

Shifting Export Destinations by Legality Sensitivity – a Peruvian Case Study

INECE: Forestry Enforcement

March 21, 2019

Melissa Blue Sky



Overview

- Context in Peru
- Timber exports from Callao (Port of Lima) in 2015
- Legality Frameworks and Export Destinations
- Conclusions
- Recommendations for Importers and Importing Countries



Context in Peru

- Documented high levels of illegally harvested timber
- OSINFOR, Operación Amazonas 2014 and 2015
- US Lacey Act Investigations, destruction of timber
- La Oroza blocked from the US for up to 3 years
- 2nd USTR Verification, found 1 of 3 imports “non-compliant” with Peruvian law
- Callao is now the only port in Peru from which official timber exports depart

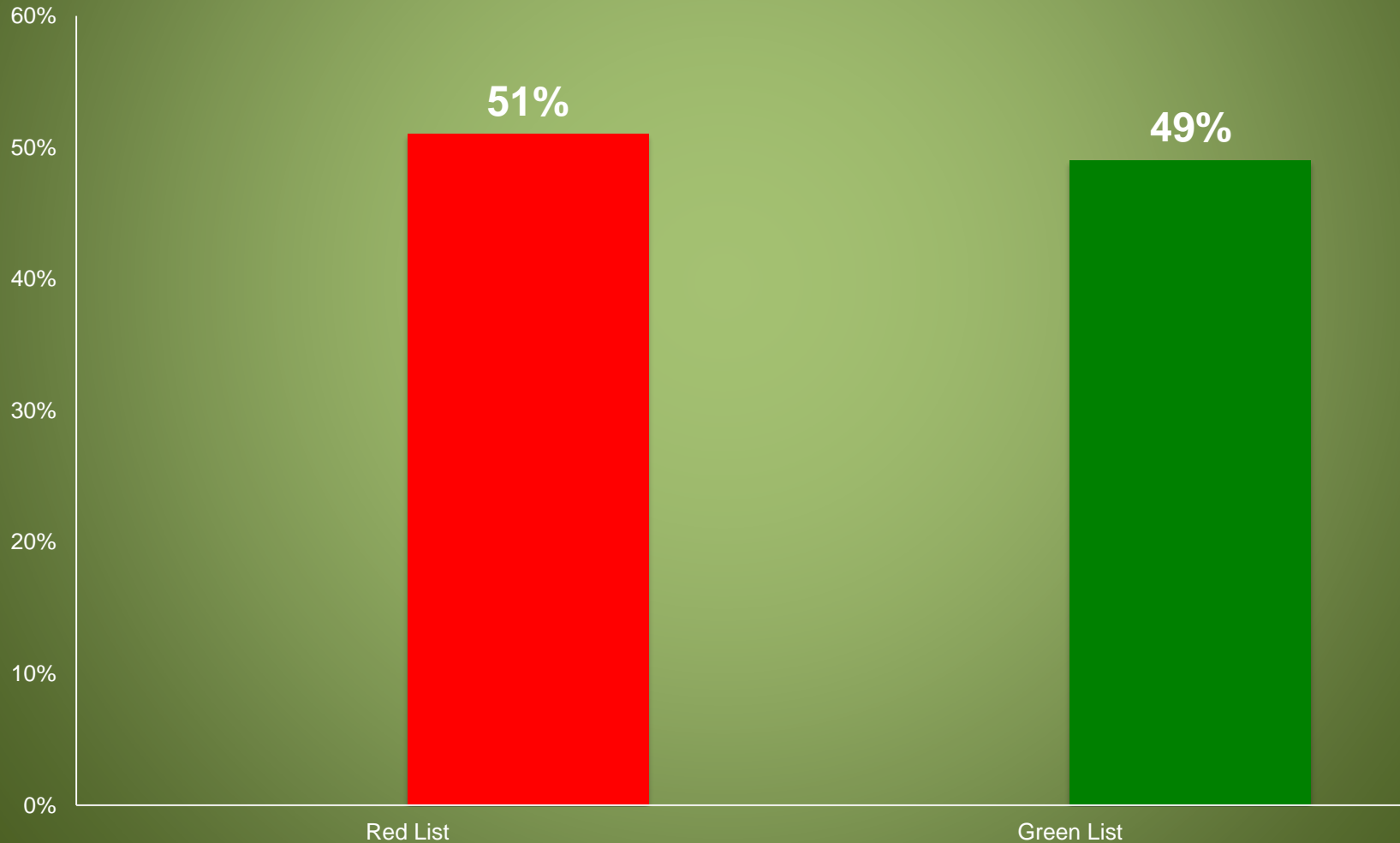
Overview of Exports from Peru

- 2364 GTFs
- 34 importing countries/destinations
- 186 importers
- 67 exporters
- 6 exporters account for more than 50% of the GTFs
- Data represents 41% of all exports in 2015
- More than half supervised GTFs on the “red list”

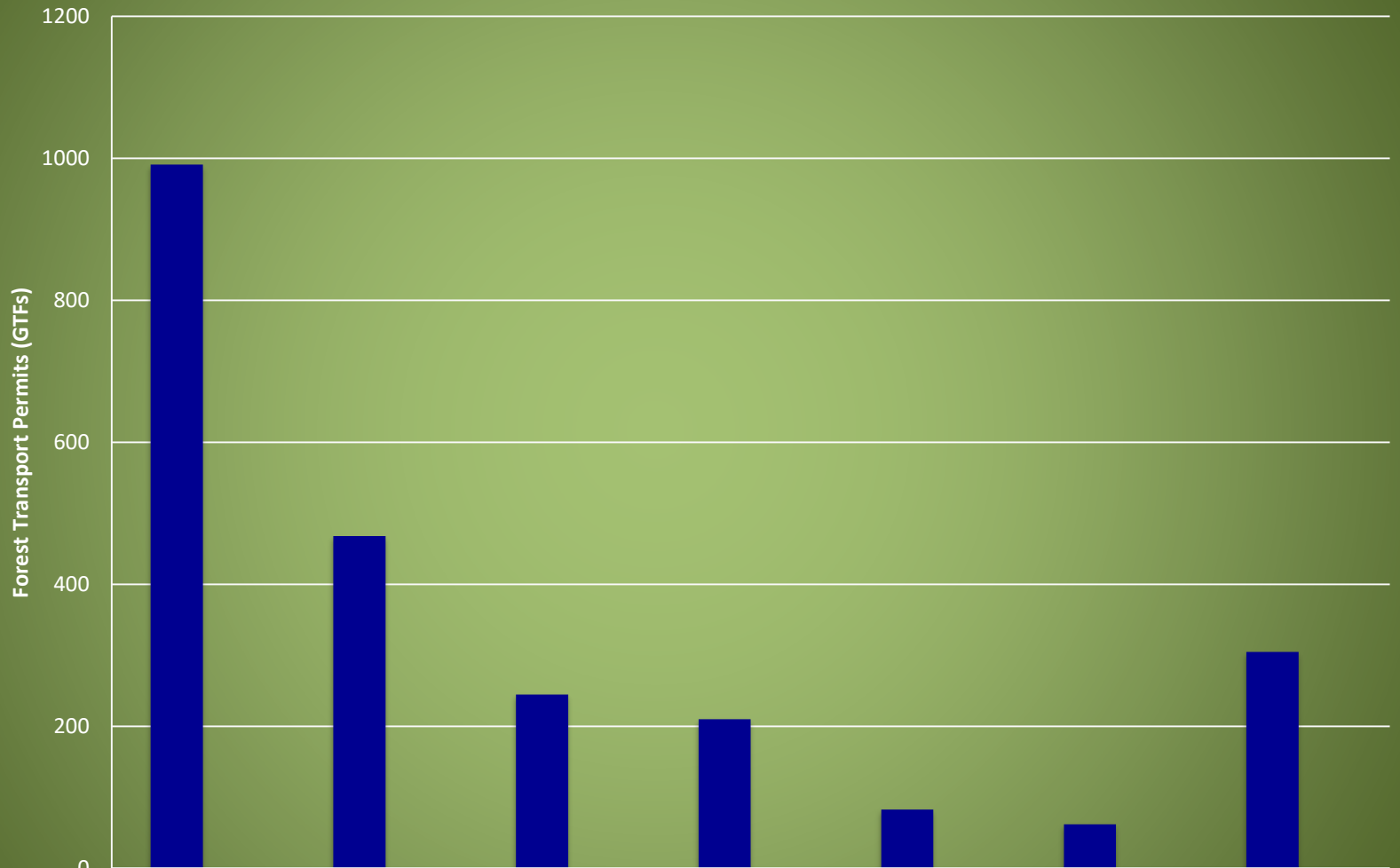
“Continuous Improvement” of exporters seeking to evade controls

