

# Shifting Export Destinations by Legality Sensitivity – a Peruvian Case Study

WRI Forest Legality Week

October 24, 2018

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# 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
- 2<sup>nd</sup> 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

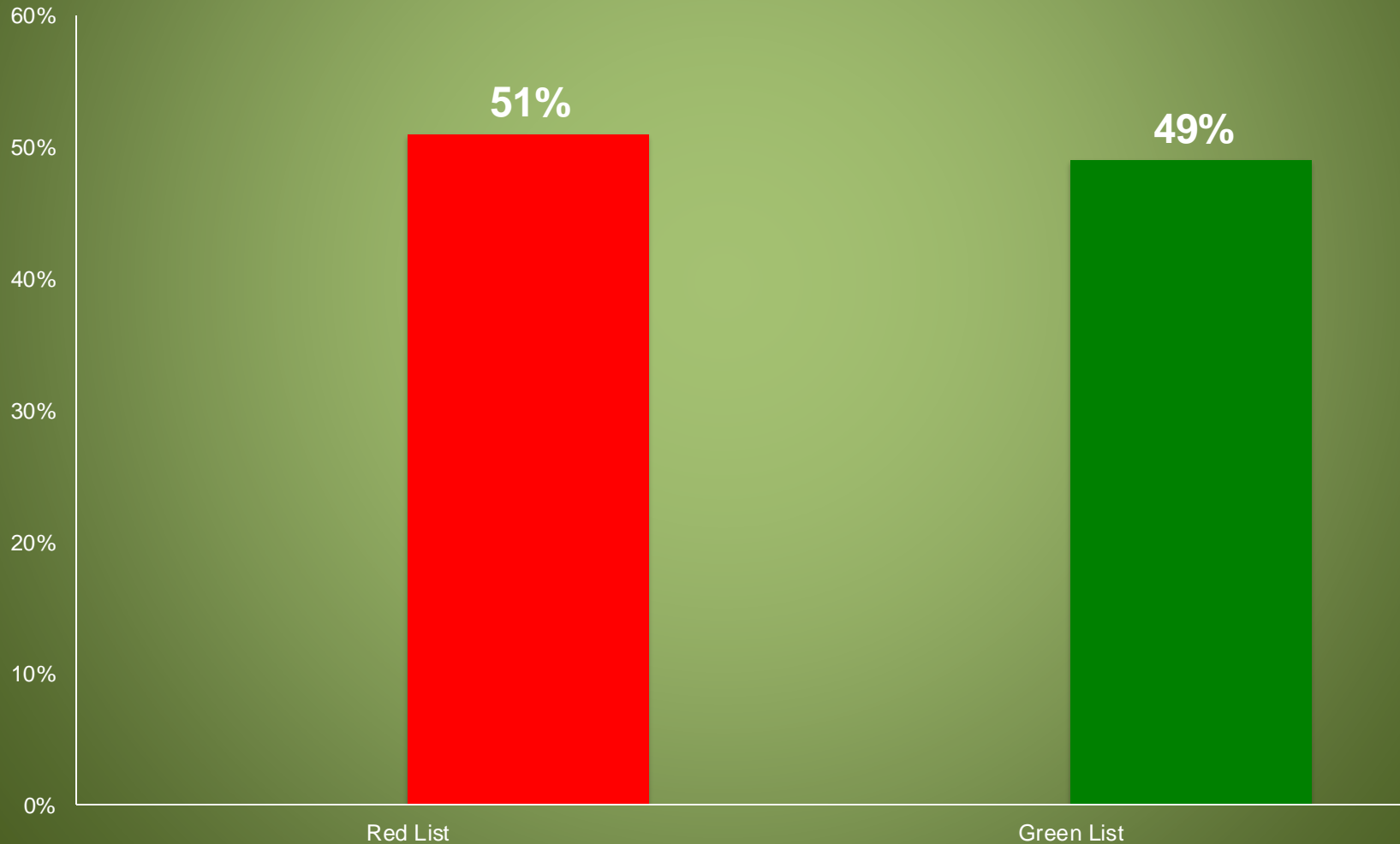
## Overview of Exports from Peru

- 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”

