

## ENVIRONMENT: MALAYSIAN FIRMS EYE PERU'S AMAZON JUNGLE. (Brief Article)

by Abraham Lama

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Malaysian logging companies, which have already chopped down the forests in their own country and are currently exploiting more than 1.5 million hectares of forest in Brazil, have now set their sights on Peru's Amazon jungle.

"With the support of several representatives of Peruvian logging companies, the Malaysian group is lobbying Congress and maneuvering to delay and gut the bill on forests and fauna, which was to be enacted last year," said Roger Rumrill, an international consultant on matters involving the Amazon jungle.

"The bill, which made it through the parliamentary commissions months ago, was on the verge of approval by Congress last November when a mysterious hand wiped it off the agenda, without any explanation," he explained.

Peru has 72 million hectares of naturally-growing forests, 70 percent of which are located in the Amazon jungle region, which Peru shares with Bolivia, Brazil, Colombia and Ecuador, and which accounts for more than 57 percent of Peru's total territory, or 739,672 square kms.

While awaiting passage of the bill on forests and fauna, which encompasses laws on protected areas, natural resources, conservation, biosafety and the sustainable exploitation of biological diversity, the Peruvian government is administering the economic exploitation of the jungle by decree.

"The decrees on the economic exploitation of the Amazon region have always been, and continue to be, erratic. We hope the bill on forests and fauna will establish a strategic orientation for the development of that region, which forms an important part of Peruvian territory," said Reynaldo Trinidad, editor of the magazine *Agro Noticias*.

Rumrill maintained that the decrees on the exploitation of Peru's Amazon jungle issued in the past two years have favored large foreign investors and hurt small and medium-sized logging concerns.

"Today, the requisites for potential concessionaires of jungle areas -- \$500,000 in bid bonds and \$5 million in investment -- leave out local businesses which fail to form associations with foreign groups," he said.

"That means that in the new legal context, the way is

paved for concessions of more than 200,000 hectares," said Rumrill.

Local environmentalist Dario Zapata said, meanwhile, that "logging in tropical forests is very different from logging in Canada or Europe. And the foreign investors interested in investing in the Amazon have generally acted in other countries in a predatory manner.

"Three Asian countries have been the greatest pillagers of forests in the past quarter century: Malaysia, Indonesia and the Philippines," he added.

Rumrill pointed out that in Brazil's Amazon region, three Malaysian companies had been granted a concession equivalent in size to half of the territory of Belgium.

"Environmentalists have denounced the governments of the states of Para and Amazonas, in international campaigns, for having allowed the entry of the Malaysian logging firms," which have a bad reputation, he said.

The Malaysian firms "are very aggressive. In their country they demonstrated their capacity to corrupt government officials, and they are suspected of having made their way in Brazil with similar methods," he added.

According to Rumrill, in Peru the companies had already won over Congressman Luis Campos Baca, a biologist by training and the chairman of the Commission on Ecology, the Environment and Amazonia. After being invited to Malaysia last year, the lawmaker returned convinced that Peru should imitate Malaysia's forestry model.

Luis Lopez Guerra, the chairman of the National Forestry Chamber, disagreed with Rumrill however, and called for greater facilities for large-scale investment in the Amazon region.

"The legal framework in effect is outdated and does not promote business," said the representative of the logging sector. "And concessions are for very short periods of time, sometimes only a year, which leads concessionaires to act in a predatory manner to take the fullest advantage in the shortest possible time.

"In consequence, only 0.5 percent of Peru's Amazon forests are being exploited," he added.

While logging activities account for just one percent of gross domestic product, or around \$500 million, with

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adequate legislation promoting business opportunities, Peru could export more than three billion dollars a year, Lopez Guerra asserted.