- *Harvesting modalities not subject to OSINFOR oversight*
- *Sources that the local government never reported to OSINFOR or SERFOR*
- *Unsupervised management plan from a high-risk logging title*
- *GTFs do not include the management plan or other basic data points*
- *Source is “red flagged” but timber is exported anyways – often to markets without legality requirements*
- *Different species exported than that declared*
- *Unsupervised species from supervised high risk management plan*

Status of Supervised Management Plans Used for Export



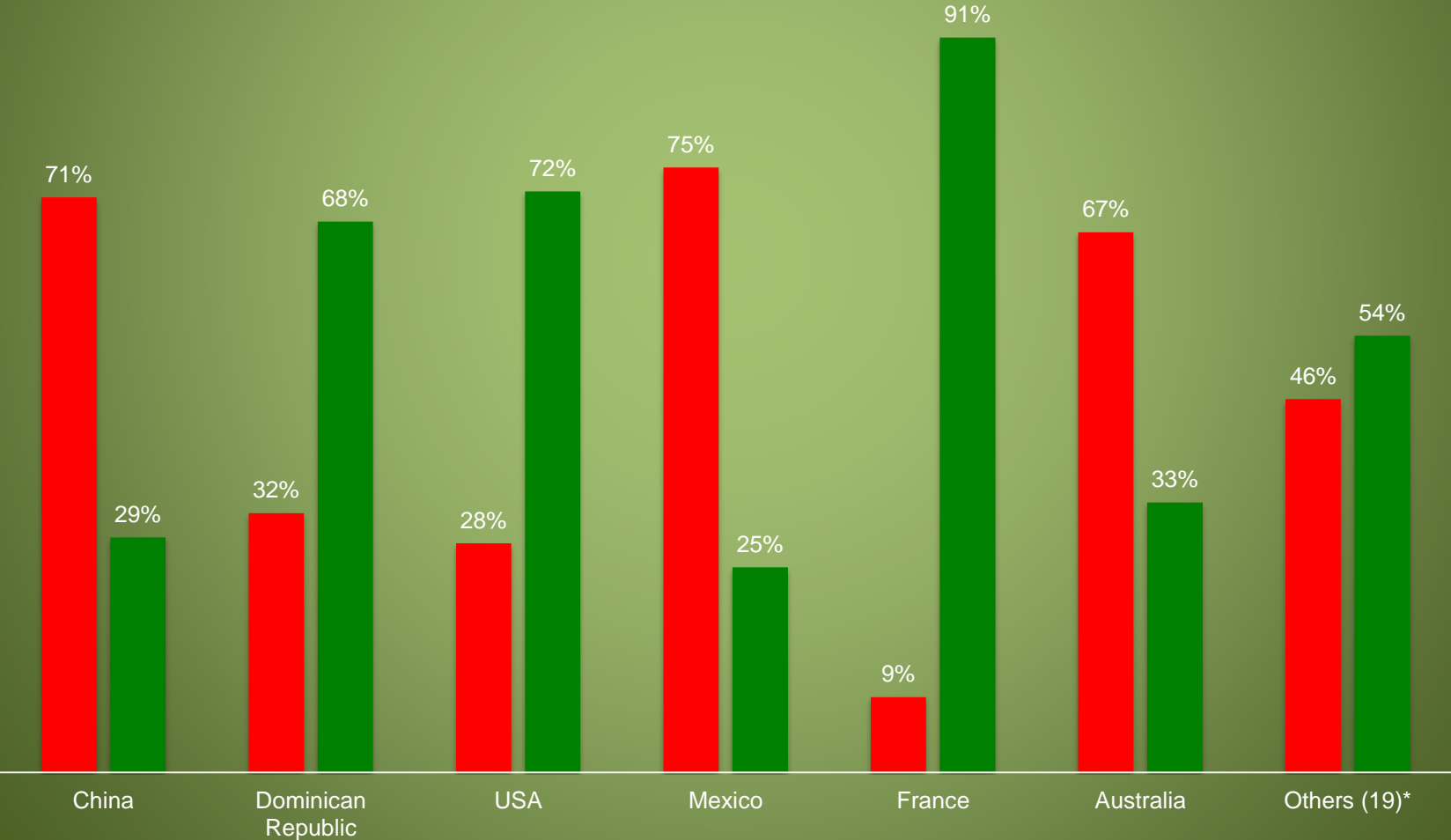
Importing Countries



	China	Dominican Republic	USA	Mexico	France	Netherlands	Others (28)*
■ Number of GTFs	991	468	245	210	83	62	305
■ Percentage	42%	20%	10%	9%	4%	3%	13%

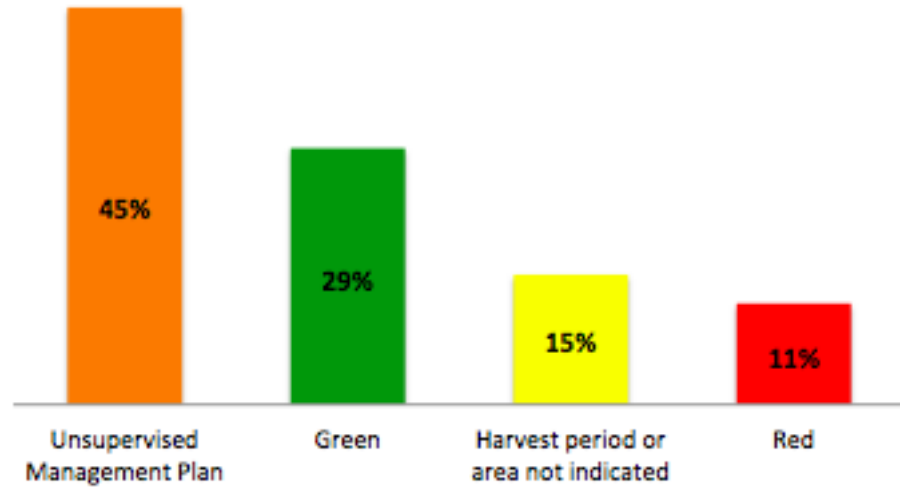
Status of Supervised Management Plans by Importing Country

