Temperate Timber: Romanian risks

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WASHINGTON D.C., OCTOBER 24, 2018

Environmental Investigation Agency

NGO with offices in D.C. and London committed to addressing the drivers of environmental crime

Campaigns:

- Illegal wildlife trade
- illegal deforestation
- atmospheric chemicals

Worked together with U.S. industry and lawmakers to pass Lacey Act - key legislation that combats illegal logging – just celebrated 10 yrs

Find technological solutions to create legal and sustainable timber trade

Illegal logging in temperate forests

- Much international attention focused on tropical forests
- But, serious legality and sustainability concerns regarding timber from Eastern Europe and Russia
- Impacts: degradation of forests, contributes to global climate change, biodiversity loss, and destruction of livelihoods for forest-dependent communities.
- Undermines economic development by depriving responsible companies of profits and robbing governments of more than 10 billion USD in revenue.

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Russia – China - US

- EIA 2013 investigation into Russia-China-US supply chains
- Found very high levels of illegal harvesting in Siberia (scots pine, larch) and Far East (oak, ash)
- Very high volumes of exports from Russia to China – and increasing
- Less attention from international public – tough environment for NGOs in Russia and China

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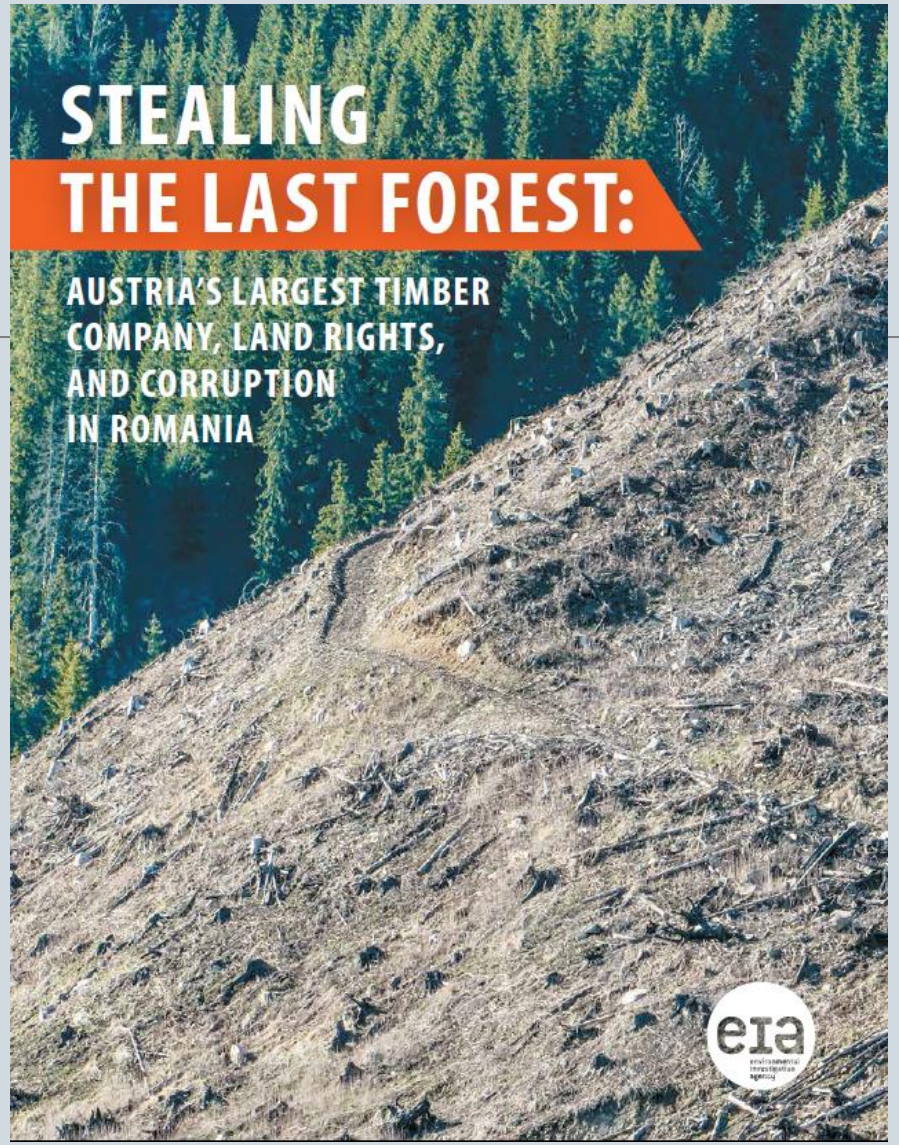
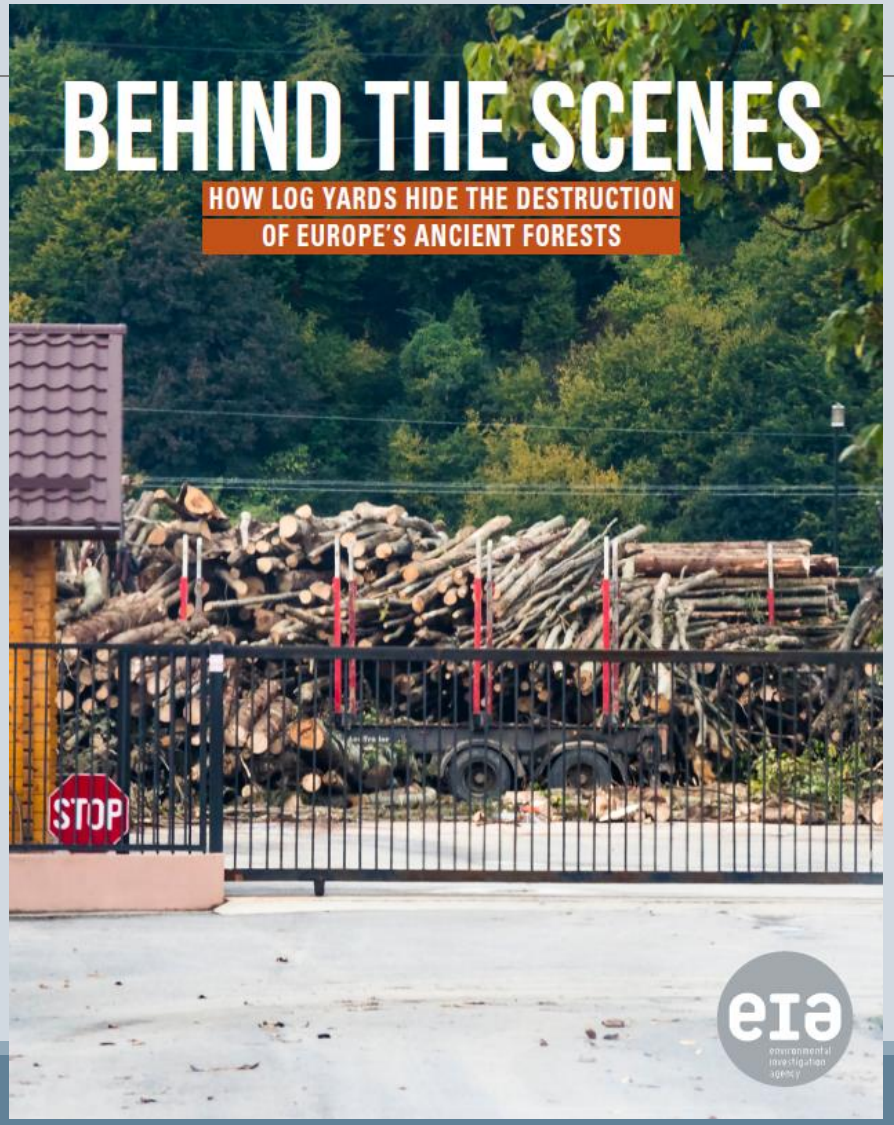


