calophylloides</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus calophyllus</i>	Gilg	NE	SW Sarawak
<i>Gonystylus confusus</i>	Airy Shaw	NE	Malaya, ?East Aceh, Thailand
<i>Gonystylus consanguineus</i>	Airy Shaw	VU A 1cd+2cd	Borneo
<i>Gonystylus costalis</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus decipiens</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus eximius</i>	Airy Shaw	NE	Borneo
<i>Gonystylus forbesii</i> (syn. <i>G. warbugianus</i> Gilg ex Domke)	Gilg	NE	Sumatra, Siberut, Mentawai, South Borneo, Sabah
<i>Gonystylus glaucescens</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus hackenbergii</i>	Diels	NE	
<i>Gonystylus keithii</i>	Airy Shaw	VU A 1cd+2cd	Borneo
<i>Gonystylus lucidulus</i>	Airy Shaw	VU A 1c+2c	NE Sarawak, Brunei
<i>Gonystylus macrophyllus</i> (syn. <i>G. philippinensis</i> Elm., <i>G. obovatus</i> Merr., <i>G. megacarpus</i> C.T. White, <i>G. macrocarpus</i> C.T. White, <i>G. punctatus</i> A.C. Smith)	(Miq.) Airy Shaw	VU A 1cd	See Figure 1 (NB. up to 1500 m)
<i>Gonystylus maingayi</i>	Hook.f.	NE	Malaya, Palembang, North Borneo
<i>Gonystylus micranthus</i>	Airy Shaw	NE	Sarawak, Sabah
<i>Gonystylus nervosus</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus nobilis</i>	Airy Shaw	VU A 1c+2c	
<i>Gonystylus othmanii</i>	C.S. Tawan	NE	Sarawak

ANNEX I (continued)**Distribution and status of *Gonystylus* spp.**

Species (& Synonyms)	Authority	Status	Distribution
<i>Gonystylus pendulus</i>	Airy Shaw	VU A 1c+2c	SW Sarawak
<i>Gonystylus reticulatus</i> (syn. <i>Thea reticulata</i> Elm.)	(Elm.) Merr.	NE	Mindanao (NB. up to 900 m)
<i>Gonystylus spectabilis</i>	Airy Shaw	VU A 1c+2c	Borneo
<i>Gonystylus stenosepalus</i>	Airy Shaw	VU A 1c+2c	Sarawak, Sabah
<i>Gonystylus velutinus</i>	Airy Shaw	NE	Sumatra, Banka, Billiton, ?Borneo
<i>Gonystylus warburgianus</i>	Gilg ex Domke	NE	
<i>Gonystylus xylocarpus</i>	Airy Shaw	VU A 1cd+2cd	Southwest Sarawak & adjacent West Kalimantan

Note: *Gonystylus sympetala* (Domke) is now *Aëtoxylon sympetalum* (Steen. & Domke), while *Gonystylus pluricornis* (Radlk.) is now *Amyxa pluricornis* (Radlk.)

Sources: Soerianegara and Lemmens (1993), van Steenis (1948), Niyomdham and Tarumatsawat (2003) and Anon. (1997)

ANNEX 2

Vernacular names of *Gonystylus* spp.

Name	Species	Location/Language
Anauan	<i>G. macrophyllus</i>	Philippines
Asaua	<i>G. macrophyllus</i>	Philippines
Babingkal	<i>G. velutinus</i>	Borneo
Bakubal	<i>G. forbesii</i>	Borneo
Balang Kulit	<i>G. bancanus</i>	Riau
Banit	<i>G. affinis</i>	West Kalimantan
Banitan	<i>G. confusus</i>	Sumatra
Banitan Nirang	<i>G. forbesii</i>	Sumatra
Batu Raja	<i>G. macrophyllus</i>	Sumatra
Bemban Hitam	<i>G. maingayi</i>	Sumatra
Bengang	<i>G. macrophyllus</i>	West Java
Bepisang	<i>G. keithii</i>	West Kalimantan
Bermiang	<i>G. forbesii</i>	Borneo
Besiluh	<i>G. velutinus</i>	Borneo
Bidaru	<i>G. consanguineus</i>	Sabah
Bidaru	<i>G. maingayi</i>	Brunei
Bitis	<i>G. velutinus</i>	Sumatra
Bunta	<i>G. macrophyllus</i>	Ceram
Busilak	<i>G. macrophyllus</i>	Philippines
Cau-Cau	<i>G. forbesii</i>	Sumatra
Cungkang Adung	<i>G. bancanus</i>	West Kalimantan
Dedarah Putih	<i>G. forbesii</i>	Borneo
Durin Belan	<i>G. velutinus</i>	Bangka
Gaharu Anteru	<i>G. bancanus</i>	Bangka
Gaharu Betul	<i>G. macrophyllus</i>	West Kalimantan
Gaharu Buaya	<i>G. bancanus</i>	Sumatra, West Kalimantan
Gaharu Cempaka	<i>G. macrophyllus, G. brunnescens</i>	West Kalimantan
Gaharu Hidung	<i>G. macrophyllus</i>	West Java
Gaharu Kapas	<i>G. macrophyllus</i>	West Java
Gaharu Melitan	<i>G. xylocarpus</i>	Sarawak
Gaharu Pinang Baik	<i>G. macrophyllus</i>	Sumatra
Gelugor Tawar	<i>G. confusus</i>	Pahang
Gerima	<i>G. brunnescens</i>	Indonesia
Geronggang	<i>G. bancanus</i>	Sumatra
Karai	<i>G. keithii</i>	Sabah
Karu-Karu	<i>G. confusus</i>	Selangor
Kayu Arang	<i>G. keithii</i>	Sabah
Kayu Bulu	<i>G. bancanus</i>	Bangka
Kayu Minyak	<i>G. bancanus,</i> <i>G. velutinus</i>	Sumatra

ANNEX 2 (Continued)

Vernacular names of *Gonystylus* spp.

Name	Species	Location/Language
Kayu Pisang	<i>G. forbesii</i>	Sumatra
Kelat	<i>G. forbesii</i>	Sumatra
Kelat	<i>G. brunnescens</i>	Brunei
Kelembak	<i>G. macrophyllus</i>	Johor
Kilaba	<i>G. macrophyllus</i>	West Java
Kuup	<i>G. forbesii</i>	Borneo
Langging	<i>G. bancanus</i>	Malaya
Lanutan-bagyo	<i>G. macrophyllus</i>	Philippines
Lapis Kulit	<i>G. bancanus</i>	Sumatra
Lemiar	<i>G. brunnescens</i>	West Kalimantan
Lempong	<i>G. velutinus</i>	Borneo
Letung	<i>G. keithii</i>	E Kalimantan
Mahabai Binjak	<i>G. brunnescens</i>	West Kalimantan
Malam	<i>G. velutinus</i>	Belitung
Malindah	<i>G. keithii</i>	Sabah
Mampis	<i>G. bancanus</i>	Malaya
Mangerai	<i>G. macrophyllus</i>	Aru
Mangriau	<i>G. keithii</i>	Sabah
Marantai Kambung	<i>G. forbesii</i>	Sumatra
Marantai Tanduk	<i>G. forbesii</i>	Sumatra
Mata Keli	<i>G. bancanus</i>	Sumatra
Medang	<i>G. forbesii</i>	Sumatra
Medang Belet	<i>G. xylocarpus</i>	West Kalimantan
Medang Kelik	<i>G. brunnescens</i>	West Kalimantan
Medang Keran	<i>G. macrophyllus, G. brunnescens</i>	West Kalimantan
Medang Ramuan	<i>G. macrophyllus</i>	Sumatra
Melingkat Pepah	<i>G. consanguineus</i>	West Kalimantan
Menamang	<i>G. velutinus,</i> <i>G. bancanus</i>	Bangka
Menjan	<i>G. bancanus</i>	West Kalimantan
Mentailang	<i>G. bancanus</i>	Brunei
Merang	<i>G. bancanus,</i> <i>G. forbesii</i>	South & East Kalimantan
Merawan Penak	<i>G. maingayi</i>	Negeri Sembilan
Nameng	<i>G. bancanus</i>	Bangka
Nasi-Nasi	<i>G. brunnescens</i>	Sabah
Ngalin	<i>G. consanguineus</i>	East Kalimantan
Nio	<i>G. macrophyllus</i>	Talud
Nyoreh	<i>G. bancanus</i>	Malaya

ANNEX 2 (Continued)

Vernacular names of *Gonystylus* spp.