■ Red List ■ Green List

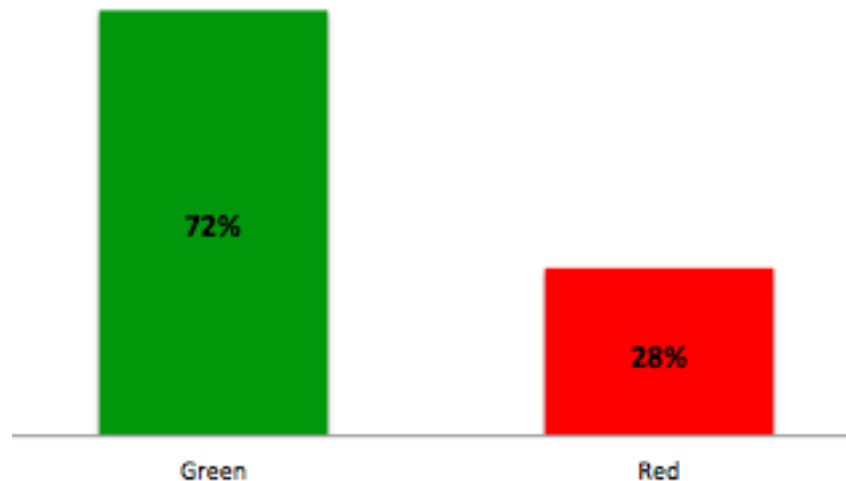


Exporters/Importers – United States
CKD Trading SAC
Shinui Builder Lake Merial LLC
Corporacion Forestal Claudita SAC
Thompson Mahogany Company
Corporacion Industrial Forestal SAC
Downes & Reader Hardwood Co., INC
Downes y Reader Hardwood Co., INC
Popp Forest Products, INC.
Corporacion Maderera Loreto SAC
INTEC - Continental Hardwoods, LLC
International Hardwoods
International HardwoodS of MIAMI
Nater Wood
Grupo Vargas Negocios Amazonicos SAC
Popp Forest Products, INC.
Hongxing SAC
Beacon Hardwoods LLC
IMK Maderas SAC
Inversiones Generales Ximjolo SAC
Global Gold Forest
Inversiones Tecnicas Maderables SAC
Industrial Pine Products, INC
Oregon Canadian Forest Products, INC
King Forest SAC
Timber Rex Aps
LOEB & Ximena EIRL
North American Wood Products LLC
Maderera Bozovich SAC
BTP, INC.
Maderera DGP SAC
Montimber International LLC
Negociación Maderera Travi Satipo SRL
SITCO Lumber CO
Santa Angela Group SAC
Rockland Wood Products LLC
Tender SAC
Fran Wood International INC
Golden Leaf Timber CO, INC
Sabra International, INC
Tradelink Wood Products INC.

