

Mongabay Series: Forest Trackers

Large-scale logging in Cambodia's Prey Lang linked to politically-connected mining operation

by Gerald Flynn | Andy Ball | Vutha Srey on 26 May 2022

- *Illegal logging appears to be taking place openly inside a swath of protected forest that authorities in Cambodia have only authorized for a feasibility study for limestone mining. Locals and conservationists say the wood leaves the concession awarded to KP Cement in the Prey Lang Wildlife Sanctuary and is laundered through sawmills owned by Think Biotech.*
- *It's not clear why the Cambodian authorities would award a concession in the middle of one of the last remaining swaths of primary forest left in the country, or why they would give it to a company linked to a tycoon with a long history of environmentally destructive activities.*
- *New data from Global Forest Watch show that 2021 was the worst year on record for deforestation in Prey Lang,*

with more than 8,000 hectares (20,000 acres) of primary forest lost in what appears to be a trend of increasing destruction.

- *This story was supported by the Pulitzer Center's Rainforest Investigations Network where Gerald Flynn is a fellow*

PHNOM PENH — The early onset of Cambodia's wet season had seen the rain fall thick over Prey Lang Wildlife Sanctuary, turning freshly cut paths through the forest into a near-impassible slick of churned-up mud. But the torrential weather had done little to deter local loggers, who rode out of the beleaguered protected area carrying stacks of unprocessed timber on *ko-yun* — elongated tractors used for transporting wood.

Over several days and nights in April 2022, reporters saw a parade of *ko-yun* and motorbikes, all laden with a reddish timber that glistened in the rain as they passed along a road that had been recently carved through the section of Prey Lang forest that falls inside Kratie province.

A dashcam on the reporter's car records timber and various vehicles, including motorbikes, ko-yun and trucks, traveling on a main road connecting to a Ministry of Environment Ranger's station and an access road to KP Cement's feasibility study area for a cement mine. Footage by Vutha Srey/Mongabay.

The road, which satellite imagery shows expanded rapidly around March this year and continues to cut further into the forest as of May, leads to a newly approved limestone mining concession within the boundaries of the protected area. This appears to have opened up new access points for locals, many of whom have seen their livelihoods reduced to illegal logging.

But while the scale of the logging done by locals is hard to quantify, particularly within a protected forest that officially spans 431,683 hectares (1.07 million acres) over four provinces, the immediate loss to the mining concession was detailed clearly in documents seen by Mongabay.

A company called KP Cement Industry (https://www.businessregistration.moc.gov/cambodia-br-companies/viewInstance/view.html?id=48e104de66a7c46f0057fe540258afcda2899985984ba8f4ea43dd02cf_timestamp=2296956455892512) was granted a 938-hectare (2,318-acre) concession within Prey Lang's protected area to perform a feasibility study to establish whether forest could be a viable source of limestone — a key ingredient in cement, for which demand has skyrocketed (<https://chinadialogue.net/en/business/cambodian->