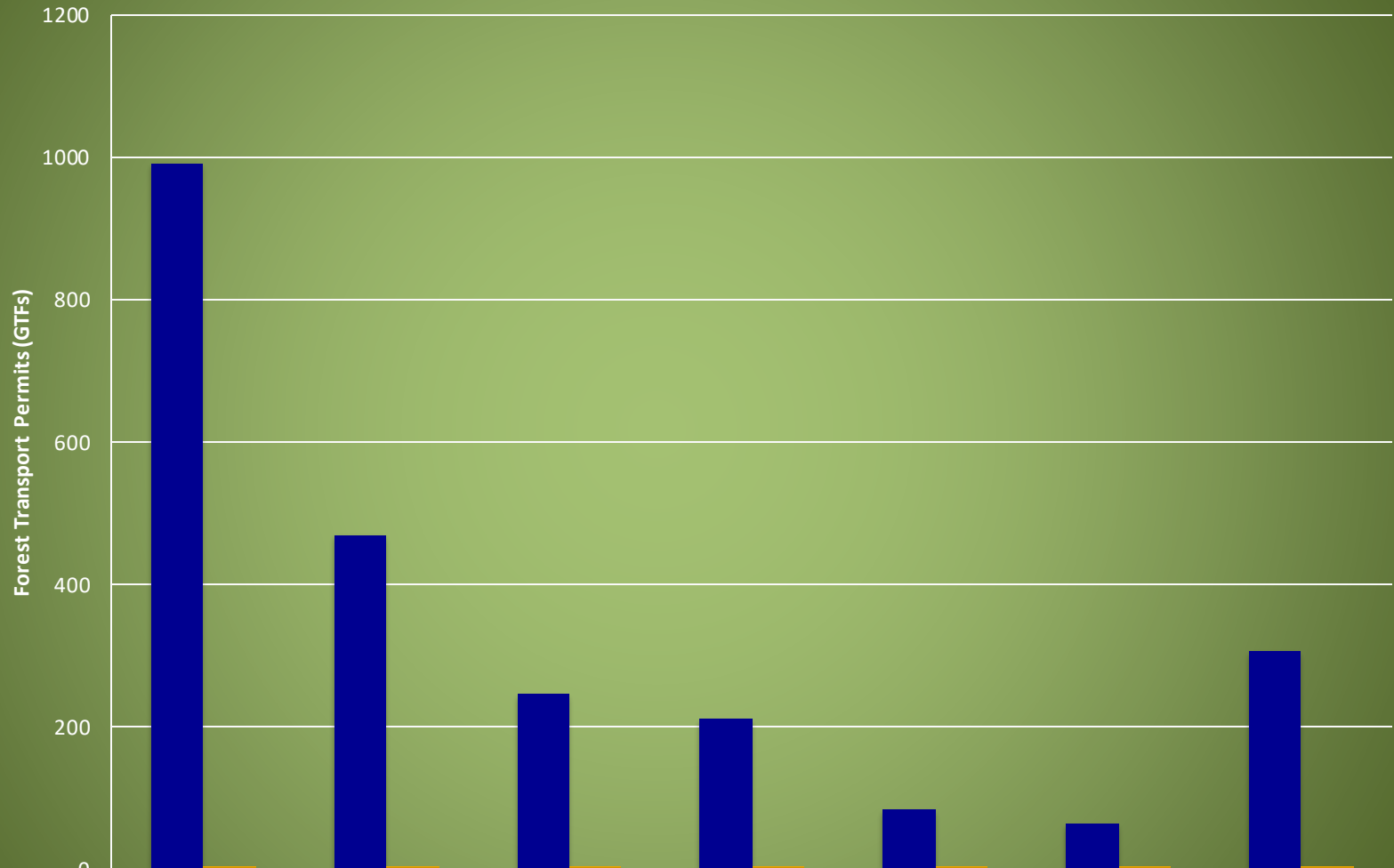
# “Continuous Improvement” of exporters seeking to evade controls

