
Solomon Islands: The plunder of paradise by Asian logging companies

On a group of Melanesian islands in the South Pacific, a tragic plunder is taking place. Logging by mainly Malaysian companies has escalated in the last five years to more than 3 times the estimated sustainable yield. In other words the forests are being logged at more than three times faster than they are growing. In less than ten years all the productive lowland forests will be logged. The forests are rich tropical rainforests with thousands of unique plants and animals. As well, a diversity of cultures and people who customarily own and rely on the forests are under threat.

Sixty percent of government income comes from taxes on log exports but tax avoidance, transfer pricing (the value received from the log buyers is greater than that officially declared) and logging company connected corruption is common. Yet small scale harvesting carried out by the landowners themselves is rapidly expanding and contributing significant returns to the local economy and can make up to 40 times more for resource owners than the royalties from industrial logging.

Logging in Solomon Islands is dominated by Malaysian and to a lesser degree, South Korean companies. The Malaysian companies are clusters of companies belonging mainly to the Kumpulan Emas Group, Rimbunan Hijau, Golden Springs International, and up till recently the Berjaya Group. The companies largely do their deals with the government and landowners in secret. At the end of 1996, in an unprecedented move, the Malaysian Deputy Prime Minister Anwar Ibrahim called on Malaysian companies operating in the Solomon Islands to be sensitive to environmental issues and not overlog.

Although no government Minister has yet been found guilty in a court of law for receiving bribes from logging companies, there is ample evidence that it is common practice. This included direct payments offered by a local businessman to two Ministers in 1994 to resign and join the opposition party and bring down the government. The managing director of the Malaysian Berjaya group company Star Harbour was deported following these allegations.

Common logging company practices used to reduce tax payments and in country profits, are transfer pricing, under reporting of log prices, and tax exemptions. In 1993 it was estimated losses for Solomon Islands due to under reporting of log prices and underpayment of duties was US \$40 million, or approximately one third of the total export value.

The Malaysian company logging has been described as the worst seen in any tropical forest. Sediment washed from unplanned bulldozer skid tracks and poor roading is destroying the island's fragile coral reefs. The rich coral reefs shelter a myriad of different types of sea life which is the main source of protein for the local people. The reefs include the Southern Hemisphere's largest enclosed lagoon system, Marovo Lagoon, a proposed World Heritage Area, that is under threat from logging silt from Malaysian company Kumpulan Emas subsidiary Sylvania. The operations can "appear more like a clearfelling operation", with no thought to protecting and regenerating the forest for the future.

These impacts have largely taken local people by surprise, as they watch the companies ignore most of the legally required practices. In response to this, angry landowners have burnt company

bulldozers in several cases (such as on Pavuvu Island in July 1995), seized company chainsaws, and in January 1997 burnt the offices of Golden Springs International. The social disruption is possibly the worst impact of foreign logging. In October 1995, Martin Apa, a local community leader opposing logging by Malaysian company Marving Brothers Ltd on Pavuvu Island, was murdered. His murder has yet to be investigated.

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