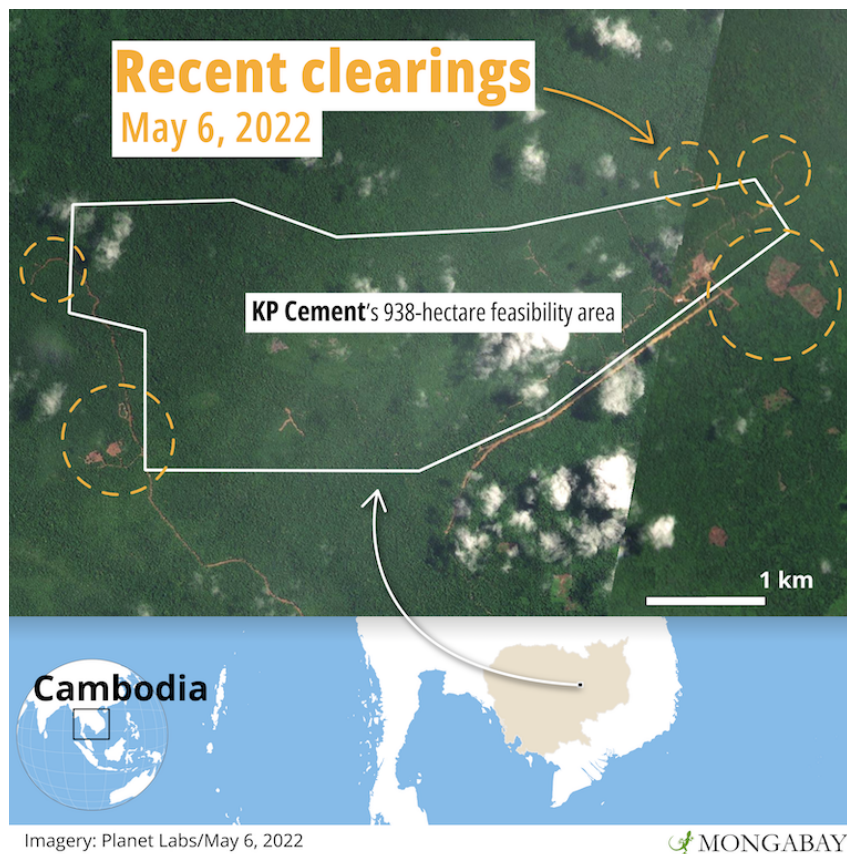
construction-boom-turns-karst-mountains-to-cement/) to feed Cambodia's construction boom (<https://vodenglish.news/behind-the-scaffolding-cambodias-construction-w-suffer-as-city-skylines-soar/>).

Despite illegally harvested timber being transported openly from KP Cement's mining concession across road networks leading directly out of the protected area and back past the village of Sre Pnee, locals said there had been minimal intervention from Ministry of Environment rangers stationed less than 10 kilometers (6 miles) from the concession.

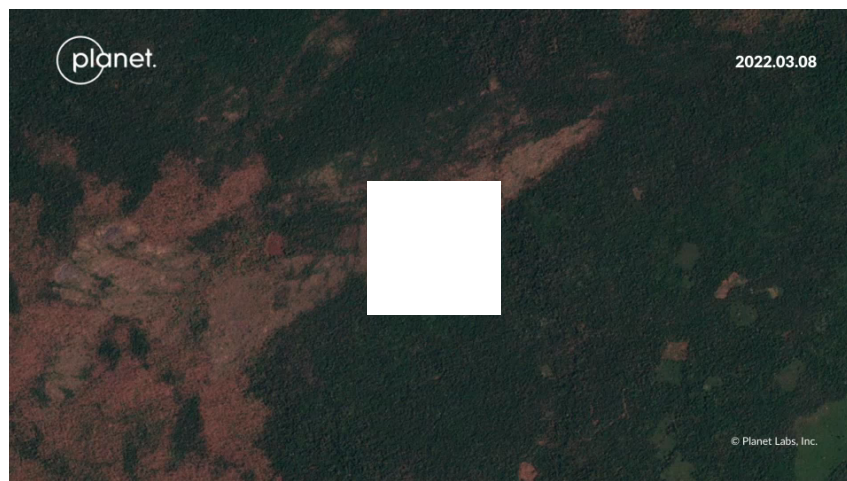


Excavators and bulldozers work on a recently built road cleared through a section of the feasibility study area of KP Cement's mine. Image by Andy Ball for Mongabay.

While driving down the crudely cut access road leading into the protected area and on to KP Cement's concession, reporters saw Ministry of Environment rangers driving motorbikes with chainsaws strapped to the backs of their bikes. However, the solitary nature of the road meant that these rangers had to have driven past at least four separate groups of illegal loggers who were also driving back toward Sre Pnee on ko-yun and motorbikes packed with freshly felled timber. Local residents have suggested that rangers working with the Ministry of Environment in Kratie province have established set prices for bribes in exchange for not confiscating chainsaws, ko-yun and other logging equipment.



Source: Feasibility area of KP cement mine plotted from UTM coordinates on a document signed by Sum Sey, Minister of the Ministry of Mine and Energy Minister, dated March 3, 2022.