Status of GTFs – United States

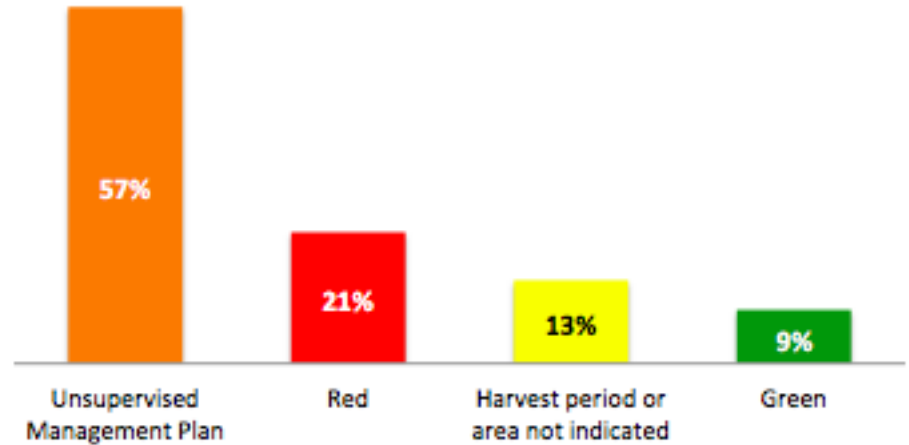


Status of supervised GTFs and management plans – United States

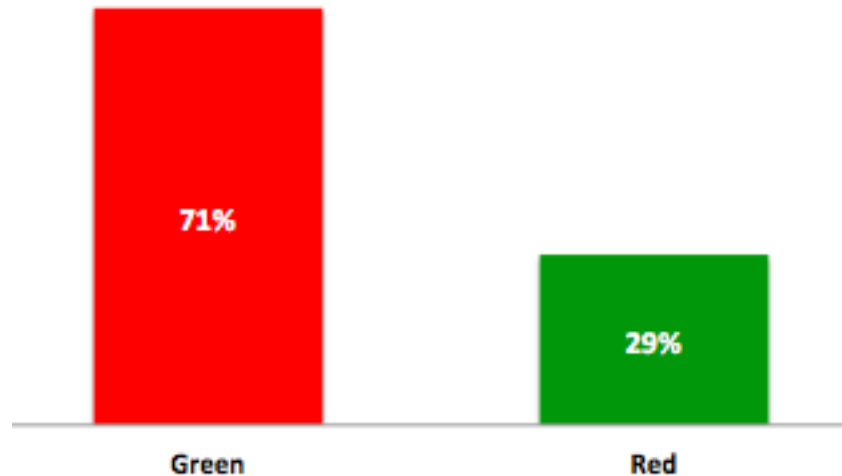


Exporters/Importers - China
Aserradero Denis SAC
Cy Trading Pte Ltd.
Hermanos Trading Co., Ltd.
Shanghai Furen Import & Export CO.,Ltd.
Consortio Maderero SAC
Rich Element International Ltd.
Grupo Vargas Negocios Amazonicos SAC
Greenfield Land Trade Co., Ltd.
Hermanos Trading Co., Ltd.
Select Timber Company SA
Shanghai Zhenyang International Trade Co., Ltd.
Hermanos Forestal SAC
Greenfield Land Trade Co., Ltd.
Joys Development Ltd.
Shanghai Textile Raw Materials Corporation
Triumph International Trading Co., Ltd.
Inversiones La Oroza SRL
Kandia Timber Co., Ltd.
JR Muye Investment SAC
Hk Diaisi International Trade Co., Ltd.
Shanghai Furen Import & Export CO.,Ltd.
King Lumber Company SAC
Shanghai CHB Import & Export CO.,Ltd.
LH Timber Company SAC
Cy Trading Pte Ltd.
Logistica Maderera Selva SCRL
Dongguan Baichang Trading Co., Ltd.
Hk Diaisi International Trade Co., Ltd.
Shandong Resources Import and Export Co., Ltd.
Shanghai Furen Import & Export CO.,Ltd.
Shanghai Furen Import & Export CO.,Ltd.
Maderap SAC
Greenfield Land Trade Co., Ltd.
Hk Diaisi International Trade Co., Ltd.
Shanghai Furen Import & Export CO.,Ltd.
Shanghai Furen Import & Export CO.,Ltd.
Maderera Bozovich SAC
Huizhou Zupont Wood
Huizhou Zupont Wood Manufacturing
Jiashan Pengsheng Wood
Samson International Enterprises Ltd.
Maderera Cinco Estrellas SAC
China Electronics Zhejiang Company