- *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



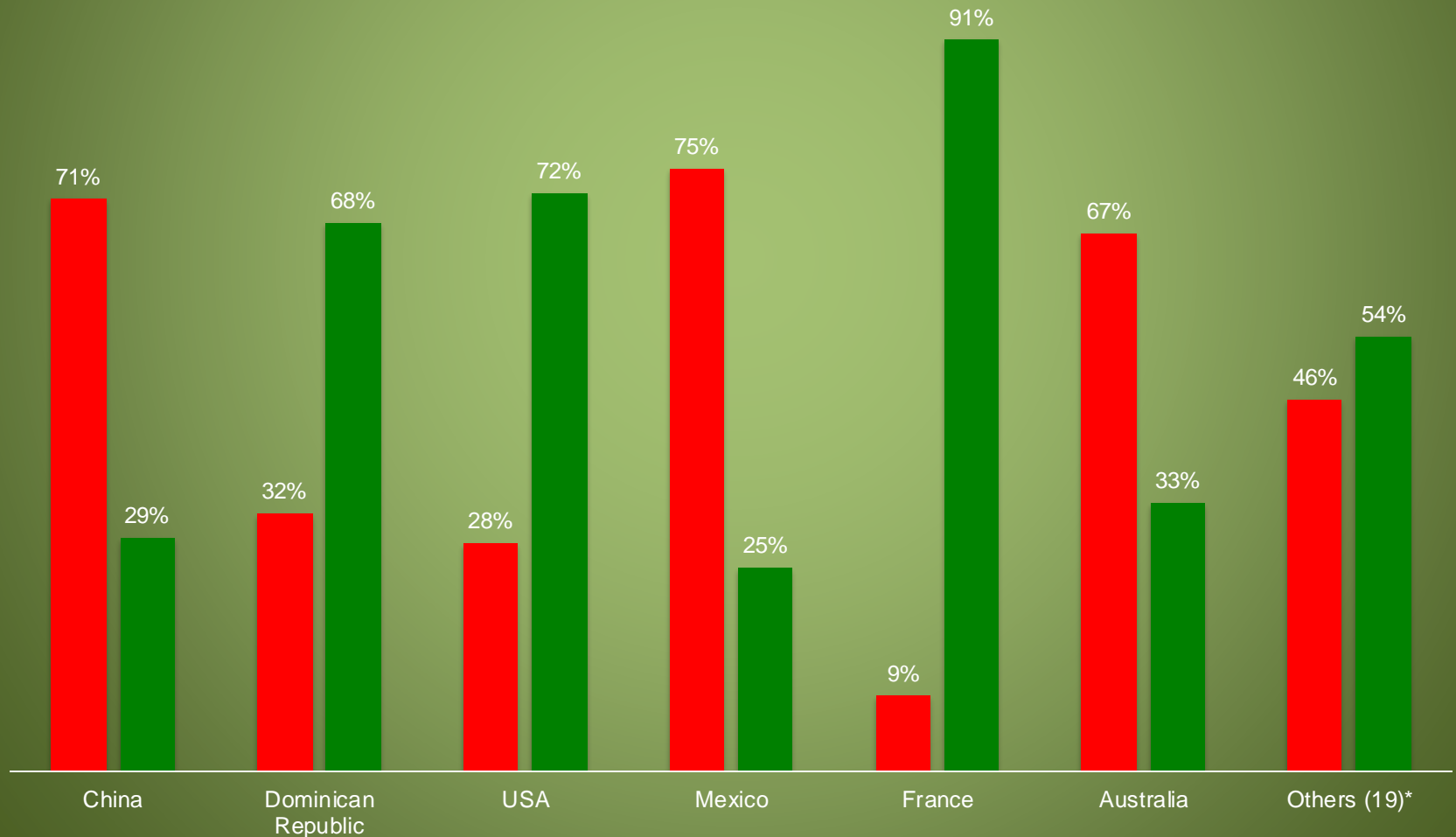
# Importing Countries



	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

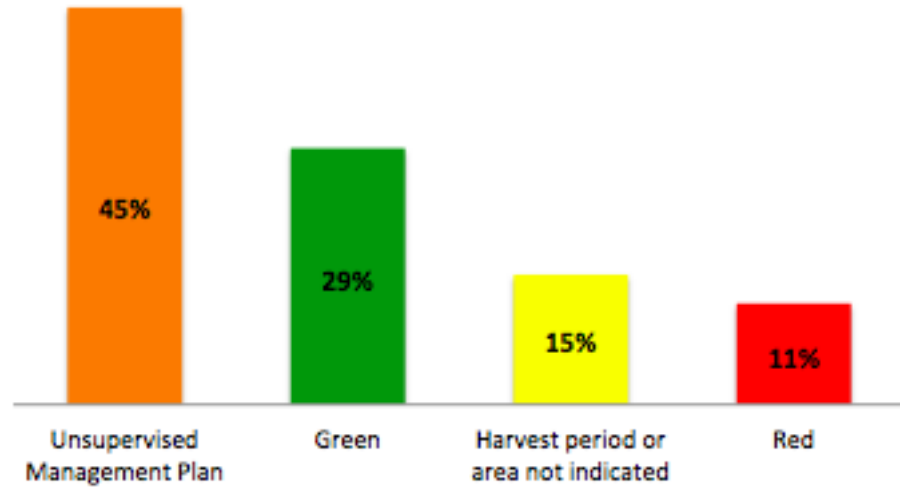
■ Red List ■ Green List



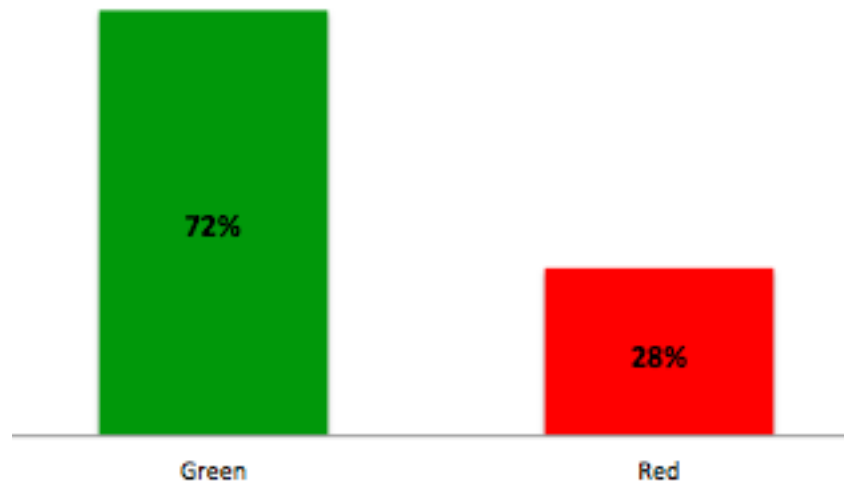


Exporters/Importers – United States
<b>CKD Trading SAC</b>
Shinui Builder Lake Merial LLC
<b>Corporacion Forestal Claudita SAC</b>
Thompson Mahogany Company
<b>Corporacion Industrial Forestal SAC</b>
Downes & Reader Hardwood Co., INC
Downes y Reader Hardwood Co., INC
Popp Forest Products, INC.