Name	Species	Location/Language
Paliu	<i>G. brunnescens</i>	Sabah
Pamalauan	<i>G. macrophyllus</i>	Philippines
Panakuraring	<i>G. macrophyllus</i>	Philippines
Pandit	<i>G. macrophyllus</i>	Philippines
Pauh Balang	<i>G. forbesii</i>	S Kalimantan
Pinang Baik	<i>G. affinis</i>	Malaya
Pinang Muda	<i>G. maingayi</i>	Malacca
Pokok Batu Pasir	<i>G. affinis</i>	Negeri Sembilan
Pucatutup	<i>G. macrophyllus</i>	Mentawai
Pucatutup	<i>G. forbesii</i>	Siberut
Pulai Miyang	<i>G. bancanus</i>	Sumatra
Ramin	<i>G. bancanus</i> , <i>G. velutinus</i> , <i>G. xylocarpus</i>	Brunei, Sarawak
Ramin Dara Elok	<i>G. affinis</i>	Malaya
Ramin Daun Tebal	<i>G. brunnescens</i>	Malaya
Ramin Hitam	<i>G. micranthus</i>	Malaya
Ramin Melawis	<i>G. bancanus</i>	Malaya
Ramin Pinang Muda	<i>G. confusus</i>	Perak
Ramin Pipit	<i>G. maingayi</i>	Malacca
Ramin Telur	<i>G. bancanus</i>	Indonesia
Ramin Telur Melanau	<i>G. velutinus</i>	Sarawak
Ruwala	<i>G. macrophyllus</i>	Aru
Salio Bulug	<i>G. forbesii</i>	Siberut
Sambu Lauan	<i>G. macrophyllus</i>	Philippines
Sampah Songkop	<i>G. keithii</i>	West Kalimantan
Sau Kau	<i>G. keithii</i>	Sabah
Sendaren	<i>G. macrophyllus</i>	West Java
Sepah Peteri	<i>G. maingayi</i> , <i>G. bancanus</i>	Negeri Sembilan
Seriangun	<i>G. brunnescens</i>	West Kalimantan
Serkaja	<i>G. forbesii</i>	Borneo
Setelam	<i>G. bancanus</i>	Sumatra
Sibutuh Bulug	<i>G. forbesii</i>	Siberut
Sirantih Kunji	<i>G. macrophyllus</i>	Sumatra
Siriangun	<i>G. bancanus</i>	West Kalimantan
Sitabai	<i>G. confusus</i>	Sumatra
Songkop	<i>G. keithii</i>	West Kalimantan
Sua Sam	<i>G. bancanus</i>	Chinese

ANNEX 2 (Continued)**Vernacular names of *Gonystylus* spp.**

Name	Species	Location/Language
Tapih	<i>G. forbesii</i>	Sumatra
Tebakau Putih	<i>G. velutinus</i>	Borneo
Tempe-Eng	<i>G. consanguineus</i>	East Kalimantan
Tutong	<i>G. bancanus</i>	Brunei
Udim Abiri	<i>G. macrophyllus</i>	Morotai
Ulu Tupai	<i>G. velutinus</i>	Sumatra

Sources: Soerianegara and Lemmens (1993), van Steenis (1948).

ANNEX 3

Definition of CITES Appendices I, II and III

CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between Governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.

Appendices I, II and III to the Convention are lists of species afforded different levels or types of protection from over-exploitation through a system of permits. Species may be added to or removed from Appendix I and II, or moved between them, only by the Conference of the Parties, either at its regular meetings or by postal procedures (see Article XV of the Convention). But species may be added to or removed from Appendix III at any time and by any Party (although the Conference of the Parties has recommended that changes be timed to coincide with amendments to Appendices I and II).

The names of species in the Appendices may be annotated to qualify the listing. Such specifications can appear next to the species name or in the Interpretation section through a cross-reference (e.g. '#1'). For this reason, the Appendices should always be consulted alongside the interpretation with which they are presented. Parties may enter reservations with respect to any species listed in the Appendices in accordance with the provisions of Articles XV, XVI or XXIII of the Convention.

Around 25 000 plant species and 5000 animal species are covered by the provisions of the Convention, in the following proportions:

- Appendix I: about 600 animal species and 300 plant species;
- Appendix II: about 1400 animal species and 25 000 plant species; and
- Appendix III: about 270 animal species and 30 plant species.

Appendix I lists species that are the most endangered among CITES-listed animals and plants (see Article II, paragraph 1 of the Convention). These are threatened with extinction and CITES generally prohibits commercial international trade in specimens of these species. However trade may be allowed under exceptional circumstances, e.g. for scientific research. In these cases, trade may be authorized by the granting of both an export permit (or re-export certificate) and an import permit. (See Article III of the Convention)

Appendix II lists species that are not necessarily now threatened with extinction but that may become so unless trade is closely controlled. It also includes so-called "look-alike species", i.e. species of which the specimens in trade look like those of species listed for conservation reasons (see Article II, paragraph 2 of the Convention). International trade in specimens of Appendix-II species may be authorized by the granting an export permit or re-export certificate; no import permit is necessary. Permits or certificates should only be granted if the relevant authorities are satisfied that certain conditions are met, above all that trade will not be detrimental to the survival of the species in the wild. (See Article IV of the Convention)

Appendix III is a list of species included at the request of a Party that already regulates trade in the species and that needs the co-operation of other countries to prevent unsustainable or illegal exploitation (see Article II, paragraph 3, of the Convention). International trade in specimens of species listed in this

Appendix is allowed only on presentation of the appropriate permits or certificates. (See Article V of the Convention, below)

CITES Article V:

Regulation of Trade in Specimens of Species Included in Appendix III

1. All trade in specimens of species included in Appendix III shall be in accordance with the provisions of this Article.

2. The export of any specimen of a species included in Appendix III from any State which has included that species in Appendix III shall require the prior grant and presentation of an export permit. An export permit shall only be granted when the following conditions have been met:
 - (a) a Management Authority of the State of export is satisfied that the specimen was not obtained in contravention of the laws of that State for the protection of fauna and flora; and

 - (b) a Management Authority of the State of export is satisfied that any living specimen will be so prepared and shipped as to minimize the risk of injury, damage to health or cruel treatment.

3. The import of any specimen of a species included in Appendix III shall require, except in circumstances to which paragraph 4 of this Article applies, the prior presentation of a certificate of origin and, where the import is from a State which has included that species in Appendix III, an export permit.

4. In the case of re-export, a certificate granted by the Management Authority of the State of re-export that the specimen was processed in that State or is being re-exported shall be accepted by the State of import as evidence that the provisions of the present Convention have been complied with in respect of the specimen concerned.

The full text of the Convention and the Appendices can be found on the CITES website:

<http://www.cites.org/eng/disc/text.shtml>

<http://www.cites.org/eng/append/appendices.shtml>

Source: CITES Website (Viewed on 2 December 2003)

ANNEX 4

Participants of the National and Tri-National Workshops

Annex 4.1. List of Participants of the Malaysia National Workshop

Name	Organization	Email
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Dariush Kahrobaei	MDK Asia Sdn. Bhd.	
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Florence Gawing (Ms.) - Secretary	MWMJC	
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Lall Singh Gill (Mr.) - Executive Secretary	MWMJC	
Lee Beng Chuan (Mr.)	Modern Timber Products Sdn. Bhd.	