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But one of the largest remaining lowland evergreen forests in mainland Southeast Asia appears to be collateral damage in KP Cement's apparent quest to mine limestone from the protected area. While a geological analysis of the area (<https://data.opendevdevelopmentcambodia.net/en/dataset/geology-of-cambodia-2006>) suggests that it is indeed rich in limestone, the decision to grant a mining concession within one of the country's most contentious protected forests was

one that Neth Pheaktra, spokesperson for the Ministry of Environment, declined to fully explain.

"Cambodia has the full rights to manage its resources to serve the national interest and her people in compliance with applicable legal and technical standards," he said.

When asked of the environmental fallout expected from KP Cement's operation that involves felling 938 hectares of forest to mine for limestone, Pheaktra said that "The operating company had been authorized to conduct research in the area, and will prepare detailed reports on environmental and social impact assessments, which will also include consultation with local community too." He declined to comment further on whether an environmental impact assessment or community consultation had taken place before the company began bulldozing trees, building roads and extracting limestone samples.

Pheaktra also declined to comment on satellite imagery that shows logging routes expanding out well beyond the concession's legal borders, nor would he comment on KP Cement's ownership.

Timber tycoon gets the go-ahead

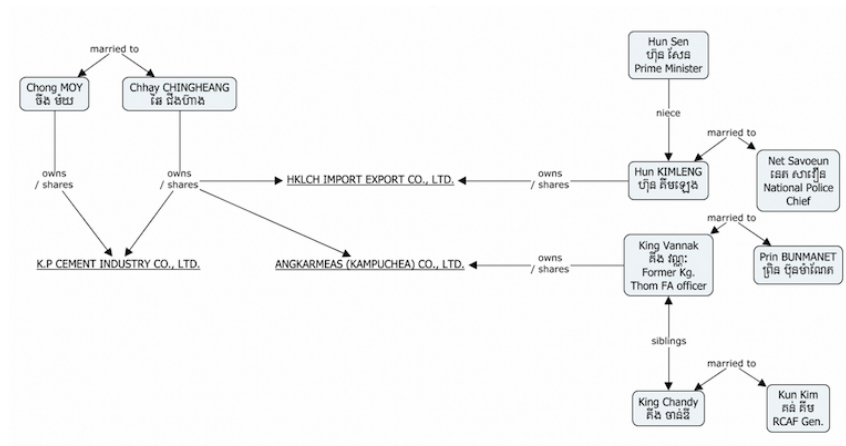


Diagram showing the business connections and personal relationships that link Chhay Chingheang, owner of KP Cement, with a number of other high-profile individuals. Source: OpenCorporates and Global Witness.

KP Cement is one of at least 10 ventures that fall under the Chhay Chingheang Group, although the exact number of companies operating under the group's banner is difficult to know as the company's website, which was fully operational prior to reporters sending questions on May 3, appears to have been taken down as recently as

May 7. By May 12, the company's website (<http://cchgcamodia.com/>) redirected to a maintenance page, promising "We'll be back soon!"

The Chhay Chingheang Group is owned by little-known Cambodian-Chinese businessman Chhay Chingheang, a man whose professional relations reach as far as Hun Kimleng (<https://opencorporates.com/companies/kh/00019589>), a niece of Prime Minister Hun Sen who is married to Neth Savoeun (<https://www.globalwitness.org/en/reports/hostile-takeover/>), Cambodia's National Police commissioner.

