

BEIJING — Upon determining that deforestation was to blame for devastating flooding by the Yangtze River in 1998, which killed 2,500 people and caused billions of dollars in damage, China promptly enacted an aggressive package of measures aimed at protecting its existing forest growth, rehabilitating distressed areas and reclaiming forests that had been converted to farmland.

One central measure the government took was a stern, and by most accounts effective, crackdown on illegal logging across China. Given that forest coverage on Chinese territory is only 17 percent, compared with a global average of 34 percent, this move was prudent regardless of logging's contribution to China's flood control problems.

But in another significant development, the logging ban was followed by tariff cuts on imported timber, demanded by the World Trade Organization in China's entry negotiations. Now, China's demand for wood products is soaring, causing environmentalists to worry that its efforts to protect its own forest are coming at the expense of its neighbors.

"The logging ban was fairly successful in reducing unsustainable forest extractions. But it was also clear that the ban had merely displaced deforestation from within China into other regions, especially, Southeast Asia," said a paper published this year in the *Journal of Contemporary Asia* by Graeme Lang and Cathy Chan Hiu-wan of the City University of Hong Kong.

The scholars reported that annual Chinese timber imports, after remaining below 11 million cubic meters, or 388 million cubic feet, for most of the previous 16 years, suddenly took off after the Yangtze floods. Timber imports rose 319 percent, to 40.2 million cubic meters in 2003 from 12.6 million cubic meters in 1997. By 2010, they forecast, timber imports could total as many as 125 million cubic meters. Chinese pulp and paper imports, meanwhile, rose by 1,650 percent between 1995 and 2003, they said.

Much of China's demand comes from the voracious appetite of its own growing economy for wood and paper products. Still, according to the environmental advocacy group WWF, formerly the World Wildlife Fund, each person in China uses, on average, 17 times less wood than in the United States, and much of China's demand is related to its growing role as one of the leading world suppliers of furniture and building materials.

A report jointly issued this year by western and Chinese research groups found that 70 percent of all timber imported by China is processed into furniture, plywood and other products for export, mainly to the United States, Japan and the European Union.

The report said that China is now the source of one third of all worldwide trade in furniture, and

that re-exports of forest products from China to America and Europe have increased by about 900 percent since 1998.

"This booming trade coupled with China's own domestic growth and demand for paper products is having a devastating impact on forests and poor forest communities globally," the report's lead author wrote.

Much of the timber is imported from Southeast Asia. Malaysia has stringent logging and export controls, but an investigation by the Environmental Investigation Agency, a conservationist group based in Britain, identified large-scale illegal timber exports from Malaysia to processors in China, aided by corruption and falsified customs documents, an EIA investigator, Julian Newman, said in an interview.

Illegal logging is even worse in Indonesia, and a company based in Indonesia, Asia Pulp & Paper, has come in for some of the fiercest criticism for its Chinese operations. Claiming to be the largest producer of pulp, paper and packaging in Asia, excluding Japan, APP now produces half of its output in China. The company built a series of wood and paper mills on the southern Chinese island of Hainan in 1995 and critics - including international pressure groups, Chinese media and Chinese state forestry officials - have raised questions about the legitimacy of its timber supplies.

According to Greenpeace, the capacity of Jinhai Pulp and Paper, one APP unit on Hainan island, far outstrips the legal supply of timber. The plant opened with an annual production capacity of 600,000 tons of pulp, which has now risen to more than one million tons and is scheduled to rise further, to around 1.5 million tons by the end of 2008.

Greenpeace has charged that legally logged supplies on Hainan were, from the start, insufficient to meet the plant's needs, and that the firm has conducted or sponsored illegal logging operations throughout the island. According to Greenpeace, the plant's demand has not only forced the company to bring in timber from other Chinese provinces, but has also soaked up the supply for 200,000 tons of higher-value timber sheet that Hainan used to export each year.

The company has denied any wrongdoing, and says that its operations are totally legal and sustainable.

Unusually, the Chinese government last year followed up local media reports and Greenpeace researchers with an investigation into the company's Hainan operations. The State Forestry Administration, China's forestry regulator, found that APP had caused "inadvertent" damage to Hainan's forest resources. In response, the company promised to work legally in Hainan and report regularly on its operations.

Other important timber sources for Chinese producers include Myanmar and Russia. Another British-based advocacy group, Global Witness, reported that the Chinese authorities in May had

clamped down on illegal logging in northern Myanmar by closing China's border with Myanmar to the timber trade and ordering Chinese loggers out of the country.

Calling the clampdown "a major breakthrough," Global Witness said that China had illegally imported 1.5 million cubic meters of timber from Myanmar in 2005 alone, but that sawmills on the Chinese side of the border had since fallen idle.

Forestry officials in the eastern Russian region of Irkutsk say that China is a leading customer for the six million tons of timber that it exports each year. In August, a spokesman for China's forestry regulator denied reports that China planned to take over 2.4 million acres of Russian forests. The spokesman, Cao Qingyao, said: "China exercises very strict curbs on imports" and was aiming for timber self sufficiency.