

Malaysia's Mega-diversity under Threat

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The Sumatran Rhinoceros (*Dicerorhinus sumatrensis*) is extinct in the state of Sarawak and is critically endangered in Peninsular Malaysia and Sabah due to logging devastation and poaching.
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Malaysia's diversity, indigenous people's rights and cultural variety are under serious threat by rampant legal and illegal logging activities.
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Malaysia ranks 14th on the list of the 17 mega-diverse countries that contain around 70% or more of the planet's (terrestrial, freshwater and marine) biodiversity making it transcendental to global efforts of biodiversity conservation.¹ Malaysia is signatory to the Cancun Declaration of like-minded Mega-diverse Countries (18th February 2002) which consolidates a common agenda on biodiversity conservation and sustainable use, including access to genetic resources and benefit sharing, and protection of traditional knowledge. However, its natural resource policies simply contravene the declaration and prioritise exploitation over conservation. To feed logs to its unsustainable timber industry, Malaysia has already sacrificed most of its ancient rainforests for logging. Mounting domestic log shortages have driven Malaysian loggers overseas, into other mega-diverse countries such as Brazil, Indonesia and Papua New Guinea. Meanwhile, plantation companies convert logged forests in export-oriented plantation monocultures, thereby stripping the land of a wealth of biodiversity and depriving forest-dependent indigenous communities of their resources.

Malaysia's Biodiversity Wealth

Malaysia's vegetation is conservatively estimated to contain about 12,500 species of flowering plants, and more than 1,100 species of ferns. In addition, there are about 300 species of wild mammals, up to 750 species of birds, 350 species of reptiles, 165 species of amphibians and more than 300 species of freshwater fish. Endemism among these species is high.² Key forest-dependent mega-diverse fauna in Malaysia include the tiger, elephant, orang-utan and rhinoceros.

Malaysia's First National Report to the Conference of Parties (COP) of the CBD in 1998 highlighted that the country's cradle of biological diversity lies within its forest ecosystems. The dominant habitats include species-rich lowland and hill dipterocarp forest. For example, 814 species of woody plants were found in a 50-hectare area of lowland dipterocarp forest. However, due mainly to "agricultural expansion"³, "very little of the lowland dipterocarp forests ... remain and these require total protection, as do the remaining swamp and mangrove forests."⁴

1 Megadiverse website (www.megadiverse.org), viewed 10 January 2004.

2 MFNR (Malaysia First National Report) to the Conference of Parties of the Convention on Biological Diversity) 1998. Ministry of Science, Technology and the Environment.

3 MFNR, *ibid.*

4 MFNR, *ibid.*

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A Rimbunan Hijau truck loaded with logs. Rimbunan Hijau is one of the many Malaysian timber companies criticised for its poor environmental, social and human rights records. (c)Greenpeace/Ngo

Malaysia's Forests And Its Species Are Being Logged Away

Logging in Malaysia has gone far beyond the level of sustainably and most of its remaining forests are seriously degraded. According to FAO (UN Food and Agriculture Organisation), Malaysia lost 13.4% of its natural forests during the 1990s. This loss is further compounded by the industry's engagement illegal logging activities. It is estimated that in 2001 39% of the timber used by the Malaysian timber industry was illegally imported or logged inside Malaysia.

Loss of forest inevitably leads to loss of species. Since 1948, more than 170 species of flowering plants endemic to Malaysia have become extinct and several prominent local extinctions of forest animals have occurred, e.g., the Javan Rhinoceros (Rhinoceros sondaicus), which was last seen in Malaysia in 1932, and the Sumatran Rhinoceros (Dicerorhinus sumatrensis) is extinct in the state of Sarawak and critically endangered in Peninsular Malaysia and Sabah. IUCN lists 143 Malaysian animals as threatened with extinction in the near future and 22 species are listed as "critically endangered". IUCN lists over 1,500 Malaysian plants as threatened, with 199 "critically endangered".

Heavy logging and deforestation have driven more than sixty species of Malaysian trees to extinction and threaten the survival of many more species. "Very little emphasis is given to incorporate biodiversity conservation in production forests. For example, trees species that have important values and linkages to birds and animals are not identified and demarcated on the ground during tree marking operations. This will result in biodiversity loss and the concept of conserving key-stone species will be hampered." For example, the majority of Shorea tree species (common name Meranti), Malaysia's most important exported timber species, are threatened according to the World Conservation Monitoring Centre (with 76% critically endangered).