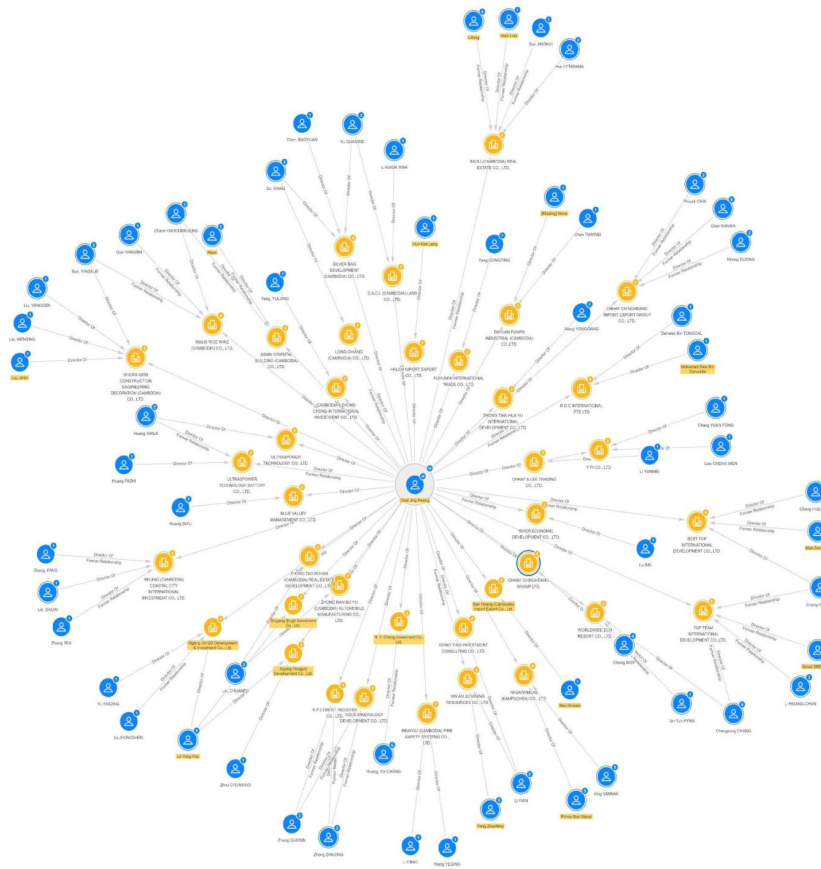
Both Kimleng and Savoeun were embroiled in the Cypriot "golden passport" scheme (<https://www.reuters.com/investigates/special-report/cambodia-hunsen-wealth/>) after, which saw them investment least 2 million euros (around \$2.1 million) in Cyprus in 2016 for citizenship of the EU member state. It is unclear whether the two were among the eight Cambodians who saw their Cypriot passports revoked (<https://www.bbc.com/news/world-europe-50331697>) following the investigation by Reuters.

In addition to doing business with Kimleng, Chingheang also directs a company called Angkârmeas (<https://opencorporates.com/companies/kh/00028054>). One of the other directors beyond Chingheang's wife is King Vannak, brother-in-law to Kun Kim, a former senior general in the Royal Cambodian Armed Forces who, along with his family network, was hit with Magnitsky sanctions (<https://home.treasury.gov/news/press-releases/sm849>) by the U.S. Department of the Treasury's Office of Foreign Assets Control in December 2019 for his role in land grabs and corruption.

King Vannak, himself a former Forestry Administration official in Kampong Thom province, was named in June 2007 by corruption watchdog Global Witness (https://cdn2.globalwitness.org/archive/files/import/cambodias_family_trees_low_res.pdf) as a key facilitator in illegal logging, allegedly taking payments from timber magnates on behalf of his brother-in-law. He currently serves as deputy governor of the province of Banteay Meanchey in Cambodia's northeastern region, which borders Thailand.

Multiple attempts to reach Chingheang through

company contact information on the Ministry of Commerce's records were met with silence. When reporters called the Chhay Chingheang Group's head office in Phnom Penh, several receptionists claimed not to have any contact details for their employer.



*Diagram indicating the various positions, both past and present, that Chhay Chingheang has held at a plethora of companies.
Source: Sayari Graph.*