ANNEX 4 (continued)**Participants of the National and Tri-National Workshops****Annex 4.1. List of Participants of the Malaysia National Workshop**

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Razani bin Ujang -pengarah	Forestry Department Selangor	
S. Ganeson (Mr.) - Principal Assistant Secretary	Ministry of Foreign Affairs	
Samsudin Musa (Dr.)	FRIM	
Shaharum Ibrahim (Major) - Depot Manager	Harwood Timber	
Shamsudin Ibrahim (Dr.)	FRIM	
Simon Lim	Scenic Mouldings M'sia Sdn Bhd	
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ANNEX 4 (continued)

Participants of the National and Tri-National Workshops

Annex 4.1. List of Participants of the Malaysia National Workshop

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*Shaded names denote absence

Annex 4.2

List of Invitees to Malaysian National Workshop

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Annex 4.3

List of Invitees to Tri-National Workshop

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1. Malaysian Timber Industry Board
2. Sarawak Forest Department, Malaysia
3. Department of Wildlife and National Parks, Peninsular Malaysia
4. Directorate General of Forest Protection and Nature Conservation, Indonesia
5. Singapore Agriculture and Veterinary Administration
6. Directorate General of the Environment, European Union
7. State Department of the United States of America
8. CITES Management Authority for China
9. CITES Management Authority for Japan
10. CITES Management Authority for Italy
11. CITES Management Authority for Germany
12. CITES Management Authority for United Kingdom

Other Government Representatives

13. Ministry of Foreign Affairs, Malaysia
14. Ministry of Primary Industries, Malaysia
15. Ministry of International Trade and Industry, Malaysia
16. Ministry of Science, Technology and Environment, Malaysia
17. Royal Malaysian Customs and Excise Department
18. Forestry Department Headquarters, Peninsular Malaysia
19. Sarawak Timber Industry Development Corporation, Malaysia
20. Sarawak Forestry Corporation Sdn. Bhd., Malaysia
21. Ministry of Foreign Affairs, Indonesia
22. Directorate General Forest Harvesting (BPK), Indonesia
23. Directorate General of Customs and Excise, Indonesia
24. Directorate General of International Trade, Indonesia
25. Provincial Forest Office, East Kalimantan, Indonesia
26. Provincial Forest Office, South Sumatra, Indonesia
27. Ministry of Foreign Affairs, Singapore
28. Ministry of Trade, Singapore
29. International Enterprise, Singapore
30. Customs and Excise Agency, Singapore
31. Jurong Port Authority, Singapore
32. Singapore Agriculture and Veterinary Administration, Plant Control Division
33. United Kingdom High Commission to Malaysia

Trade Representatives

34. Malaysian Timber Council
35. Sarawak Timber Association, Malaysia
36. Indonesian Timber Association (APKINDO)
37. Uniseraya Group, Indonesia/Singapore

38. Singapore Timber Exporters' Association
39. Singapore Timber Manufacturers' Association
40. Singapore Furniture Industries Council
41. Timber Trade Federation, United Kingdom

Other Representatives

42. International Tropical Timber Organisation
43. World Bank
44. CITES Secretariat

TRAFFIC Participants/Secretariat

45. TRAFFIC International
46. TRAFFIC Europe
47. TRAFFIC Southeast Asia
48. Malaysian Consultant to TRAFFIC Southeast Asia
49. Indonesian Consultant to TRAFFIC Southeast Asia
50. Workshop Facilitator
51. Workshop Secretariat Staff

Annex 4.3

List of Participants at Tri-National Workshop

No.	Name	Organization
1	Abdullah Ma'amor bin Ibrahim	Ministry of Foreign Affairs, Malaysia
2	Ahmad Loman	Ministry of Plantation Industries and Commodity, Malaysia
3	Ahmad Naziri	Sarawak Timber Industry Development Corporation (STIDC)
4	Aimi Lee Abdullah	Malaysian Timber Council
5	Amarjit Singh	Ministry of Foreign Affairs, Malaysia
6	Amha bin Buang	ITTO
7	Azhar Noraini	Ministry of Natural Resources and Environment, Malaysia
8	Azura Muhamad	Port Klang Authority
9	Bintoro R. (Head of Forest Protection Division)	DG Forest Protection and Nature Conservation, Indonesia
10	Bernhard von der Heyde	ASEAN Secretariat
11	Bryan Lee	Uniseraya
12	Burhanuddin Mohd Noor	Department of Wildlife and National Parks, Malaysia
13	Chai Kam Ching	Malaysian Timber Council
14	Chen Hin Keong	TRAFFIC International
15	Chew Lye Teng	Malaysian Timber Certification Council
16	Chin Yue Mun (Director Of Enforcement)	Forestry Department Peninsular Malaysia (FDPM)
17	Dewijana Ng (Executive Vice President)	Uniseraya
18	Djati Witjaksono Hadi (Head of Traffic Control Division)	DG Forest Protection and Nature Conservation, Indonesia
19	Halimah Salleh	Royal Malaysian Customs HQ
20	James Compton (Regional Director)	TRAFFIC Southeast Asia
21	Jennyfer Lee	Malaysian Timber Council
22	Jeremy Pilmore-Bedford	UK High Commission
23	Julia Ng	TRAFFIC Southeast Asia
24	Jumat Ahmad (Mr.) - Deputy Director Strategic Planning	Malaysian Timber Industry Board
25	Khaizatul Azreen	Northport (Malaysia) BHD
26	Lee Fook On	Singapore Agri-food and Veterinary Administration
27	Mohd. Zulkarnain A. Kadir	Ministry of Plantation Industries and Commodity, Malaysia
28	Mohidin Zailani Hj. Kram	Sarawak Timber Industry Development Corporation (STIDC)
29	Njoto Suhardjojo	Badan Revitalisasi Industri Kehutanan
30	Ong Ai Khim	Singapore Agri-food and Veterinary Administration
31	Patrick Mcneil (Environment, Science and Technology Officer)	US Embassy
32	Ponco Widodo	DG of Customs and Excise, Indonesia
33	Rahimi Othman	Forestry Department Peninsular Malaysia (FDPM)
34	Samedí (Head of Convention Division)	DG Forest Protection and Nature Conservation, Indonesia
35	Sheema Abdul Aziz	TRAFFIC Southeast Asia
36	Sirajul Alam	Dinas Kehutanan dan Perkebunan Kabupaten Kapuas Hulu, Indonesia

Annex 4.3

List of Participants at Tri-National Workshop

No.	Name	Organization
37	Sri Hardono	Dinas Kehutanan dan Perkebunan Kabupaten Rokan Hulu, Indonesia
38	Sri Muhunan	Port Klang Authority
39	Steve Nash	CITES Secretariat
40	Sunarno Trisunoko	DG International Trade, Indonesia
41	Tonny Soehartono	Consultant to TRAFFIC SEA
42	Wan Suhelmi B.	Dinas Kehutanan dan Perkebunan Kabupaten Bengkalis, Indonesia
43	Widodo Ramono (Director of Biodiversity Conservation)	DG Forest Protection and Nature Conservation, Indonesia
44	Yong Teng Koon	Malaysian Timber Certification Council
45	Zahari Hamid - Senior Enforcement Officer	Malaysian Timber Industry Board

ANNEX 5:

Relevant sections of legislation pertaining to CITES implementation for Ramin in Indonesia

Decree of the Minister of Forestry No. 127/Kpts-V/2001 Dated April 11, 2001. The Moratorium on the Logging and Trade of White Wood (*Gonystylus* spp.).