<b>Corporacion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

## Status of GTFs – United States

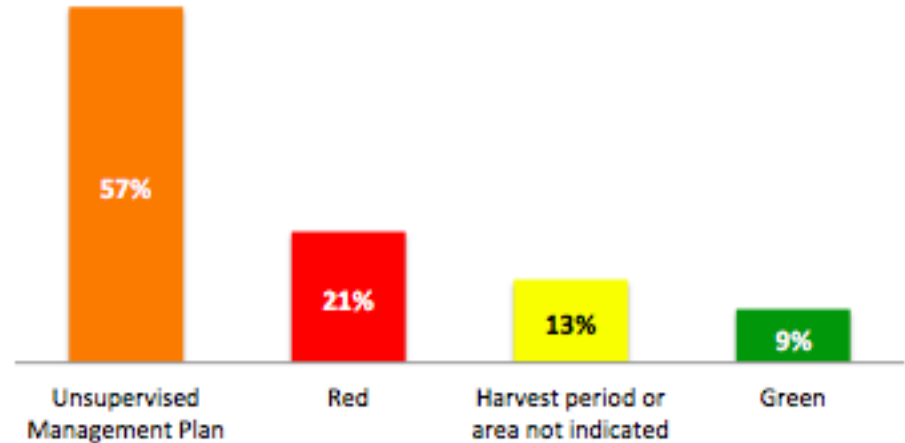


## Status of supervised GTFs and management plans – United States

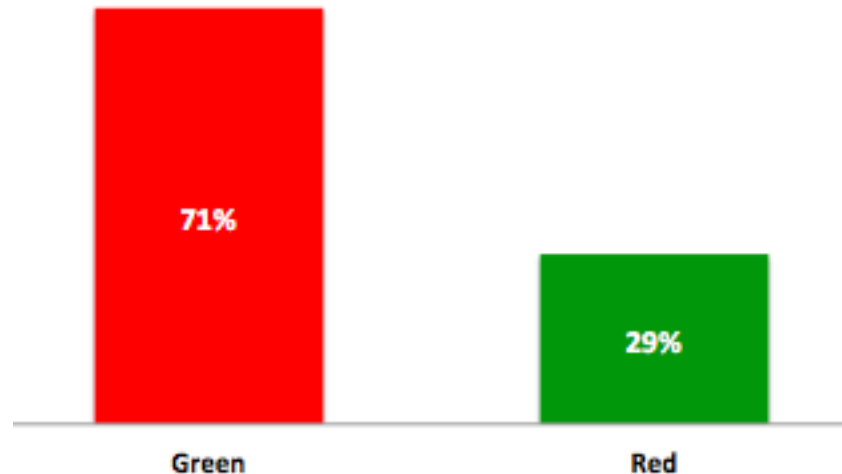


Exporters/Importers - China
<b>Aserradero Denis SAC</b>
Cy Trading Pte Ltd.
Hermanos Trading Co., Ltd.
Shanghai Furen Import & Export CO.,Ltd.
<b>Consorcio Maderero SAC</b>
Rich Element International Ltd.
<b>Grupo Vargas Negocios Amazonicos SAC</b>
Greenfield Land Trade Co., Ltd.
Hermanos Trading Co.,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