Political Nepotism

Malaysia's government is known to be highly sensitive to NGO criticism of its destructive forestry and corrupt land rights policies. Perhaps much of this has to do with the fact that many, if not most, of Malaysia's listed and unlisted logging and timber groups are connected to the government or otherwise owned by politicians or their families. In Malaysia the ruling politicians have "multiple ties to timber concessions".

In Peninsular Malaysia, para-statal companies such as Yayasan Pahang, Kompleks Perkayuan Kelantan (KPK) and Kumpulan Pengurusan Kayu-kayan Terengganu (KPKKT) hold logging concessions. These companies have shareholdings from government-owned or -controlled pension and trust funds. The largest concessionaires in Sabah include the Sabah Foundation and Bugaya Forest, both of which are largely state owned. In East Malaysia, one study found that government agencies fail to collect timber rent at optimum levels because they are "prevented from doing so by rulers who use their positions to build and maintain hidden ties to the timber industry through which they appropriate vast amounts of timber rent".

5 Dr. David Drown, Estimate of Malaysian consumption of illegal timber, September 2002. The estimate is based on USDA Global Agricultural Information Network figures 2002.

6 Research by the Indonesian NGO Telapak, jointly with the U.K.-based NGO Environmental Investigation Agency.

7 IUCN 2002 Red List of Threatened Species.

8 IUCN 1997 Red List of Threatened Plants.

9 Ismail, H. and S. Appanah 1999. Forest Certification in Peninsular Malaysia: Major Constraints in Management Identified. Conference on Forestry and Forest Products Research Series 204-213.

10 See: Oldfield, S. et al. 1998. The World List of Threatened Trees. World Conservation Press; Malaysian Forest Service Trade Leaflet No. 75 en No. 69. Malaysian Timbers. MTIB.

11 Brown, D. 2001. Why Governments Fail to Capture Economic Rent: The Unofficial Appropriation of Rain Forest Rent by Rulers in Insular Southeast Asia Between 1970 and 1999.

12 Brown, ibid

13 Marshall (1998) Rimbunan Hijau. Unpublished report.

14 World Rainforest Movement and Forest Monitor (1998)

Rimbunan Hijau Vested Interests

The Rimbunan Hijau represents a clear example of a Malaysian timber company enjoying wide political patronage. Rimbunan Hijau dominates is a global conglomerate of companies controlled by the Tiong family from Sarawak and produces 3 to 4 million cubic metres of logs per year, representing 20-25 percent share of the Malaysian timber industry. In the early nineties, the brother of Sarawak's Chief Minister, who was in charge of the allocation of logging concessions, was a director of a Rimbunan Hijau company and a sister of the Chief Minister was a Tiong business partner. Tiong Hiew King has been a State Senator, a position that was also occupied by one of his sons, and Tiong family companies have shared control of their subsidiaries with Provincial Ministers and party officials.

In Sarawak these ties have resulted in a blurred distinction between government and logging interests leading "to changes in legislation that favour corporate activities and which result in the disregard and repression of many actors within civil society."

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A indigenous man standing next to a Shin Yang Timber passing truck loaded with logs. The Malaysian government continues to disregard indigenous peoples' customary land claims and allows logging companies to enter and destroy their forest, their livelihoods and culture. (c)Greenpeace/Ngo

Not-so-permanent Permanent Forests

The "Permanent Forest Estate" (PFE) is commonly referred to as the cornerstone of Malaysia's forestry management policy.¹⁵ The main aim of this policy is to ensure that the forest under the PFE will be maintained in perpetuity, and those areas designated for production will be subjected to sound forest management practices to maintain the forest as a renewable resource.¹⁶ However, the Malaysia First National Report noted "the term PFE may be misleading since it implies the forest area as permanent. Permanency is not guaranteed."



Nenasi Forest Reserve 1992



Nenasi Forest Reserve 2001

Satellite Images ©Malaysiakini 2003

One illustrative case is the "Ladang UMNO" case. In 1998, the Pahang State Government excised an area of 4,000 hectares of virgin swamp forest from the Permanent Forest Estate for subsequent logging and conversion to oil palm. The project is clearly linked to political interests since the area named as belonging to UMNO, is the leading political party in Pahang and Malaysia.¹⁷ The ravaged area can be seen as the bright green plot in the satellite image above.

Forest Conversion

Even though Malaysia prides itself for maintaining high forest cover, the country has aggressive land development policies. For example, a significant volume of log production is derived from so called 'conversion forests', forests that are being 'converted to some other use like oil palm plantation. Conversion accounts for 2-3million m³ annually in Sarawak alone.

"Malaysia's land use policy is "use-oriented", i.e., designed for maximum utilization and development. Thus, conversion of land for urbanisation, industrial, agricultural, mining and forestry development has higher priority than that of conservation as it brings a much higher rate of return on investment."