The Minister of Forestry,

Considering :

- a. that the illegal felling of wood covering white wood (*Gonystylus* spp.) has spread out to conservation areas;
- b. that white wood (*Gonystylus* spp.) has been traded nationally and internationally;
- c. that in order to prevent the illegal felling or illegal trade from spreading out, it needs supervision through law enforcement by observing the mechanism of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- d. that in relation to thereto, and in the framework of ensuring the orderly exploitation of white wood (*Gonystylus* spp.), it is necessary to stipulate a moratorium on the logging and trade of the wood by issuing a decree of the Minister of Forestry;

In view of :

1. Law No. 5/1990;
2. Law No. 5/1994;
3. Law No. 41/1999;
4. Government Regulation No. 7/1999;
5. Government Regulation No. 8/1999;
6. Presidential Decree No. 43/1978;
7. Presidential Decree No. 289/M/2000;
8. Presidential Decree No. 177/2000 jo. Presidential Decree No. 38/2001;
9. Decree of the Minister of Forestry and Plantations No. 002/Kpts-II/2000.

DECIDES :

To stipulate :

Article 1 (1) All activities of logging of white wood (*Gonystylus* spp.) through permanent forest areas, areas of forest convertible into right forest shall be stopped provisionally (moratorium). (2) The domestic trade and export of the wood shall be stopped.

Article 2 Every body shall be prohibited from felling or releasing white wood (*Gonystylus* spp.) from its habitats located in both forests already charged by management rights or areas of other forests.

Article 3 (1) White wood (*Gonystylus* spp.) in the form of logs which are acquired before the stipulation of this decree shall be prohibited from being traded. (2) White wood (*Gonystylus* spp.) in the form of processed wood (sawn timber, panel etc) being stocks which is processed before the stipulation of this decree can be traded in the country after securing a license from the Minister. (3) The stocks as meant in

paragraph (2) are measured in accordance with the provisions in force. (4) Further provisions on the trade and distribution of the wood as meant in paragraphs (1) and (2) are stipulated by the Director General of Forestry Production Development and the Director General of Forest Protection and Natural Conservation.

Article 4 (1) Heads of Provincial Forestry Service of Heads of Regency/City Forestry Service and Heads of Natural Resources Conservation Centers/Units shall make inventories of and measures stocks of logs and processed wood which are felled or produced before the stipulation of this decree. (2) The stock of wood resulting from the making out of inventories and measurements as meant in paragraph (1) must be promptly frozen and safeguarded in places of the owners to prevent the volume from increasing or reducing. (3) Results of the inventories and measurement as meant in paragraph (1) and the freezing and safeguarding as meant in paragraph (2) shall be reported to the Minister not later than 30 (thirty) days as from the date of stipulation of this decree.

Article 5 Heads of Provincial Forestry Service of Heads of Regency/City Forestry Service and Heads of Natural Resources Conservation Centers/Units shall socialize this decree to all holders of Forest Concessions (HPH), Business Licenses to Exploit Areas, Business Licenses to Exploit Timber Forest Products, Licenses to Collect Timber Forest Products and communities.

Article 6 Provisions on the conservation and exploitation of white wood (*Gonystylus* spp.) shall be stipulated later.

Article 7 This decree shall come into force as from the date of stipulation.

Decree of the Minister of Forestry No. 168/Kpts-Iv/2001 Dated June 11, 2001. The Utilization and Distribution of White Wood (*Gonystylus* Spp).

The Minister of Forestry,

Considering :

- a. that in connection with the issuance of the Decree of the Minister of Forestry concerning a moratorium on the logging and trade of white wood (*Gonystylus* spp.), the utilization and distribution of white wood need further stipulation;
- b. that in relation to the matter in point a above, it is necessary to stipulate a decree of the Minister of Forestry on the utilization and distribution of white wood (*Gonystylus* spp.).

In view of :

1. Law No. 5/1990;
2. Law No. 5/1994;
3. Law No. 41/1999;
4. Law No. 23/1997;
5. Government Regulation No. 28/1985;
6. Government Regulation No. 6/1999;
7. Government Regulation No. 7/1999;

8. Government Regulation No. 8/1999;
9. Government Regulation No. 20/2001;
10. Presidential Decree No. 43/1978;
11. Presidential Decree No. 289/M/2000 jo. Presidential Decree No. 86/M/2000;
12. Presidential Decree No. 177/2000 jo. Presidential Decree No. 38/2001;
13. Decree of the Minister of Forestry No. 402/Kpts-IV/1990 jo. Decree of the Minister of Forestry No. 525/Kpts-II/1999;
14. Decree of the Minister of Forestry and Plantations No. 132/Kpts-II/2000;
15. Decree of the Minister of Forestry No. 123/Kpts-II/2001;
16. Decree of the Minister of Forestry No. 127/Kpts-V/2001.

DECIDES :

To stipulate :

Article 1 Referred to in this decree as :

1. White wood (*Gonystylus* spp.) shall be white wood in the form of log, sawn timber, wood working and furniture components;
2. Stocks of white wood shall be stocks of log, sawn timber, wood working and furniture components resulting from the inventory and measurement;
3. Owners of white wood shall be business entities or individuals controlling or passing logs in logponds/TPK/TPn and/or sawn timber, wood working and furniture components of white wood in both upstream and downstream timber processing industries;
4. Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) shall be an international convention under the United Nations administration aimed at helping conserve species of flora and fauna in their natural habitats by means of controlling their international trade;
5. Non-commercial distribution of white wood shall be the distribution in the interest of (scientific) research, education and exchange of specimens between scientific institutions;
6. Independent assessor shall be somebody or an institution or statutory body entitled to carry field assessment in the framework of evaluating the performance of a managerial unit for certification of preservatively production-forest management.

Article 2

- (1) Holders of Forest Concessions (HPH) having white wood in their concession areas and already securing the endorsement of Annual Working Plants for Forest Concessions (RKT PH) or Annual Working Charts of Forest Concessions (BKT PH) for 2001 shall be prohibited from felling white wood as from April 11, 2001.

- (2) Heads of the Provincial Forestry Service shall revise RKT PH and BKT PH for 2001 with the production target of 0 (nil).
- (3) Holders of Licenses to Utilize Wood (IPK) and Rights to Collect Forest Products/Licenses to Collect and Utilize Wood (HPHH/IPPK) shall be prohibited from felling white wood as from April 11, 2001.
- (4) The provision as meant in paragraph (1) shall not apply to holders of HPH already securing Certificates of Preservatively Natural Forest Management (SPHAL) from independent agencies or Indonesian ecolabeling institutions.
- (5) The holders of HPH as meant in paragraph (4) already securing the endorsement of RKT PH for 2001 can fell white wood (*gonystylus* spp.) up to the date of expiration of the relevant RKT PH.
- (6) Independent assessors co-ordinated by the Indonesian Science Institute (LIPI) as the scientific authority shall reevaluate potentials of cluster areas of white wood in the HPH areas meant in paragraph (4) before formulating RKT PH for 2002.
- (7) In the case of the independent assessors as meant in paragraph (6) being not stipulated yet, LIPI shall reevaluate potentials of cluster areas of white wood.

Article 3

- (1) Stocks of white wood resulting from the inventory and measurement which have been executed up to May 31, 2001 as attached to this decree can be utilized for the domestic need and export up to August 5, 2001 in accordance with the provisions in force.
- (2) Any change in the form of stocks due to the processing into other products shall be reported to the authorized forestry officials and subsequently followed by inspection as well as making out an official report.
- (3) Owner of stocks shall be prohibited from increasing stocks unless the additional stocks come from mutation among the owners of stocks as meant in Article 3 paragraph (1).
- (4) The utilization of stocks for the domestic need and export shall be maximally as many as the volume mentioned in the list of attachments as meant in paragraph (1), which is controlled through the issuance of Certificate of Validity of Forest products (SKSHH).
- (5) Head of the Provincial Forestry Service shall control the distribution of white wood as meant in paragraphs (1) and (2) and report the following matters to the Minister of Forestry with a copy made available to the Director General of Forestry Production Development and the Director General of Forest Protection and Natural Conservation :
 - a. on July 9, 2001, the realization of utilization;
 - b. on August 5, 2001, the realization of the utilization and remainder of stocks as of August 5, 2001.