EIA 2015

EIA 2018



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Why Romania?

- around half of all Old Growth Forests in Europe (not counting Russia and Scandinavia)
- rich biodiversity – bears, wolves, lynx
- serious and complex problems in forests management
- strong impacts on forest-dependent communities
- EU member

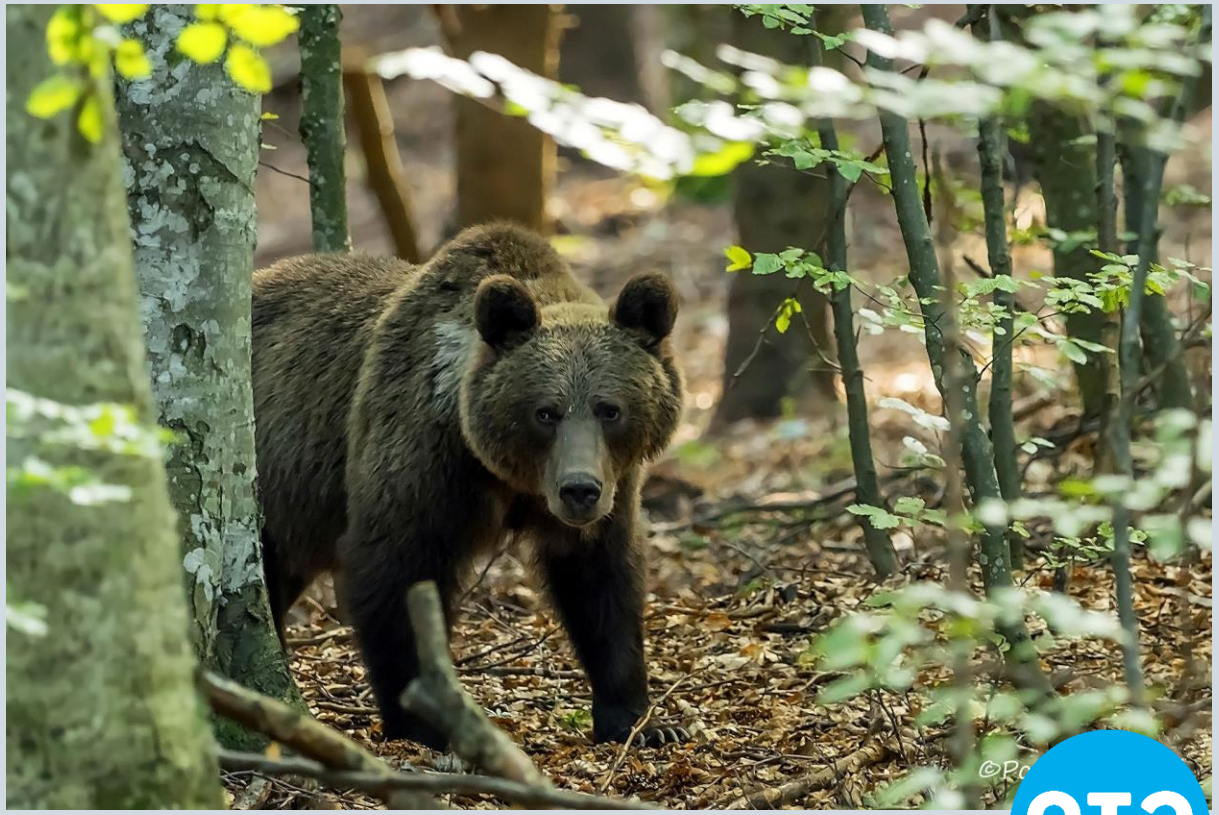

Photo: László Potozky

Illegal logging in Romania

- Abuse of sanitary, accidental permits; overcutting
- Land ownership: troubled restitution process in post-Communist era
- Illegal timber laundered through false transports