Malaysia's First National Report to the Conference of Parties of the CBD, 1998.

¹⁵ Malaysia Timber Council website (www.mtcc.com). In 1978, the National Forestry Council approved the setting up of the Permanent Forest Estate (PFE) amounting to 12.73 million hectares. According to federal policies, the PFE is enlarged to 14.28 million hectares at present not taking into account forestland releases at the State level, such as in the Ladang UMNO case.

¹⁶ MFNP, Ibid.

¹⁷ Gan, S., 2003. Satellite Photos Confirm Widespread Logging on Umno's Land. Malaysiakini website (www.malaysiakini.com), viewed 7 August 200

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Unsustainable Forestry Certified

To curb the reputation of many Malaysian timber companies' poor environmental, social and human rights records¹⁸ and threats of international boycotts against unsustainable Malaysian timber, the Malaysian government has set up a national timber certification council (MTCC). However, indications are that MTCC's standard certifies business as usual and in some cases MTCC is turning a blind eye to illegal activities on its certified forests.

In May 2002, it was reported that the police captured 21 lorries carrying 147 tonnes of illegal timber in the "certified" state of Pahang.¹⁹ In another case, in March 2003, 65 hectares of State land were found cleared by illegal loggers near the Chini Forest Reserve and near Kampung Melayu Sulong in Pahang.²⁰ MTCC took no action to revoke the certification of Pahang timber as a result of these offences and allowed the illegal wood enter its chain of custody posing as sustainable certified wood.

Indigenous' Rights and Livelihoods Violated

About 80% of the Malaysian population being found in Peninsular Malaysia and 20% in Sarawak and Sabah. Despite this, the Orang Asli or first peoples of Peninsular Malaysia comprise only 0.5% of the total Malaysian population, whereas the majority of the population of Sarawak and Sabah are indigenous peoples²¹. Together, indigenous peoples of Sabah, Sarawak and Orang Asli of Peninsular Malaysia are collectively termed 'Orang Asal', which means 'Original Peoples'. Although they have distinct languages, cultures, lifestyles and livelihoods, they share one thing in common: a close physical, cultural and spiritual relationship with the land and forests²².

The main challenge confronting Malay indigenous peoples is the Malaysian government's persistent unwillingness to recognise indigenous peoples' customary land claims. Local communities fail to understand the reasoning and justice behind the government's policy to ignore their traditional claims to forestland in the vicinity of their communities while facilitating companies to come in and log - destroying the very resource they depend on for their livelihoods and culture.²³

Many conflicts also arise from forestry practises that are ignorant of local peoples' needs. Few logging operators feel obliged to properly consult with communities prior to commencing logging operations. As a result, logging roads and culverts are allocated in areas that cause destruction to fallow land, water sources, cemeteries, fruit tree plantations and other areas of economic and/or cultural significance. When logging takes place, fish stocks are often rapidly depleted due to the silting of streams and rivers, fruit trees are logged and game is scared away or hunted by company employees. Financial compensation is often an additional source of conflict as no amount of money can compensate the losses incurred to local peoples' livelihoods and indigenous culture.

Protect Life on Earth

Life on the planet is rapidly disappearing, our forests are being destroyed and our oceans are being depleted. Local peoples are being robbed of the natural resources they need for their survival. At this year's CBD governments must stop this destruction and honour the commitments they have already made to stop the trend of biodiversity loss. Governments must provide money for this urgently needed protection instead of wasting it on wars and activities that ultimately end life rather than protect it. Instead of having endless discussions about the devastation, governments must stop the destruction now. As the future guardians of the planet, we have the right to receive a planet rich in life



Penan elderly man watching a traditional welcoming ceremony and cultural demonstration.

The Penan are one of the few remaining nomadic peoples of the rain forest. Their homeland in the Malaysian state of Sarawak is undergoing one of the highest rates of logging on earth. (c)Greenpeace/Ngo



Rainforest view at Maxell Hill, west Malaysia. (c)Verbelen/Greenpeace

¹⁸ World Rainforest Movement and Forest Monitor (1998).

¹⁹ 27 Suspected Illegal Loggers Nabbed. New Straits Times, May 21, 2002.

²⁰ Illegal Loggers Plunder State Land. New Straits Times, March 9, 2003.

²¹ Young, Carol, JOANGOHutan, 2002. Malaysia - the Malaysian Timber Certification scheme and the FSC.

²² Ibid

²³ Forests Monitor website (<http://www.forestsmonitor.org>), viewed 18 December 2003.