Article 4

- (1) The remainder of stocks originating from HPH already securing the SPHAL as meant in Article 2 paragraph (4) after August 5, 2001 can be utilized for the domestic need and export.
- (2) The distribution and utilization of stocks of white wood coming from HPH already securing the SPHAL as meant in paragraph (1) as from August 6, 2001 shall follow the provisions in force, in the case of the domestic need and procedures for CITES licensing, in the case of the export.

Article 5

The distribution and utilization of white wood as meant in Article 4 for commercial purposes shall be regulated as follows :

- a. the distribution and utilization of white wood in the country must be accompanied SKSHH issued by officials issuing SKSHH;
- b. in the case of the export, Documents on Transport of Wild Plants and Animals to Other Countries (SATS-LN) are issued to companies mentioned in the list of attachments as meant in Article 3 paragraph (1) that obtain raw materials from HPH already securing the SPHAL as meant in Article 2 paragraph (4);
- c. in order to obtain SATS-LN, companies are obliged to submit applications to the Director General of Forest Protection and Natural Conservation by accompanying certificates of origin of raw materials (SKSHH) and recommendations from the Provincial Forestry Service.

Article 6

Based on the applications and the requirements as meant in Article 5, the Director General of Forest Protection and Natural Conservation shall issue SATS-LN in accordance with CITES provisions.

Article 7

Institutions or agencies are allowed to utilize and distribute white wood in other countries for non-commercial purposes with the maximum volume of 5 m³ (five cubic meters) by means of submitting applications to the Director General of Forest Protection and Natural Conservation along with recommendations from LIPI.

Article 8

- (1) With the enforcement of this decree, the provisions in Article 1 paragraph (2), Article 2, Article 3 and Article 4 of Decree of the Minister of Forestry No. 127/Kpts-V/2001 as well as other provisions contravening this decree shall be declared null and void.
- (2) This decree shall come into force as from the date of stipulation.

ANNEX 6:

Relevant sections of legislation pertaining to CITES implementation for Ramin in Malaysia

Federal Constitution

First introduced as the Constitution of the Federation of Malaya on Merdeka Day : 31st August 1957.
Subsequently introduced as the Constitution of Malaysia on Malaysia Day : 16th September 1963.

...

Article 74. Subject matter of federal and State laws.

- (1) Without prejudice to any power to make laws conferred on it by any other Article, Parliament may make laws with respect to any of the matters enumerated in the Federal List or the Concurrent List (that is to say, the First or Third List set out in the Ninth Schedule).
- (2) Without prejudice to any power to make laws conferred on it by any other Article, the Legislature of a State may make laws with respect to any of the matters enumerated in the State List (that is to say, the Second List set out in the Ninth Schedule) or the Concurrent List.

Article 76. Power of Parliament to legislate for States in certain cases.

- (1) Parliament may make laws with respect to any matter enumerated in the State List, but only as follows, that is to say:
 - (a) for the purpose of implementing any treaty, agreement or convention between the Federation and any other country, or any decision of an international organisation of which the Federation is a member; or
 - (b) for the purpose of promoting uniformity of the laws of two or more States; or
 - (c) if so requested by the Legislative Assembly of any State.

...

- (3) Subject to Clause (4), a law made in pursuance of paragraph (b) or paragraph (c) of Clause (1) shall not come into operation in any State until it has been adopted by a law made by the Legislature of that State, and shall then be deemed to be a State law and not a federal law, and may accordingly be amended or repealed by a law made by that Legislature.

...

Article 77. Residual power of legislation.

The Legislature of a State shall have power to make laws with respect to any matter not enumerated in any of the Lists set out in the Ninth Schedule, not being a matter in respect of which Parliament has power to make laws.

Ninth Schedule (Article 74, 77) 'Legislative Lists'

List I - Federal List

...

8. Trade, commerce and industry, including-

...

(b) Imports into, and exports from, the Federation;

...

List II - State List

3. Except with respect to the Federal Territories of Kuala Lumpur, Labuan and Putrajaya, agriculture and forestry, including-

...

(b) Forests.

Customs Act 1967 (Act 235, Laws of Malaysia)

31(1) The Minister may, by order -

(a) prohibit the importation into, or the exportation from, Malaysia or any part thereof, either absolutely or conditionally, or from or to any specified country, territory or place outside Malaysia, or the removal from one place to another place in Malaysia of any goods or class of goods ...

Customs (Prohibition of Imports) Order 1998 (PU (A) 210/98)

Second Schedule (goods which may not be imported into Malaysia except under an Import Licence)

(1) <i>Item No.</i>	(2) <i>Description of Goods</i>	(3) <i>Heading/ Subheading Number</i>	(4) <i>Country</i>	(5) <i>Ministry/ Department/ Statutory Body Issuing</i>
6	Wood in the rough, whether or not stripped of its bark or merely roughed down; wood, roughly squared or half-squared, but not further manufactured	44.03	All countries	Ministry of International Trade and Industry [<i>sic</i>]

Note: amended by Customs (Prohibition of Imports) (Amendment) Order 2000 (PU (A) 190/2000)

Customs (Prohibition of Exports) Order 1998 (PU (A) 211/98 respectively)

Second Schedule (goods which may not be exported except under an Export Licence)

(1) <i>Item No.</i>	(2) <i>Description of Goods</i>	(3) <i>Heading/ Subheading Number</i>	(4) <i>Ministry/ Department/ Statutory Body Issuing Licence</i>
28	Logs, sawn timber, moulding, plywoods, veneer chips or partical boards, fibre boards, wood chips and groundwood	4401.21 000, 4401.22 000, 44.03, 44.04, 4405.00, 44.06, 44.07, 44.08, 44.09, 44.10, 44.11, 44.12, 4413.00 000, 4420.90 110, 4420.90 191, 4420.90 199	Malaysian Timber Industry Board

25-Jun-02 Malaysia implements a ban on imports of logs from Indonesia
01-Jun-03 Malaysia implements a ban on imports of flitches from Indonesia
11-Apr-03 Customs Directive

Malaysian Timber Industry Board (Incorporation) Act 1973

Part II (Establishment of the Board) [in force throughout Malaysia]

Section 12. Functions and powers of the Board.

(1) The functions of the Board are - (a) to regulate and control the trade in, and the marketing and distribution of, timber;

Part III (Regulation of the Timber Industry) [in force in Peninsular Malaysia and Sabah]

Section 13. Prohibition and penalty.

(1) No person shall export timber or carry on business as an exporter unless he is registered under this Act as an exporter.

...

(7) Any person who contravenes any of the provisions of this section is guilty of an offence and is liable on conviction to a fine not exceeding twenty thousand ringgit or to imprisonment for a term not exceeding three years or to both.

Part V (Miscellaneous) [in force in Peninsular Malaysia and Sabah]

...

Section 35. Power of Minister to issue directives.

(1) The Board shall be responsible to the Minister and the Minister may, from time to time, issue directives on any aspect of the functions of the Board and any such directive shall be binding on the Board.

National Forestry Act 1984 (Act 313, Laws of Malaysia)

An Act to provide for the administration, management and conservation of forests and forestry development within the States of Malaysia and for connected purposes.

...

Section 68. Removal pass.

(1) No person shall have in his possession, custody or control any forest produce unless he is in possession of a removal pass for the removal of such forest produce.

...

Section 85. Removal pass required for inter-State movement of forest produce.

(1) No person shall bring into the State from any other State any forest produce unless he is in possession of a valid removal pass issued by an authorized officer of the other State.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall on conviction be liable to a fine not exceeding fifty thousand ringgit or to imprisonment for a term not exceeding five years or to both such fine and imprisonment.

Wood-Based Industries (State Legislatures Competency) Act 1984

An Act to confer on State Legislatures authority to pass laws with respect to the establishment and operation of wood-based industries.