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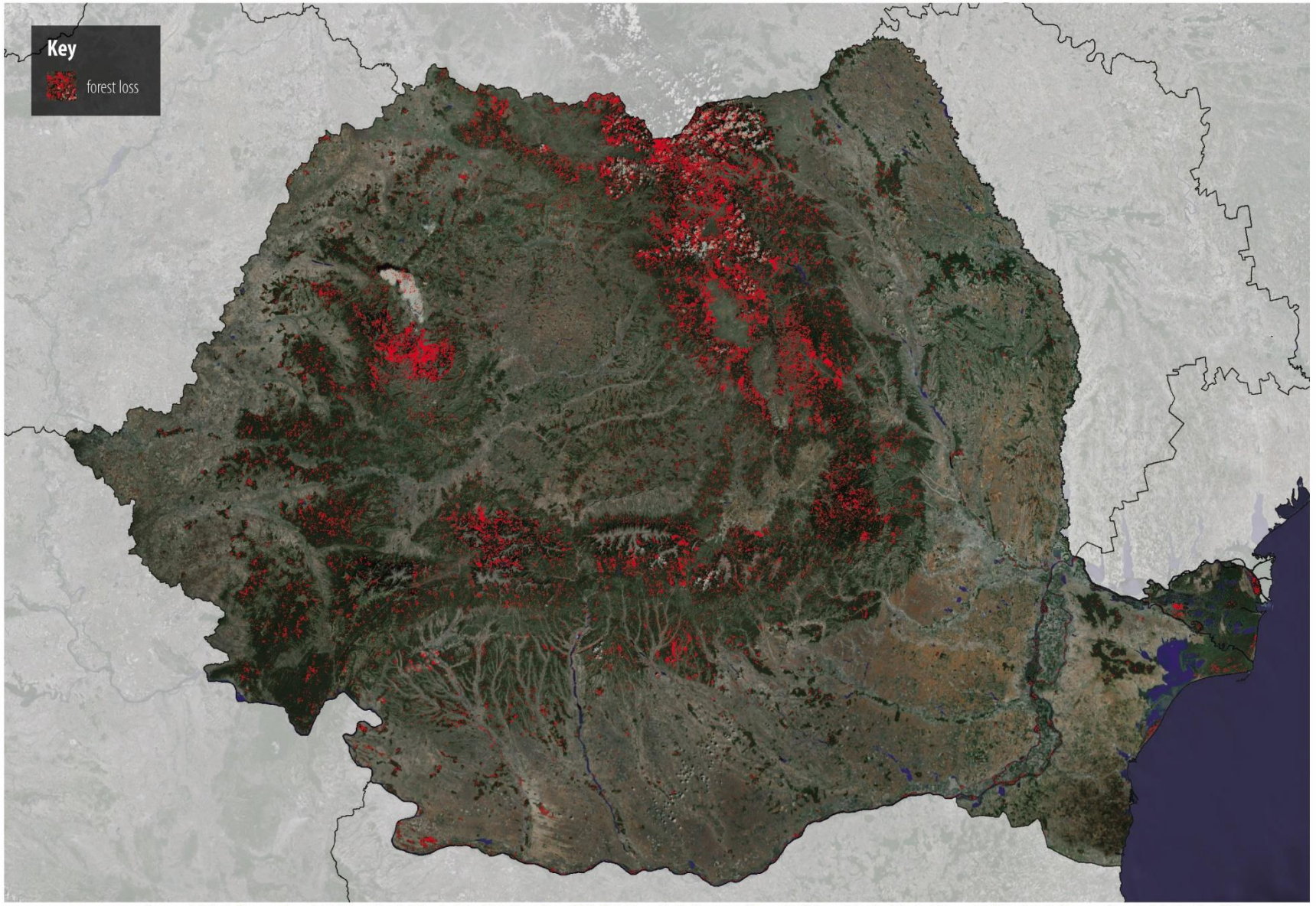
FOREST LOSS IN ROMANIA 2000-2014



Sources: calculation by Greenpeace Romania; Corine Land Mapping Lab on the basis of Global Forest Change 2000–2014; data provided by Department of Geographical Sciences, University of Maryland, Hansen et al. 2014, adapted by Greenpeace Romania, Corine Land Cover 2006, www.gadm.org

