

Minister Zulkifli Hasan's warning was aimed not only at logging firms granted concessions this year, but also at timber companies still harvesting trees from natural forest concessions they had been granted in 2010.



“We are reorganizing the management of the pulp and paper industry,” Zulkifli said.

“Previously, they had been allowed to cut down trees from natural forests, but after 2010, not anymore.”

The reorganization comes as part of a two-year moratorium, due to start this month on granting new concessions in peatlands and primary forests.

The moratorium is part of a bilateral agreement with Norway, in exchange for which Indonesia will receive \$1 billion in funding for Reducing Emissions from Deforestation and Forest Degradation (REDD-Plus) schemes.

“We are hoping that in 2011, they [2010 permits holders] are already done with their cutting and are starting planting activities.”

However, he said firms which obtained their logging permits before 2010 were allowed to continue harvesting in primary forests.

Firms found to be in violation of the order would be punished, Zulkifli said.

“For sanctions, the ministry has already issued a regulation stating that if the company fails to comply within two years, then, we will revoke their permits.”

However, Elfian Effendi, director executive of policy development institute Greenomics Indonesia, said the Ministry of Forestry should have first ascertained whether the country’s industrial, or planted, forests were adequate to supply growing demand.

“Before he came out with that statement he should have checked and explained whether we could supply [timber] solely from industrial forests and not coming from natural forests,” Elfian said.

“I am not sure we can completely let go of natural forests, we are very dependent on natural forests. At least 50 percent, sometimes 60 percent of [lumber comes from them].”

Furthermore, Elfian said Greenomics had been urging the ministry to set up its own team to assess the country’s ability to fulfill pulp and paper demand before putting out such statements.

“In 2002 to 2008, the government regulations decreed that industrial forests can only be established in barren areas, bush areas or non-productive areas,” he said.

“However, the reality is that [timber] was coming from natural forests.

The Supreme Audit Agency [BPK] has considered this an illegal activity but the ministry has never followed up on the cases,” he said, citing a BPK audit that was conducted on 19 companies in Riau.

Earlier in January, the Forestry Ministry announced that 500,000 hectares of land concessions would be granted this year in previously logged areas as part of a wider plan to keep virgin forests intact and slow the rate of carbon dioxide emissions.

According to Zulkifli, the timber industry in Indonesia is worth around \$16 billion annually and employs at least 240,000 workers.

Last year, the industry contributed \$4 billion in state revenue, or 6.1 percent of the total.

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