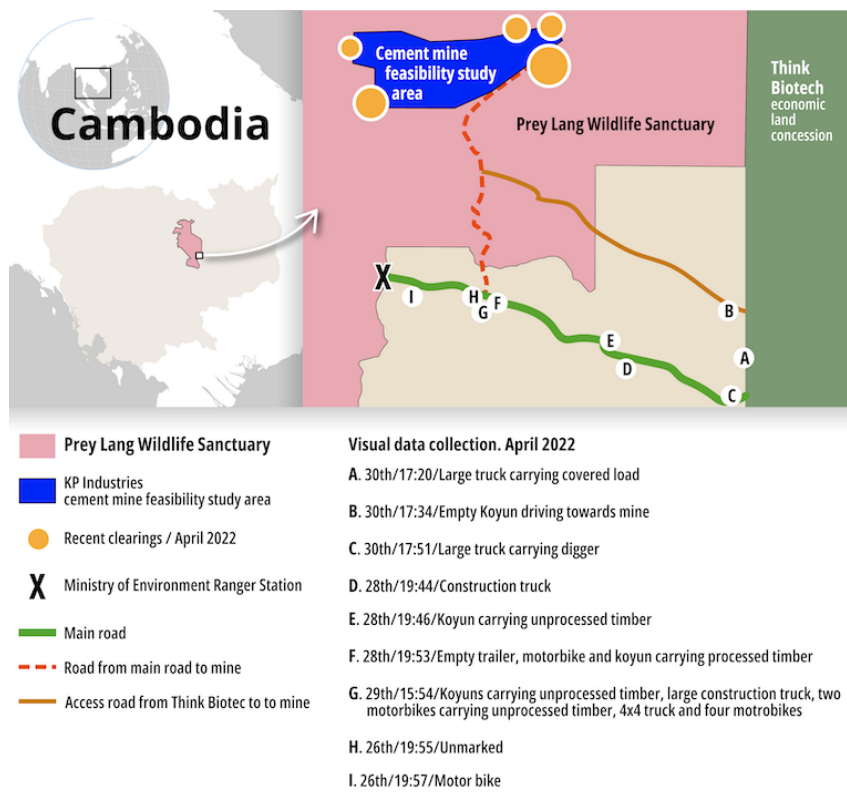
But while Chingheang himself was unable or unwilling to comment, his past endeavors in Cambodia's extractive industries have seen him dabble in timber (<http://www.biz4cn.com/aoj-company/>), oil and sand — largely for export to Vietnam and Singapore (https://www.company-list.org/ntv_resources_co_ltd.html). His companies also have a history of environmentally destructive and legally questionable projects in Ratanakiri province (<https://www.phnompenhpost.com/national/ministry-examining-illegal-mine-accusations>). The Chhay Chingheang Group came under investigation by the Ministry of Mines and Energy in 2016 after winning a sand mining contract in the northeastern province of Ratanakiri, but the license was suspended after the company was

found to be illegally operating beyond the restrictions of its license (https://www.phnompenhpost.com/national/ministry-findings-hint-illegal-gold-mining-ratanakkiri), with investigations indicating the company was in fact mining for gold.

According to documents seen by Mongabay, KP Cement was granted the concession within Prey Lang with approval from Suy Sem, the minister of mines and energy, on March 3, 2022. Given the Chhay Chingheang Group's history of flouting concession regulations, it is unclear why the ministry approved this latest mining expedition inside a protected area. Heng Kunleang, spokesperson for the Ministry of Mines and Energy, did not respond to questions.

Gutting the forest to feed Think Biotech

While the reasoning for entrusting 938 hectares of protected forest to Chhay Chingheang remains unknown, what is clear is that satellite imagery shows logging routes are spreading throughout — and beyond — KP Cement's concession at a quick pace.



A map indicating various vehicles and timber sighted by reporters on roads linking the feasibility study area of the KP Cement mine to an Economic Land Concession granted to Think Biotech in 2011. Data Sources: Protected Area boundary, Think Biotech Economic Land Concession boundary and Ministry of

*Environment ranger Station locations provided by LICADHO;
Feasibility area of KP cement mine plotted from UTM
coordinates on a document signed by Sum Sey, Minister of the
Ministry of Mine and Energy Minister, dated March 3, 2022*

Tong Jeang, a resident of a village near the KP Cement concession, said he was aware of a new mining operation that sprang up in recent months around an area that Indigenous communities call Kambor Chroung. This sacred site is said to house a *Neak Ta* (<https://www.tandfonline.com/doi/abs/10.1080/14442213.2018.1553205>), a spiritual land guardian that watches over the rocky outcrop so that people can meditate, give offerings and hold annual ceremonies to honor their ancestors. "I don't know the name of the company operating, but they are bulldozing the forest toward the area and traveling through Kampong Cham commune," Jeang said. "There are lots of small vehicles transporting timber — no big trucks — but due to the mud, they paused the timber transport heading to Think Biotech's concession." Despite the rain and the mud, Jeang said he sees between 25 and 50 ko-yun transporting trees from the mine in Kambor Chroung to Think Biotech every day, with each ko-yun able to carry as much as 2 cubic meters (71 cubic feet) of timber, each of which Think Biotech reportedly buys for \$100. "The forest loss has caused many impacts," he added.