Product Types

Lumber

Edge-Glued Panels

Edge-Glued Rounds

Pellets

Illegalities at source

Abuse of sanitary logging permits

Cutting outside of concession areas

Illegalities during transport

Source documents absent or falsified

Log hammer marks missing or incorrect

Source documents used more than once

Illegalities at the sawmill

Bonus incentivizing overcutting for extra wood

Loans repaid with illegal timber

Acceptance of illegal logs

Illegalities towards customers

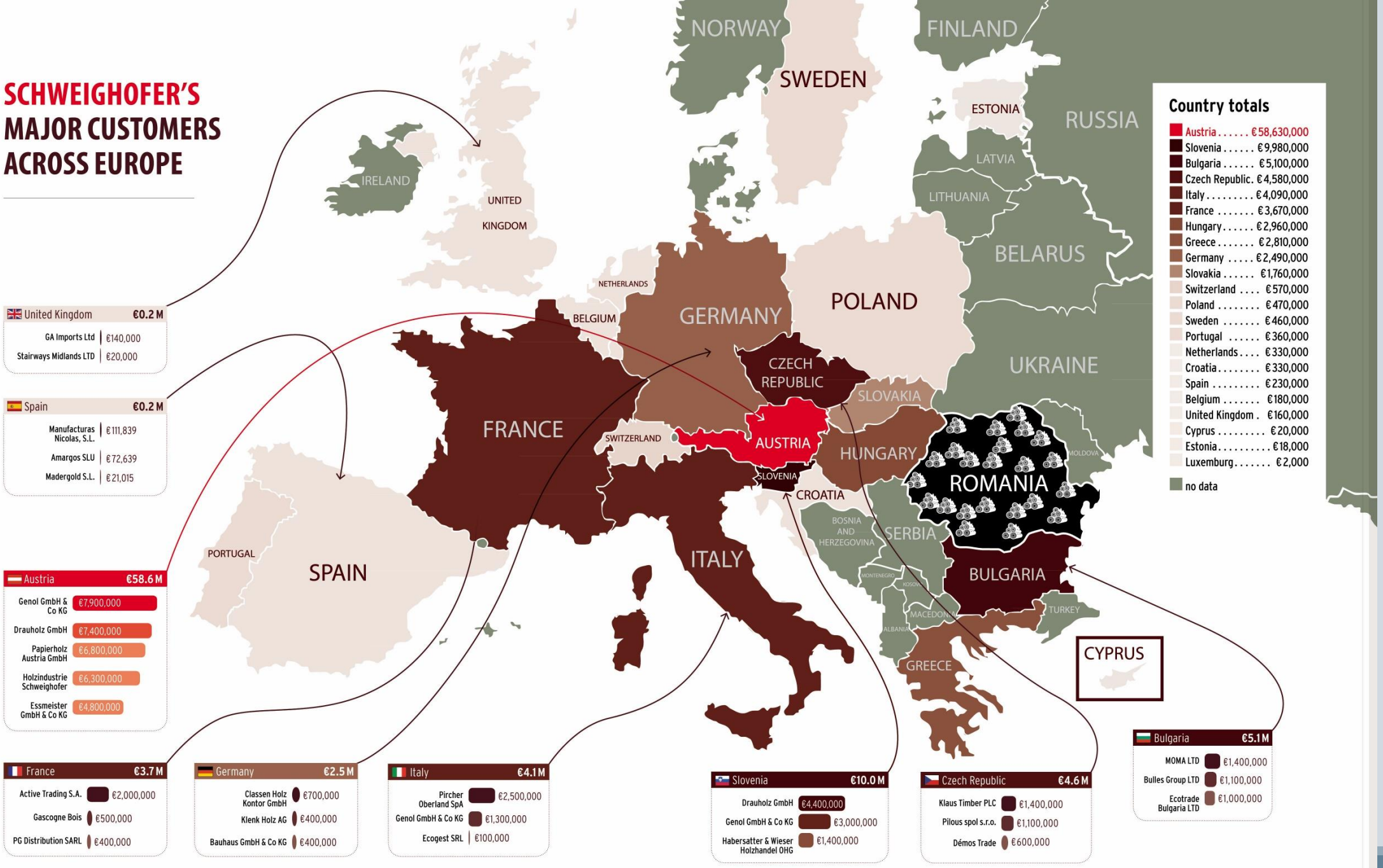
Selling products made of illegal wood

EUROPE

Consumer fraud

So, actually if we want to run in full and only with
domestic wood, there is no place for others.

SCHWEIGHOFER'S MAJOR CUSTOMERS ACROSS EUROPE



Country totals

- Austria €58,630,000
- Slovenia €9,980,000
- Bulgaria €5,100,000
- Czech Republic. €4,580,000
- Italy €4,090,000
- France €3,670,000
- Hungary €2,960,000
- Greece €2,810,000
- Germany €2,490,000
- Slovakia €1,760,000
- Switzerland €570,000
- Poland €470,000
- Sweden €460,000
- Portugal €360,000
- Netherlands €330,000
- Croatia €330,000
- Spain €230,000
- Belgium €180,000
- United Kingdom . €160,000
- Cyprus €20,000
- Estonia €18,000
- Luxemburg €2,000
- no data

United Kingdom €0.2 M

GA Imports Ltd	€140,000
Stairways Midlands LTD	€20,000

Spain €0.2 M

Manufacturas Nicolas, S.L.	€111,839
Amargos SLU	€72,639
Madergold S.L.	€21,015

Austria €58.6 M

Genol GmbH & Co KG	€7,900,000
Drauholz GmbH	€7,400,000
Papierholz Austria GmbH	€6,800,000
Holzindustrie Schweighofer	€6,300,000
Essmeister GmbH & Co KG	€4,800,000

France €3.7 M

Active Trading S.A.	€2,000,000
Gascogne Bois	€500,000
PG Distribution SARL	€400,000

Germany €2.5 M

Classen Holz Kontor GmbH	€700,000
Klenk Holz AG	€400,000
Bauhaus GmbH & Co KG	€400,000

Italy €4.1 M

Pircher Oberland SpA	€2,500,000
Genol GmbH & Co KG	€1,300,000
Ecogest SRL	€100,000

Slovenia €10.0 M

Drauholz GmbH	€4,400,000
Genol GmbH & Co KG	€3,000,000
Habersatter & Wieser Holzhandel OHG	€1,400,000

Czech Republic €4.6 M

Klaus Timber PLC	€1,400,000
Pilous spol s.r.o.	€1,100,000
Démos Trade	€600,000

Bulgaria €5.1 M

MOMA LTD	€1,400,000
Bulles Group LTD	€1,100,000
Ecotrade Bulgaria LTD	€1,000,000

Public Version of FSC's Complaints Panel Evaluation report – Policy for Association complaint - WWF Germany vs. Holzindustrie Schweighofer – October 2016

Policy for Association complaint by WWF Germany against Holzindustrie Schweighofer