Forests Ordinance 1954 (Chapter 126, Laws of Sarawak)

An Ordinance to provide for the protection and management of the forests of Sarawak, and to regulate the taking of forest produce.

...

96 (1) The Director [of Forests], with the approval of the Minister, may by order in the [Sarawak Government] Gazette-

...

(b) regulate or prohibit the export of any specified kind, form, grade or quantity of timber or other forest produce: Provided that any order made under this paragraph shall not be inconsistent with any regulations made under the Customs Act 1967.

...

(2) Any such order may provide that the contravention of any of the provisions thereof shall

constitute an offence and may provide for the punishment of any such offence by penalties not exceeding imprisonment for a term of five years and a fine of twenty-five thousand ringgit.

Wild Life Protection Ordinance 1998 (Chapter 26, Laws of Sarawak)

31. Any person who imports into or exports out of the State ... any wild plant specified in Part III of the Second Schedule, except under and in accordance with the terms and conditions of a licence issued by the Controller, shall be guilty of an offence: Penalty, imprisonment for one year and a fine of two thousand ringgit or five times the value of ... any wild plant imported or exported, whichever is greater.

...

Second Schedule, Part III (Section 31), Plants which may be imported or exported under licence

All plants, other than totally protected plants.

Forest Enactment 1968 (Sabah No. 2 of 1968)

An Enactment to repeal and replace the law relating to the preservation of forests and the regulation and control of dealings in forest produce; and for matters connected therewith and incidental thereto.

...

42. Rules.

(1) The Minister may make rules

...

(b) relating to forest produce generally, and in particular-

...

(iii) regulating or prohibiting the export⁵² of any forest produce and prescribing any fees and payments payable in respect thereof;

⁵²NB. *Sarawak's Forests Ordinance 1954* s. 96 (1) (b) and *Sabah's Forest Enactment 1968* s. 42 (1) (b) (iii) both appear to be *ultra vires* Article 74 (2) of the 1957 *Federal Constitution*

ANNEX 7:

Relevant sections of legislation pertaining to CITES implementation for Ramin in Singapore

Endangered Species (Import and Export) Act 1989

(Chapter 92A, Laws of Singapore)

An Act to give effect to the Convention on International Trade in Endangered Species of Wild Fauna and Flora by controlling the importation, exportation and introduction from the sea of certain animals and plants and parts of such animals and plants and for matters connected therewith.

...

4. -(1) No person shall import, export, re-export or introduce from the sea any scheduled species [see Third Schedule below] without a permit.

(2) No person shall have in his possession, under his control, sell, offer or expose for sale, or display to the public any scheduled species which has been imported or introduced from the sea in contravention of subsection (1).

(3) Any person who contravenes subsection (1) or (2) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 [USD2900] or to imprisonment for a term not exceeding one year or to both and, in the case of a second or subsequent conviction, to a fine not exceeding \$10,000 [USD5800] or to imprisonment for a term not exceeding one year or to both.

...

Third Schedule, Part II (Species Listed in Appendix III Of Cites) (incorporating Amendment S 512/2001) reads as follows:

<i>First column</i>	<i>Second column</i>	<i>Third column</i> <i>(Common name for</i> <i>information only)</i>	<i>Fourth column</i> <i>(Country of origin of</i> <i>species)</i>
THYMELAEACEAE (Aquilariaceae)	Gonystylus spp. #1	Ramin	Indonesia

Part III (Interpretation of notations under the second column of this schedule) reads as follows:

The symbol (#) followed by a number placed against the name of a species or higher taxon included in this Schedule designates parts or derivatives as follows:

#1 = Designates all parts and derivatives, except:

(a) seeds, spores and pollen (including pollinia);

(b) seedling or tissue cultures obtained in vitro, in solid or liquid media, transported in sterile containers; and

(c) cut flowers of artificially propagated plants.

Customs Act 1960 (Chapter 70, Laws of Singapore)

PART IV (Importation and Exportation)

Power to prohibit imports and exports

38. -(1) The Minister may, by notification in the Gazette, prohibit, absolutely or conditionally, the importation into, or exportation from, Singapore of such dutiable goods as are specified in the notification.

ANNEX 8:

Harmonised System of Customs Classification (HS Codes) Making Specific Reference to "Ramin" Used by Singapore and Malaysia

Efforts are underway to harmonise the HS Codes among the ASEAN nations. These efforts are part of the ASEAN Free Trade Area (AFTA) initiative. Since its first signing in 1992 the AFTA tariff reduction agreement has been broadened and accelerated, and a host of 'AFTA Plus' activities initiated. These AFTA Plus activities include efforts to harmonize Customs nomenclature valuation and procedures as well as to eliminate non-tariff barriers. In particular, the 2002 ASEAN Harmonised Tariff Nomenclature (AHTN) harmonises 10 800 tariff lines from all ten ASEAN member countries at the eight-digit level. Singapore switched from its original 9-digit HS codes to the 8-digit HS Codes based on the AHTN codes effective from 1 January 2003. Indonesia and Malaysia are also making progress towards switching to the AHTN HS Codes. The relevant codes in use at the time of this study are listed below.

I. HS Codes used in Singapore

HS Code	Description
44034931	Pulpwood of Ramin in the Rough
44034932	Baulks of Ramin in the Rough
44034933	Sawlogs & Veneer Logs of Ramin in the Rough
44034934	Sawlogs & Veneer Logs of Ramin Roughly Squared
44034935	Pit-Props (Mine Timber) of Ramin in the Round
44034936	Poles Piles & Other Wood of Ramin in the Round
44034939	Other Ramin Wood in the Rough NES
44072951	Ramin Wood Sawn Sliced or Peeled Over 6mm Thick Planed
44072952	Ramin Wood Sawn Sliced or Peeled Over 6mm Thick Sanded or End-Jointed
44072959	Other Ramin Wood Sawn Sliced Or Peeled Over 6mm Thick NES
440729500	Ramin sawntimber (9-digit code used prior to 31 December 2002)

Source: www.tradenet.gov.sg

II. 9-Digit HS Codes used in Malaysia

HS Code	Description
440349310	Ramin: pulpwood
440349320	Ramin: baulks
440349331	Ramin: sawlogs and veneer logs: in the rough
440349332	Ramin: sawlogs and veneer logs: roughly squared
440349340	Ramin: round pit-props (mine timber)
440349350	Ramin: poles, piles and other round wood
440349390	Ramin: other wood in the rough, whether or not stripped of bark or sapwood, or roughly squared
440729120	Decks: of Ramin

Source: Malaysian Customs Tariff (Harmonized System) on Import/Export Duty (Incorporating all Amendments as at 1st January 1999)

III. 9-Digit HS Codes used in Indonesia

HS Code	Description
440310220	Wood in the rough, treated with paint, stains, of Ramin
440349400	Ramin logs
440729120	Sawn lengthwise but not planed, sanded or finger-jointed
440729220	Sliced or peeled but not planed of Ramin
440729320	Parquet flooring of Ramin
440729920	Other forms of Ramin
440920913	Ramin mouldings (S2S, S4S, E4E) and Ramin decorative timbers
440920923	Ramin dowels
440929993	Ramin moulding (profile) and Ramin finger-jointed timbers

Source: Indonesian National Bureau of Statistics (BPS) 2002

ANNEX 9: The "unofficial" Lee-Suharto 1976 trade-statistics agreement

In the second volume of his memoirs (Lee, 2000), Singaporean Senior Minister Lee gives an account of the 1976 agreement and the context in which it was reached:

"To support his diplomacy with the Afro-Asian world [Sukarno] had a sharp if opportunistic foreign minister in Dr Subandrio. During 1963 Subandrio often saw me in Singapore, whenever he was in transit. As the formation of Malaysia became imminent, he began talking in arrogant terms. Sitting beside me on a settee in my office at City Hall one morning, he tapped my knee and waved his hand at the window to say, "Look at all the tall buildings in Singapore. They are all built with Indonesian money, stolen from Indonesians through smuggling. But never mind, one day Indonesia will come here and look after this country and put this right." By "smuggling", Subandrio was referring to exports through Singapore by their own merchants who evaded Indonesian taxes and foreign exchange requirements." (p. 294-295)

