



Forest to Floor - Briefing No 1:

New Japanese Law on Promotion of the Distribution and Use of Legally Logged Wood is not adequate to ensure legality

A new law to address illegal logging is currently under consideration by Japanese legislators.

Unfortunately this legislation, which was introduced to Parliament on 26th April 2016 is weak, and wholly insufficient to tackle imports of illegally logged wood and wood products into Japan. If it is agreed upon in the next week, as proposed, this new law will not reduce pressure on companies in the forest to floor supply chain from Sarawak to identify wood product from Sarawak, cease buying from that source, and conduct independent investigation of the legality and environmental and social practices associated with obtaining that wood from the forest.

The legislation does not actually prohibit the import of illegally produced timber. This is completely different to legislation of other G7 nations, who do ban the import of illegally logged wood.

Instead, the Japanese legislation creates a voluntary system under which companies may choose whether or not to check the legality of the wood products they buy, and register that they have done so. Companies would not be under any obligation to stop dealing in illegal wood. They simply choose whether or not to register with the system.

No penalties are provided for offenders who trade in illegally logged wood. Neither do the companies have to undertake any due diligence measures to check on the origin and risk associated with the products. Companies that invest in ensuring they have an illegality free supply chain would actually be put at a commercial disadvantage compared to those that do not.

These serious loopholes in the proposed law mean that it is not capable of functioning as an effective deterrent against the import and trade in products made from illegally logged trees.

Instead it sets up a situation in which the regulatory standards of other G7 nations would be undermined.

Japan is the third largest developed country market importing wood products, and the fourth largest importer of wood products globally. It is a major destination for illegal timber from some of the world's most endangered rainforests. Yet it is the only G7 nation that has not yet created a law banning the trade in illegal timber.

If the government fails to require companies to stop buying illegal timber Japan will continue to be a loophole in global efforts to stamp out this trade and illicit timber will continue to flood the Japanese market.

The UN Office on Drugs and Crime estimates that approximately 50% of all wood products from Sarawak are illegal. Many companies in the EU, US, and Australia, where trading in illegal timber is prohibited, are reported as saying they specifically avoid timber from Sarawak as it is simply too risky.¹

The legislative timetable is set to fast track this unacceptably weak legislation. The Lower House vote is scheduled for 12th May, followed by Upper House voting on either the 13th or 17th May.

1. NEPCON, Supply Chain Mapping of Malaysian Timber and Wood-based Industries, January 28 2016, p.43, http://awsassets.wwf.org.my/downloads/final_supply_chain_mapping_report_18jan16.pdf