14 October 2016

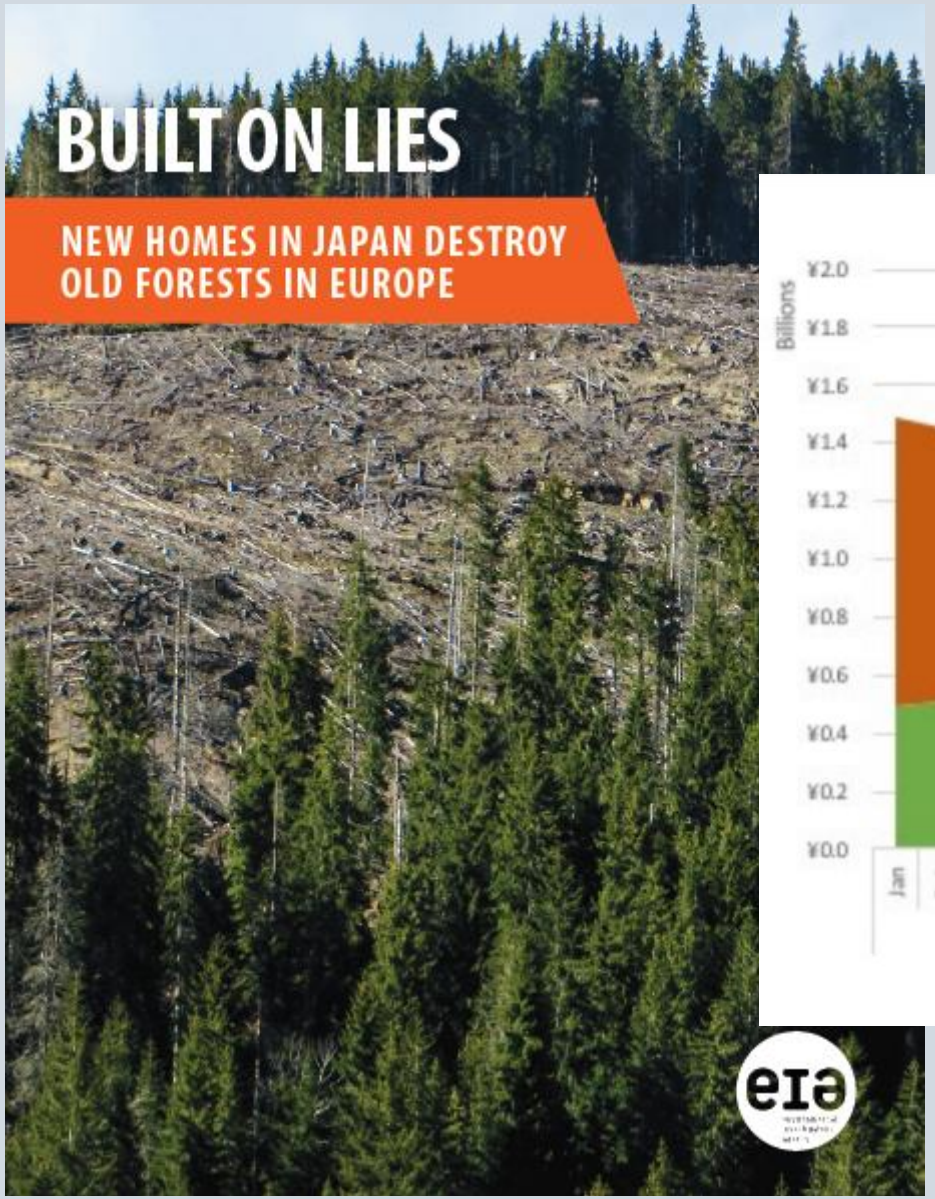
Recommendation to the FSC Board of Directors

Impartial Complaints Panel consisting of Leo van der Vlist, Heiko Liedeker & Berty van Hensbergen

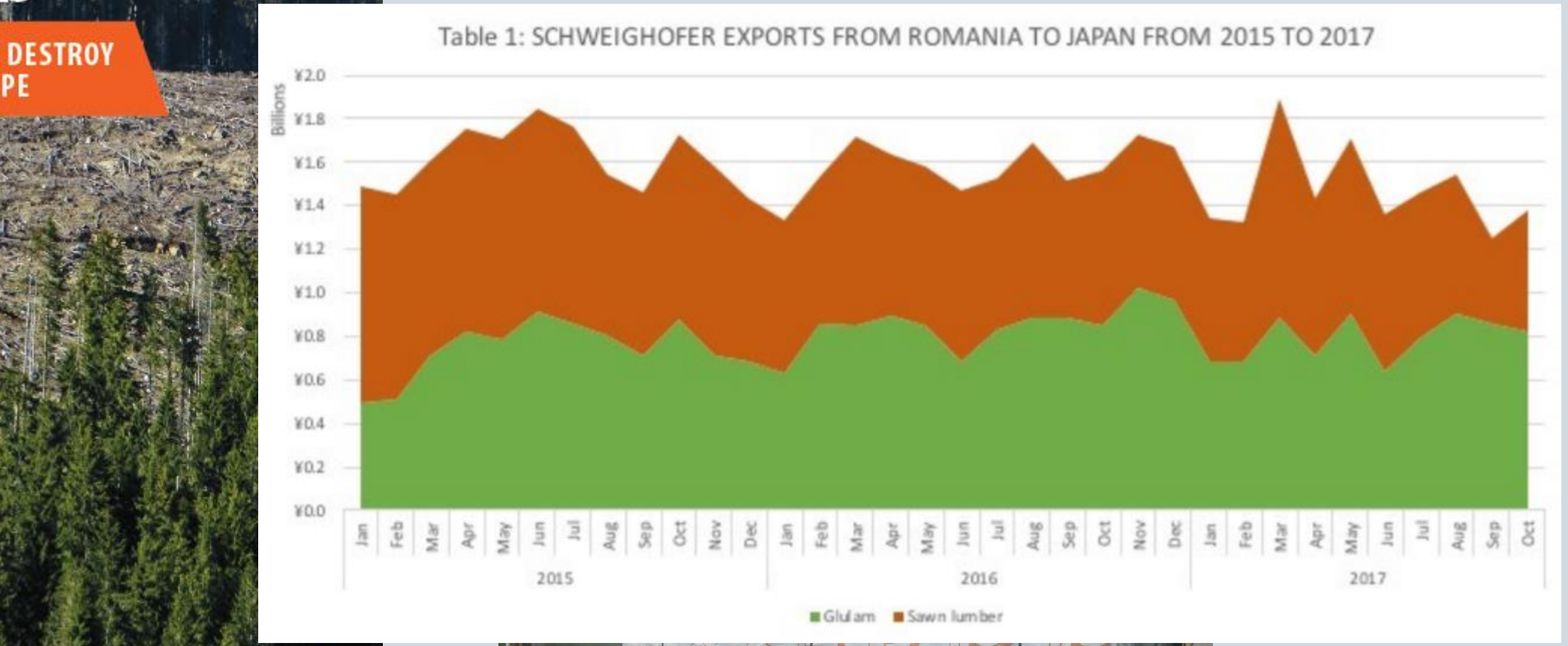
FSC shall disassociate from Holzindustrie Schweighofer and all companies controlled by Gerald Schweighofer.