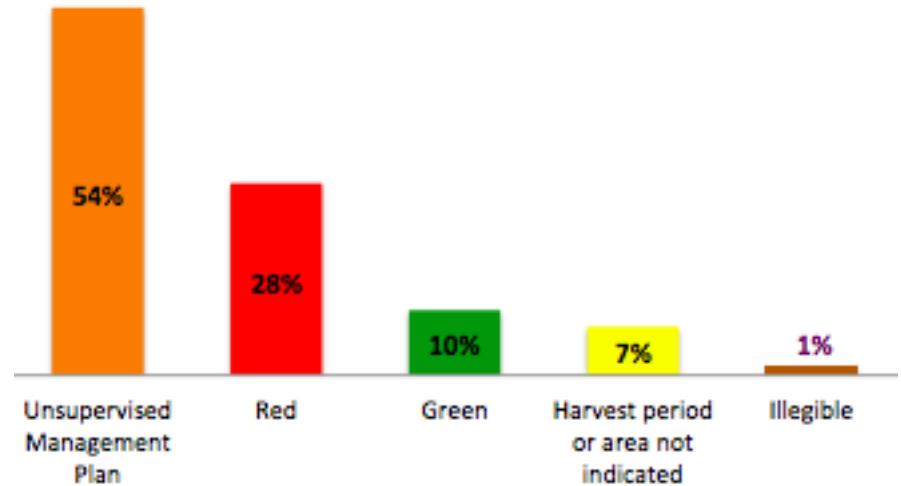
Status of all GTFs – China



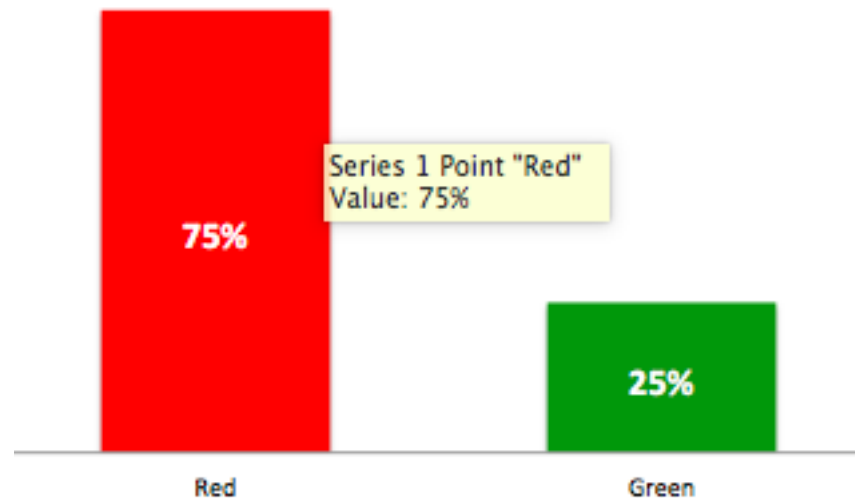
Status of supervised GTFs and management plans – China



Status of all GTFs – Mexico



Status of supervised GTFs and management plans – Mexico



Exporters/Importers - Mexico
Consorcio Maderero SAC
Grupo Maderero Najal SA de CV
Corporacion Maderera Loreto SAC
Maderas y Materiales JR S.A de C.V.
Global Wood Company SAC
Maderas y Emchapados de Monterrey SA de CV
International General Trade SAC
TRUPER SA de CV
Inversiones La Oroza SRL
CG Grupo Forestal SA de CV
Imperial Herrajes y Maderas SA de CV
Industrias Forestales CG SA de CV
Maderas La Laguna SA de CV
Maderas y Materiales JR S.A de C.V.
Triplay Azteca de Guadalupe SA de CV
Triplay Azteca de Monterrey SA de CV
Inversiones WCA EIRL
Grupo Tenerife SA de CV
Megamaderas SA de CV
Lumat Maderas SAC
Maderas y Materiales JR.
Maderera Bozovich SAC
Bozovich De R.L. De C.V
Bozovich S de R.L.
Bozovich S De R.L. De C.V.
Metals Precious SAC
JIT Importaciones y Exportaciones SA de CV
Peruvian Woods Company EIRL
Triplay y Maderas de Importación SA de CV
Triplay y Maderas de Mayoreo SA de CV
Super Pisos SA
Grupo Tenerife SA de CV

Conclusions

- Exports from Callao contained high levels of high-risk timber—84% on OSINFOR’s “red list,” unsupervised, or missing information on origin
- Exporting companies ship greater percentages of high risk timber to countries without laws prohibiting illegal timber imports
- Documents and trees are supposed to come from the same place, but all too often they are illegally sold as separate commodities prior to export
- Companies may be using OSINFOR’s SIGO_{SFC} to identify and select different documents based on destination country

Recommendations for Importing Countries and Companies

- China, Mexico, and other consumer and processing countries should create and implement laws prohibiting the entry of illegal timber
- Companies in consumer countries should ensure that their suppliers request OSINFOR supervise prior to export
- Companies should request extensive documentation and ask questions of their suppliers regarding inventories, harvest, chain of custody, and traceability
- Certified timber from Peru may still have a high risk of illegality, therefore companies should require GTFs contain the management plan and zafra

Thank you! Questions?

More detailed report “Continuous Improvement” in Illegal Practices in the Peruvian Forest Sector available:

in English: <http://www.ciel.org/wp-content/uploads/2017/11/EnglishVersionFinal.pdf>

y español: <http://www.ciel.org/wp-content/uploads/2017/11/CentroReportV15.pdf>