An unmarked truck reporters saw leave Think Biotech's economic land concession and head on a road south. Image by Andy Ball for Mongabay.

To many residents in Kratie province, Think Biotech is synonymous with logging. The South Korean company was awarded a 34,000-hectare

(84,000-acre) concession in 2011, despite Cambodian law restricting concessions to 10,000 hectares (25,000 acres) per company, to establish tree plantations to serve the timber industry. The idea was to reduce illegal logging in Prey Lang, but irregularities soon piled up.

First, Think Biotech's sawmill was granted a 15-year license to operate in 2013, compared to the usual single-year licenses given to sawmills. But the concession, which Think Biotech reportedly agreed to pay \$89.3 million for over a 25-year period (<https://dec.usaid.gov/dec/search/FusionSearchResults.aspx?q=greening+prey+lang>), ran into trouble when South Korean investors pulled out in December 2018.

Think Biotech then fell into the hands of Taiwanese logging magnate Lu Chu Chang, who also serves as a director at Angkor Plywood — a wood-processing company with facilities across Kampong Thom, Kampong Cham and Kratie provinces — where activists say timber is sold once laundered through the Think Biotech plantation (<https://news.mongabay.com/2020/05/cambodian-firm-accused-of-creating-a-monopoly-in-the-timber-business/>).

The Kratie Provincial Forestry Administration, a department within the Ministry of Agriculture, Forestry and Fisheries, is responsible for managing the sale of timber in Cambodia (<https://www.timbertradeportal.com/en/cambodia/161/key-documents>), including checking that the source, volume and quality matches up to what Think Biotech is licensed to harvest. But Sun Bou, chief administrator of the Kratie Provincial Forestry Administration, could not be reached to confirm whether correct protocols were being followed. Activists have frequently accused officials of looking the other way while Think Biotech launders the forest through its concession.



Timber transported on a ko-yun at night into the Think Biotech concession in early May. Image from an anonymous source.

At the same time as clearing in KP Cement's concession became visible on satellite imagery, so too did a new road leading out of Think Biotech's concession that, as of May 2022, has reached the limestone mine, further suggesting that the two companies have some form of arrangement.

The documents confirming KP Cement's concession do not state whether the company, or a separate one, has the right to harvest the timber from the 938-hectare plot. But when a concession is granted in a protected area, it falls to the Ministry of Environment to manage the concession. Due to logging opportunities presented by Think Biotech's concession, rangers and local officials within the Ministry of Environment (<https://globalinitiative.net/wp-content/uploads/2021/03/Forest-crimes-in-Cambodia-Rings-of-illegality-in-Prey-Lang-Wildlife-Sanctuary-GITOC-2021.pdf>) are believed to enjoy close ties to the company.

Reporters saw four excavators and a bulldozer in one small segment of KP Cement's concession, suggesting that forest clearing is happening at an industrial rate. However, local accounts suggest timber from KP Cement's concession is transported by local loggers to sell in Think Biotech's concession.

One ko-yun driver, who requested anonymity as he drove from a village within the Think Biotech concession along the road connecting to KP Cement's concession, said that many people in the

village log on behalf of Think Biotech. The practice is well-documented by the United States Agency for International Development (USAID (https://pdf.usaid.gov/pdf_docs/PA00Z2ZQ.pdf)), which, until June 2021, operated the \$21 million Greening Prey Lang conservation project that was canceled due (<https://news.mongabay.com/2021/08/usaids-redirects-funding-in-cambodia-as-future-of-prey-lang-wildlife-sanctuary-hangs-in-the-balance/>) to ongoing large-scale illegal logging. USAID, however, pledged that funding would be redirected from the government to local communities and activists.

USAID's annual reports highlight the means through which concessionaires such as Think Biotech are able to exploit local populations to engage in illegal logging, giving the companies plausible deniability in return and further obfuscating the source of the timber they sell. "This provides the perfect environment for trespass logging into protected areas for luxury and rare tree species and for trees that can be converted into plywood," USAID wrote in its third annual report.

