



WWF-România
Str. Tudor Vladimirescu
nr. 29, Sector 5
București, 050881
România

Tel: +40 21 317 49 96
Fax: +40 21 317 49 97
office@wwf.ro
www.wwf.ro

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The cartel exposed by the authorities reveals two major dangers for forests

Bucharest, January 20, 2020. We appreciate the Competition Council's effort to fight illegal logging in Romania and we hope that the [fines](#) it gave to the major wood processors on the local market will discourage future anticompetitive practices. The authorities' current investigation refers, however, to 2011-2016 and it is natural to ask ourselves if the competition rules were broken in the following years as well.

The free, competitive market is a basic condition for a functional European Union. It is the foundation of a healthy economic environment and must not be „put on hold.” What does that mean for the forests?

The cartel exposed by the authorities reveals **two main dangers** for our forests:

- The investigation proved that the major wood processors eliminated competition at auctions “in order to buy, most of the times, wood at the lowest price possible, while the state collected less money.” Such practices undermine local competition by gradually eliminating small and medium size companies, while larger wood exploitation firms are forced to turn into “servants.” This is one of the causes which **increase the illegal logging phenomenon**. So we ask ourselves: how many millions of cubic meters were illegally harvested in Romania following these practices?
- The way we capitalize on our wood influences the way we manage our forests. If a group of processing companies, which overall could use annually over 5 million cubic meters of wood, manages to form a cartel, then it obtains a dominant market position and can influence demand. Moreover, if the companies within the group process the wood only primarily, it means they don't need good quality raw material. So, in order to meet the market demand, the Romanian forestry is at risk to focusing on short, 60 to 80-year production cycles (more profitable regarding wood production), compared to the present 100 to 140-year cycles. Legalizing intensive interventions and, finally, turning the forestry ecosystems into intensive wood cultures risk leading to a **devastating biodiversity loss**. Because we would no longer have living forests, but “wood orchards.”

“Romania doesn't need such a business model, which is supported by illegal practices. It has to promote an ethical and competitive wood market. It has to support a circular economy by capitalizing on superior wood processing, which increases its local value and creates new jobs. This is the only way to reduce the pressure on forestry ecosystems in a sustainable way and to develop the local communities.” – Radu Vlad, regional forestry projects coordinator at WWF Romania.

We hope the authorities will continue the fight against illegal logging by creating a coherent legal framework and by enforcing it through efficient controls and appropriate penalties.

For more information, please contact:

Magda Munteanu, communication officer at WWF Romania: mconstantin@wwf.ro,
+40723534210