"When Suharto visited Singapore, unofficially, on 29 November 1976 ... I agreed to provide him, unofficially, with our trade statistics to help them curtail "smuggling", but asked that they should not be made public. He wanted these trade figures to be published. I explained that as our statistical classifications were different from theirs, publication would cause more misunderstanding. Suharto was confident he could manage the Indonesian press. Finally he agreed to examine the long-term implications of publication before taking this step." (p. 304-305)

"By the mid-1980s ... Our economic relations had also improved. Indonesia had opened up all its ports to all ships and relaxed its rules for import and export. They no longer harboured suspicions of "smuggling" to Singapore. (Of course there were new complaints, that Indonesian traders were smuggling, from Singapore into Indonesia, electronic and other consumer durables to avoid paying high import duties. But this was an Indonesian customs problem for which we could not be blamed.) Also, Singapore's role as middleman for Indonesia's trade with China had ceased to be an issue because Indonesia had opened direct trade with China." (p.308)

ANNEX 10: Scheduled locations of Customs check points in Indonesia, Malaysia and Singapore

Malaysia

Malaysia's import/export procedures (Customs Rules 1977) specify that goods may be imported or exported via land, air or sea at the following scheduled locations:

International Airports (LTA)

- LTA Langkawi, Kedah
- LTA Bayan Lepas, Pulau Pinang
- LTA Kuala Lumpur, Sepang
- LTA Senai, Johor
- LTA Kota Kinabalu, Sabah
- LTA Labuan, Sabah
- LTA Kuching, Sarawak

Ports

- Kuah, Langkawi
- Teluk Ewa, Langkawi
- Pulau Pinang
- Butterworth
- Lumut, Perak
- Pelabuhan Kelang, Selangor
- Melaka
- Pasir Gudang, Johor
- Tg. Belungkor, Johor
- Kuantan, Pahang
- Tg. Gelang, Pahang
- Kemaman, Terengganu
- Pengkalan Kubor, Kelantan
- Kota Kinabalu, Sabah
- Labuan, Sabah
- Sandakan, Sabah
- Kuching, Sarawak
- Miri, Sarawak
- Sibu, Sarawak

Roads

- Padang Besar, Perlis
- Wang Kelian, Perlis
- Bukit Kayu Hitam, Kedah
- Pengkalan Hulu, Perak
- Johor Bahru, Johor
- Gelang Patah, Johor

Rantau Panjang, Kelantan
Sindumin, Sabah
Tebedu, Sarawak
Sungai Tujuh, Sarawak

Railway Stations

Padang Besar, Perlis
Johor Bahru, Johor
Tanjung Pagar, Singapura
Rantau Panjang, Kelantan

Indonesia

Indonesia lists the following locations:

International Airports

Polonia, Medan, North Sumatra
Tabing, Padang, West Sumatra
Simpang Tiga, Pekan Baru, Riau
Hang Nadim, Batam Island, Riau
Talang Betutu, Palembang, South Sumatra
Soekarno Hatta, Jakarta
Juanda, Surabaya, East Java
Adisoetjipto, Yogyakarta, Central Java
Adisoemarmo, Solo, Central Java
Husein Sastranegara, Bandung, W. Java
Sepinggan, Balikpapan, E. Kalimantan
Supadio, Pontianak, West Kalimantan
Hasanuddin, Ujung Pandang, S Sulawesi
Sam Ratulangi, Manado, North Sulawesi
Ngurah Rai, Denpasar, Bali
El Tari, Kupang, East Nusa Tenggara
Patimura, Ambon, Maluku
Frans Kaisiepo, Biak, Irian Jaya
Sentani, Merauke, Irian Jaya

Sea Ports

Port of Malahayati/Krueng Raya, Aceh
Port of Lhok Semaue, Aceh
Port of Sabang, Aceh
Port of Kuala Langsa, Aceh
Port of Meulaboh, Aceh
Port of Susoh, Aceh
Port of Blang Lancang, Aceh
Port of Lhok nga, Aceh

Port of Singkil, Aceh
Port of Belawan, North Sumatera
Port of Gunung Sitoli, North Sumatera
Port of Kuala Tanjung, Tanjung Balai Asahan, North Sumatera
Port of Sibolga, North Sumatera
Port of Pangkalan Susu, North Sumatera
Port of Pangkalan Brandan, North Sumatera
Port of Teluk Bayur, West Sumatera
Port of Muara Sabak, Jambi
Port of Dumai, Riau
Port of Pekan Baru, Riau
Port of Selat Kijang, Tanjung Pinang, Riau
Port of Batu Ampar, Kabil/Danau Nongsa, Sekupang, Batam Island, Riau
Port of Bagan Siapi-api, Riau
Port of Tanjung Balai Karimun, Riau
Port of Tembilahan, Riau
Port of Dabo Singkep, Riau
Port of Siak Sri Indrapura, Riau
Port of Kijang, Riau
Port of Kuala Enok, Riau
Port of Pasir Panjang, Riau
Port of Sungai Pakning, Riau
Port of Udang Natuna, Riau
Port of Sambu Belakang Padang, Riau
Port of Tanjung Uban, Riau
Port of Palembang, South Sumatera
Port of Pangkal Balam, South Sumatera
Port of Muntok, South Sumatera
Port of Taboali, South Sumatera
Port of Blinyu, South Sumatera
Port of Manggar, South Sumatera
Port of Plaju, South Sumatera
Port of Sungai Gerong, South Sumatera
Port of Tanjung Pandan, South Sumatera
Port of Pulau Baai, Bengkulu
Port of Panjang, Lampung
Port of Cirebon, West Java
Port of Balongan, West Java
Port of Cigading, West Java
Port of Merak, West Java
Port of Shinta Arjuna, West Java
Port of Tanjung Karang, West Java
Port of Tanjung Sakong, West Java
Port of Tanjung Priok, Jakarta
Port of Cilacap, Central Java

Port of Tanjung Emas, Central Java
Port of Pekalongan, Central Java
Port of Tegal, Central Java
Port of Meneng, East Java
Port of Tanjung Perak, East Java
Port of Panarukan, East Java
Port of Probolinggo, East Java
Port of Gresik, East Java
Port of Poleng, East Java
Port of Banjarmasin, South Kalimantan
Port of Samarinda, Central Kalimantan
Port of Bontang, East Kalimantan
Port of Balikpapan, East Kalimantan
Port of Bunyu, East Kalimantan
Port of Juata Terakan, East Kalimantan
Port of Tanjung Batu, East Kalimantan
Port of Tanjung Santan, East Kalimantan
Port of Tanjung Sangata, East Kalimantan
Port of Telok Sibuko, East Kalimantan
Port of Senipah, East Kalimantan
Port of Ujung Pandan, South Sulawesi
Port of Pare-Pare, South Sulawesi
Port of Balantang, Malili, South Sulawesi
Port of Pomalaa, South Sulawesi
Port of Kendari, South East Sulawesi
Port of Pantaloan, Central Sulawesi
Port of Bitung, North Sulawesi
Port of Benoa, Bali
Port of Celukan Bawang, Bali
Port of Lembar, West Nusa Tenggara
Port of Bima, West Nusa Tenggara
Port of Tenau, Kupang, East Nusa Tenggara
Port of Ambon, Maluku
Port of Ternate, Maluku
Port of Galala, Maluku
Port of Pulau Gebe, Maluku
Port of Waisarisa, Maluku
Port of Jayapura, Irian Jaya
Port of Sorong, Irian Jaya
Port of Amafure, Irian Jaya
Port of Teluk Kasih/Salawati, Irian Jaya
Port of Port of Dili, East Timor

Singapore

Singapore lists the following locations (excluding the Indonesian island of Batam through which Singapore carries out substantial trade):

Airports

Singapore Changi Airport

Seletar Airport

(Air consignments upon import into Singapore are deposited in the Changi Free Trade Zone. They are declared through Changi Air Cargo Customs checkpoint.)