FSC 2016

Romanian police raid HS HQ, May 30, 2018



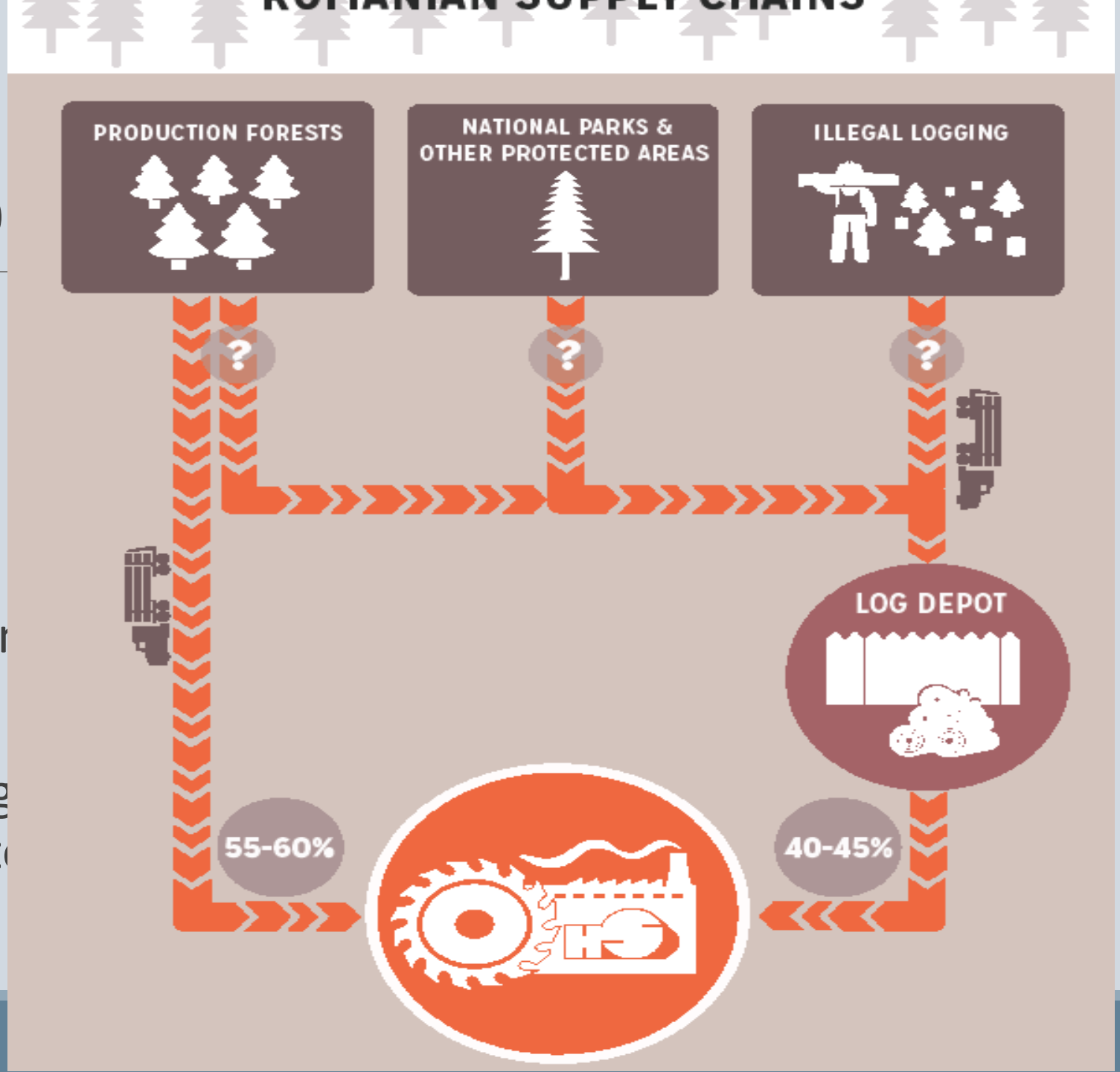
Sales to Japan

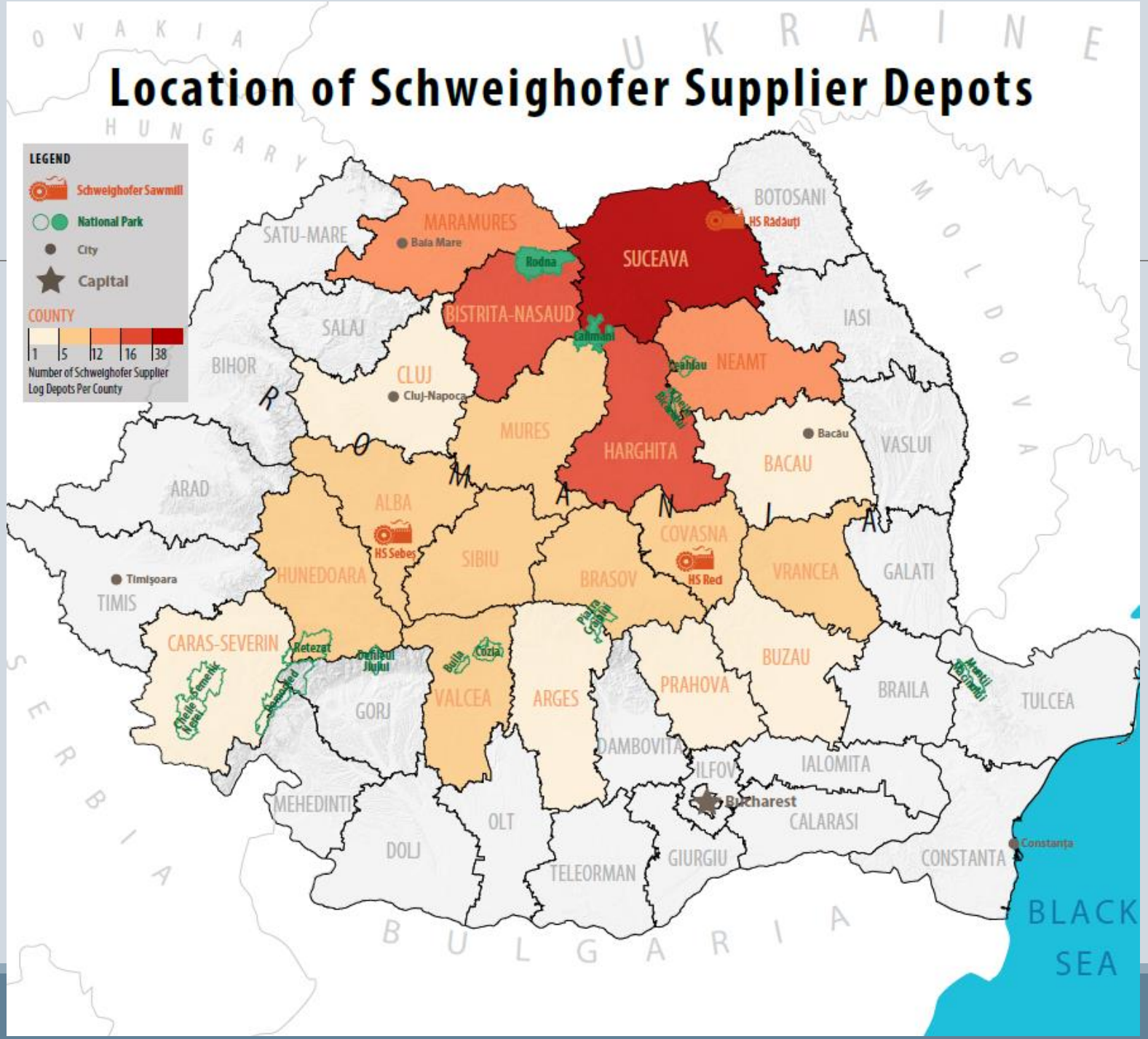


Log Yards (Dep

Schweighofer sourcing:

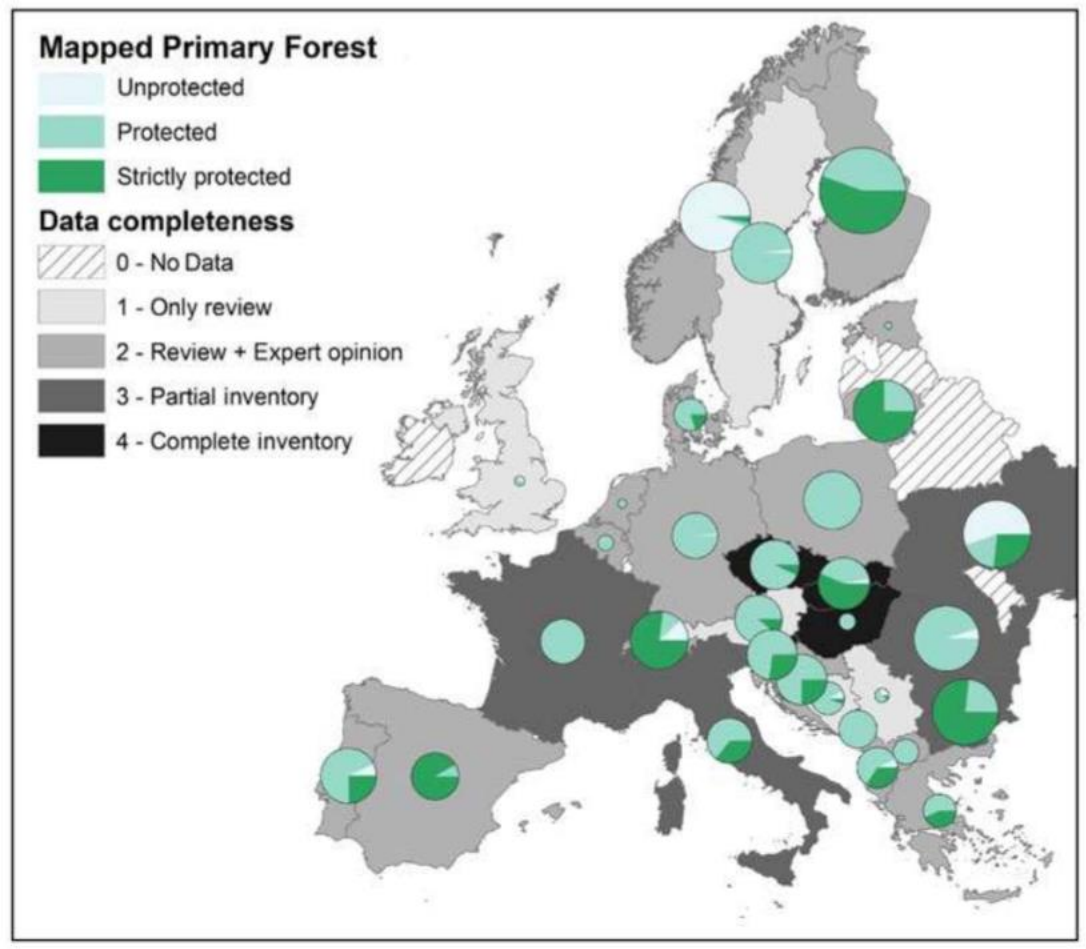
- From Romania:
  - 2013 – 2.3 million m^3
  - 2017 – 1.2 million m^3
- 2017 imports: 1.6 millio
- → only ~20% of Schweig tracked with its GPS syst