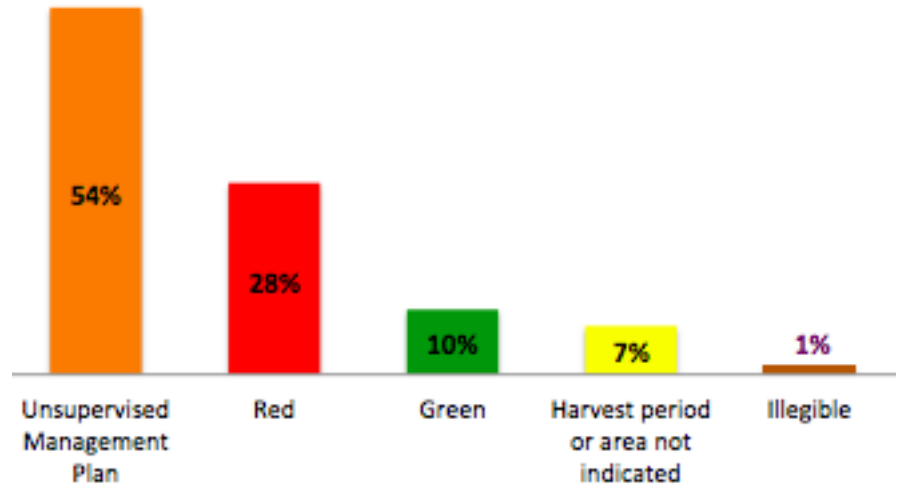
## Status of all GTFs – China



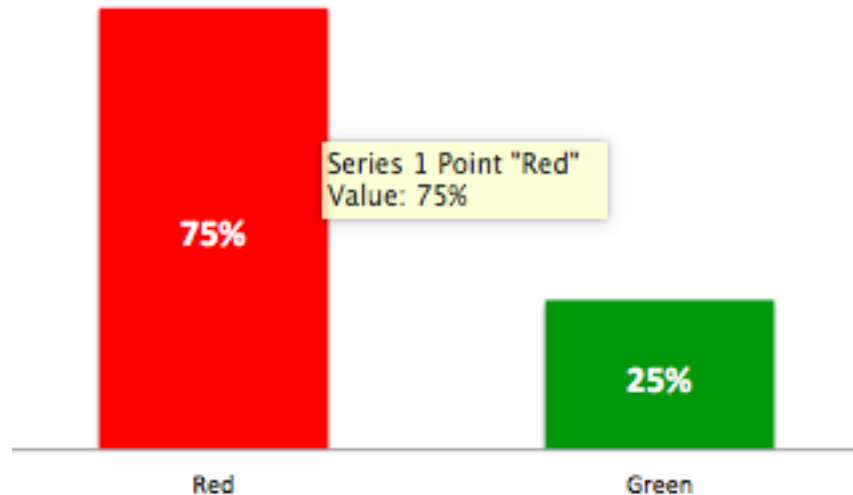
## Status of supervised GTFs and management plans – China



## Status of all GTFs – Mexico



## Status of supervised GTFs and management plans – Mexico



Exporters/Importers - Mexico
<b>Consorcio Maderero SAC</b>
Grupo Maderero Najal SA de CV
<b>Corporacion Maderera Loreto SAC</b>
Maderas y MaterialesJR S.A de C.V.
<b>Global Wood Company SAC</b>
Maderas y Emchapados de Monterrey SA de CV
<b>International General Trade SAC</b>
TRUPER SA de CV
<b>Inversiones La Oroza SRL</b>
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 MaterialesJR S.A de C.V.
Triplay Azteca de Guadalupe SA de CV
Triplay Azteca de Monterrey SA de CV
<b>Inversiones WCAEIRL</b>
Grupo Tenerife SA de CV
Megamaderas SA de CV
<b>Lumat Maderas SAC</b>
Maderas y MaterialesJR.
<b>Maderera Bozovich SAC</b>
Bozovich De R.L. De C.V
Bozovich S de R.L.
Bozovich S De R.L. De C.V.
<b>Metals Precious SAC</b>
JIT Importaciones y Exportaciones SA de CV
<b>Peruvian Woods Company EIRL</b>
Triplay y Maderas de Importación SA de CV
Triplay y Maderas de Mayoreo SA de CV
<b>Super Pisos SA</b>
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<sub>SFC</sub> 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>