Sea Ports

Keppel Free Trade Zone

Pasir Panjang Free Trade Zone

Jurong Free Trade Zone (Jurong is the location of the Barter Trade Jetty)

Sembawang Free Trade Zone.

Customs checkpoints are located immediately outside these FTZs.

Road

Woodlands Checkpoint

Tuas Checkpoint

Rail

Woodlands Train Checkpoint

ANNEX 11: Terminology and coding systems for timber products, with special reference to items containing Ramin and Ramin parts and derivatives

#	HS Code Chapters and 4-Digit Examples (1986)	FAO Code No.	ITTO
1	4403 : Wood in the rough or roughly squared	1861 : Roundwood	Logs
2	4407 : Wood sawn, chipped, sliced or peeled, >6mm thick	1872 : Sawnwood +Sleepers	Sawnwood
3	4408 : Veneer sheets & sheets for plywood, etc, ?6mm thick	1873 : Wood-based Panels	Veneer
4	4409 : Wood, continuously shaped along any edge or face	1872 : Sawnwood +Sleepers	SPWP
5	4412 : Plywood, veneered panels and similar laminated wood	1873 : Wood-based Panels	Plywood
6	4414 : Wooden frames ...	-	
7	4417 : Wooden tools ...	-	
8	4418 : Builders' joinery and carpentry	-	
9	4420 : Wood marquetry, inlaid wood; caskets of wood ...	-	
10	4421 : Other articles of wood	-	
11	47xx : Pulp of wood ...	1875 : Wood Pulp	
12	48xx : Paper or paperboard ...	1876 : Paper + Paperboard	
13	66xx : Umbrellas, walking-sticks, ... and parts thereof	-	
14	85xx : Electrical equipment ... accessories	-	SPWP
15	94xx : Furniture ... prefabricated buildings	-	(Secondary
16	95xx : Toys, games and sports requisites; parts & accessories	-	Processed
17	97xx : Works of art, collectors' pieces and antiques	-	Wood Products)

Source: Harmonized System of Custom Classification (HS Codes); Food and Agriculture Organization of the United Nations (FAO) Yearbook of Forest Products; International Tropical Timber Organization (ITTO).

Notes: CITES refers to "logs" (#1), "sawn timber" (#2) and "all recognizable parts and derivatives except sawn timber and logs" (#2-17 and perhaps others, referred to as "processed products" in this report).

ANNEX 12: Summary of Recommendations of the Tri-National Ramin Workshop, April 15-16 2004, Kuala Lumpur, Malaysia

Action	Agency	Timeline for Implementation
1. Improve existing mechanisms for rapid exchange of information on interdiction of infractions (and to encourage law enforcement) regarding trade in Ramin.	Customs agencies, CITES MAs (and SFC), police (Identify individual contact points, phone numbers, emails etc)	To Be Confirmed
2. Information on all national Ramin export and re-export requirements (legislation and procedures) from ID, MY and SG (all jurisdictions) to be disseminated to the three countries (and their importing partners) to ensure all relevant agencies are informed	PHKA as focal point for Govt of ID; MTIB (PMY and Sabah), SwFD and STIDC for Govt of MY; AVA for Govt of SG.	To Be Confirmed
3. Harmonised customs codes between ID, MY and SG on Ramin cargoes and products. (Supporting ASEAN recommendations on economic integration.)	PHKA (linking with Customs Department and MITI); Royal MY Customs Department; Customs and IE Singapore. MY Customs Department; Customs and IE Singapore.	To Be Confirmed
4. Clarification of statistical data discrepancies through consultation between CITES MAs and customs departments (to assist enforcement of Appendix III, and to demonstrate actions being taken at the national level).	PHKA (linking with Customs Department and MITI and BPS); MTIB, DoStats, Customs; SwFD and STIDC (MY); Customs, IE Singapore and AVA (Singapore)	To Be Confirmed
5. Creation of a tri-national taskforce on CITES Ramin trade law enforcement (<i>specific tasks/actions</i> : intelligence sharing and monitoring of CITES implementation) to help resolve illegal trade, and to frame long-term co-operative action.	Singapore: AVA (CITES MA) and ICA; Malaysia: MTIB and Sarawak Forest Department (CITES MAs) Sarawak Forestry Corporation (enforcement); Indonesia: DG of PHKA (CITES MA)	Workshop delegations from Indonesia, Malaysia and Singapore to discuss with higher authorities regarding approval.

Recommendations of Malaysian National Workshop

Action	Agency
1. Disseminate information on CITES procedures to industry and other government agencies	MTIB, SWFD
2. Clarify requirements and procedures for trading timber under the “barter trade”/border trade agreement with Indonesia in Peninsular Malaysia and Sabah	KPU
3. Identify mechanism to enforce CITES for imports of logs and sawn timber via coordination between Forestry Departments and MTIB in Peninsular Malaysia	KPU
4. Increase checks of illegal landing sites in Peninsular Malaysia	Marine Police
5. Determine procedure for disposal of confiscated cargoes of illegal ramin	KPU
6. Determine mechanism to ensure that Free Zones are not used for laundering illegal ramin	KPU
7. Determine mechanism to ensure that Malaysian CITES and equivalent certificates are only given for genuine Malaysian ramin	MTIB, State Forestry Departments, MTCC
8. Carry out a study to determine the status of ramin in Malaysia and to develop appropriate silvicultural guidelines for peat swamp forests in general and ramin in particular	Forest Departments, FRIM, MTCC

MTIB -Malaysian Timber Industry Board,

SWFD - Sarawak Forestry Department

KPU - Ministry of Primary Industries,

FRIM - Forest Research Institute Malaysia,

MTCC - Malaysian Timber Certification Council.

Summary of issues and action plan of trade and enforcement of Ramin arising from the Indonesia National Workshop

Issues	Proposed action to be taken	Proposed lead agent
Problems of enforcement on wild harvest and trade monitoring from within protected area	Improve the trade enforcement/monitoring system	DG of PHKA Provincial Forestry
	Re-register the national stockpile of Ramin and find the solution to use the stock	
Problems on Ramin identification	Disseminate information of Ramin to the relevant enforcement officers	DG of PHKA and DG of BPK
Practical solution to enhance the effective enforcement for both harvest and trade (domestic and international)	Improve enforcement and trade monitoring mechanism of trade in the species	DG of PHKA DG of Custom and Excise Provincial Forestry
	Issues of enforcing quota of Ramin	Provincial Forestry
How to harmonize the statistical records among the relevant agencies	Improve harvest monitoring mechanism in provincial (forestry) level	Provincial Forestry
	Delegate the authorities for trade monitoring to BKSDA (Provincial PHKA)	DG of PHKA
Identify the key issues on enforcement collaboration with the neighboring countries	Improve coordination among Ministry of Forestry, MITI, Custom and National Bureau of Statistics	DG of PHKA DG of BPK DG of Custom and Excise
	Proposed special agenda of trade in Ramin in the next ASEAN meeting	DG of PHKA Possibly ASEAN Secretariat (Forestry Section)
Solution to the existing counter/barter trade between Indonesia and the neighboring countries	Need to resolve the internal problems on barter trade issues among the relevant national agencies (Custom and MITI)	DG of Custom and Excise MITI
	Issues of policy of total ban	LIPI DG of PHKA DG of BPK FORDA
Terminology of illegal trade in Ramin	Need to improve the CITES info and regulations to the relevant authorities	MITI DG of Custom and Excise DG of PHKA

TRAFFIC, the wildlife trade monitoring network, works to ensure that trade in wild plants and animals is not a threat to the conservation of nature. It has offices covering most parts of the world and works in close co-operation with the Secretariat of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)

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