Location of Schweighofer Supplier Depots
LEGEND
Schweighofer Sawmill
National Park
City
Capital
COUNTY
1
5
12
16
38
Number of Schweighofer Supplier Log Depots Per County
HUNGARY
UKRAINE
MOLDOVA
ROMANIA
SERBIA
BULGARIA
BLACK SEA
SATU-MARE
MARAMURES
Baia Mare
Rodna
SUCEAVA
BOTOSANI
HS Rădăuți
BISTRITA-NASAUD
Salmani
IASI
SALAJ
BIHOR
CLUJ
Cluj-Napoca
Ceahlau
NEAMT
MURES
HARGHITA
Bacău
BACAU
VASLUI
ARAD
ALBA
HS Sebes
COVASNA
HS Red
SIBIU
BRASOV
VRANCEA
GALATI
Timișoara
TIMIS
HUNEDOARA
CARAS-SEVERIN
Retezat
Cozia
BUZAU
BRAILA
TULCEA
GORJ
VALCEA
ARGES
PRAHOVA
DAMBOVITA
IALOMITA
ILFOV
Bucharest
MEHEDINTI
OLT
CALARASI
DOLJ
TELEORMAN
GIURGIU
CONSTANTA
Constanța

Schweighofer sourcing:

- From Romania:
  - 2013 – 2.3 million m^3
  - 2017 – 1.2 million m^3
- But – 2017:
- 1.6 million m^3 in imports (Belarus, Slovakia, Ukraine, etc)



Implications for Old Growth Forests

- Last Old Growth Forests in Europe are under serious threat
- Patchwork of Old Growth Forests, often in close proximity to production forests

Photo: Matthias Schickhofer

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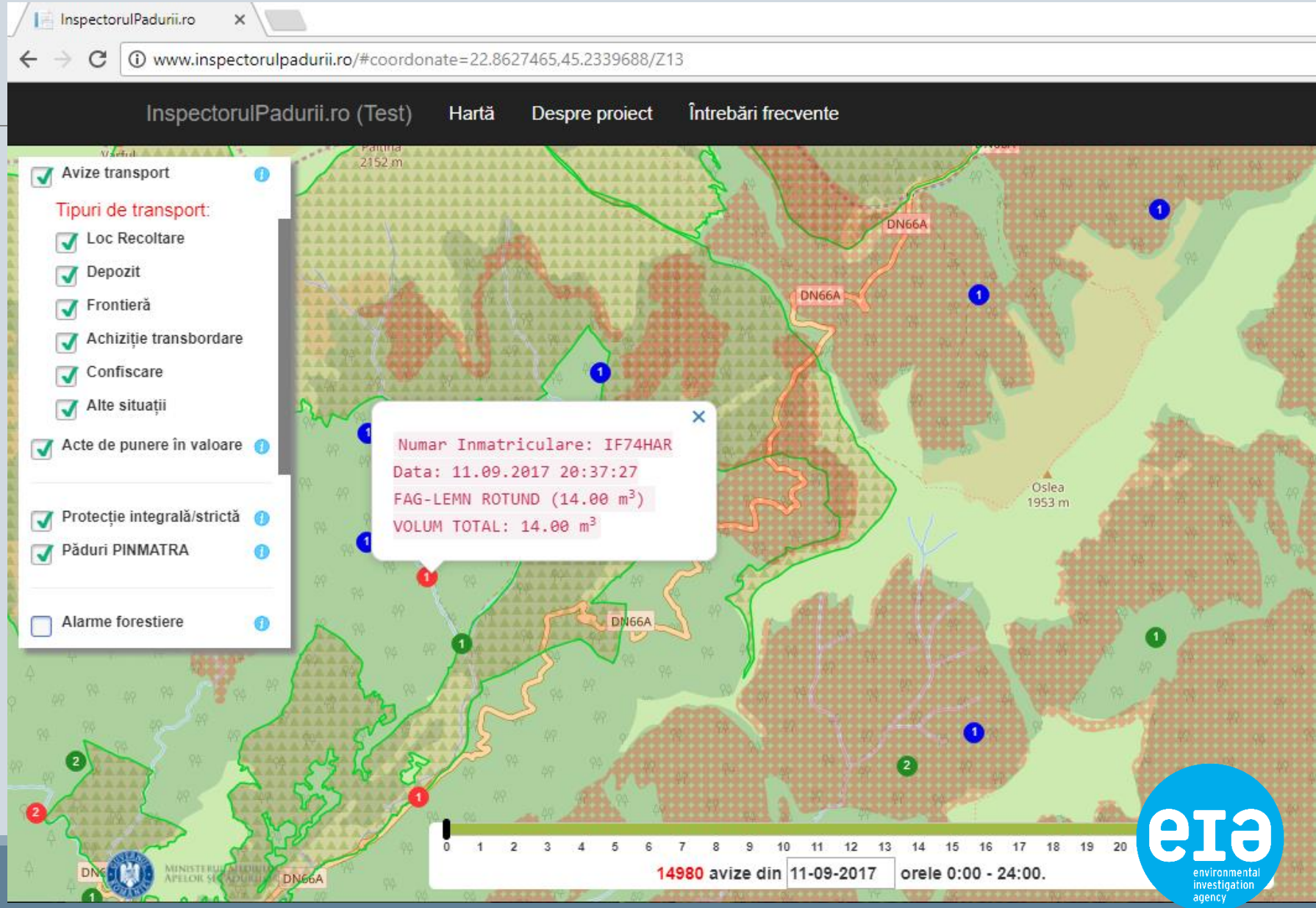
Romanian Government Response

- New Forest Code
- Forest Guard: Increased funding and restructuring
- **Forest Inspector**
  - App
  - Website: inspectorulpadurii.ro



Public access to information

Increasingly common for many commodities: soy, beef, palm oil, coffee, timber – fruit and vegetables in EU

Key public information required, linked:

- Forest management plans
- Harvesting authorizations
- Transport – linked between multiple stages

Company confidential information – can be avoided

Photo: Ecostorm

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Lessons from Romania: Transparency is possible, and needed

Photo: Alex Gavan

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