The same report detailed 29 communications sent from USAID Greening Prey Lang, mostly to the Ministry of Environment and its provincial departments, but also to USAID Cambodia, that were intended to sound the alarm on illegal logging and deforestation. Of the 29 communiqués USAID Greening Prey Lang sent out, at least 11 expressed concern over Think Biotech's activity.

When reached for comment, Think Biotech director Lu Chu Chang said he was in hospital in Taiwan and directed questions to Michelle Chang (no relation), whose role within the company was not made clear. Michelle Chang confirmed that logging was a chief source of the company's income, but said that this only took place within Think Biotech's 34,000-hectare concession.

But while Michelle Chang also denied purchasing timber from beyond their concession, she could not detail what checks were in place to guarantee the source of the wood purchased. She also went on to suggest that the industrial-size road that, in early May 2022, linked Think Biotech's concession to that of KP Cement could have been built by locals. The road is roughly 30 meters (nearly 100 feet) at its widest point, according to satellite imagery estimates, which is in stark contrast to

the narrow, winding road linking Sre Pnee village to KP Cement's concession.

Upon seeing the satellite imagery, conservationists expressed doubts that the road could have been built without heavy machinery, which local residents who have resorted to illegal logging, largely out of poverty, would have difficulty acquiring — unless it was supplied to them.

2021: Worst year on record for deforestation in Prey Lang

Ek Sovanna heads up the Kratie provincial chapter of the Prey Lang Community Network (PLCN), a grassroots organization that had been patrolling the forest to document illegal activity until the Ministry of Environment banned the group from conducting its patrols in 2020.

However, Sovanna noted that while the ban has reduced the PLCN's capacity to call out bad actors, he was still able to get information surrounding the destruction of the forest that many of the PLCN members rely on.

"The PLCN is banned from conducting forest patrols into the area, but over the last few days, I saw concrete poles and heavy machinery like excavators have been brought in," he said, adding that the rate at which machinery was being transported into the jungle had increased dramatically in recent months.

Sovanna went on to detail how there were in fact two companies operating within KP Cement's concession: one mining for limestone, the other mining for marble. He said he didn't know the names of these companies, and official records seen by Mongabay only name KP Cement Industry as the holder of the concession.



A depot within Think Biotech's economic land concession previously known to store large volumes of timber. Image by Andy Ball.

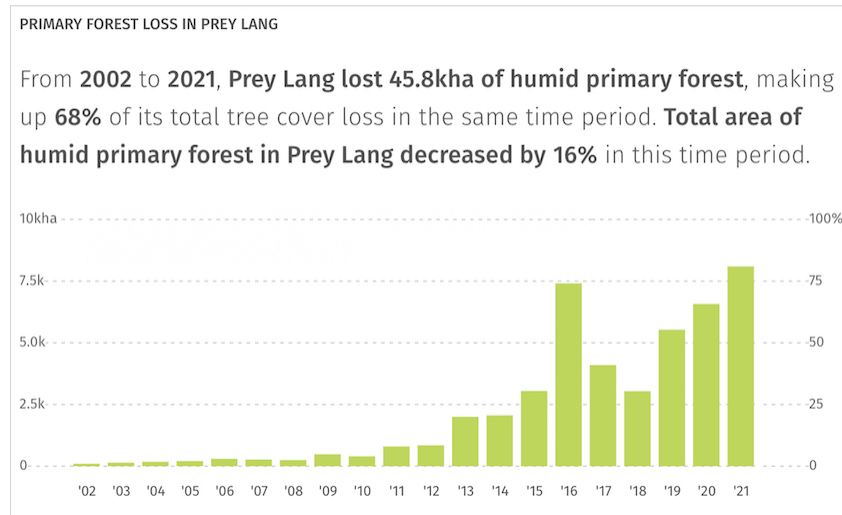
Sovanna said he has seen many Chinese nationals entering the area gifted to KP Cement, which corresponds with Chingheang's business ties, the majority of which see him seemingly play the role of local partner to Chinese investors.

"In relation to consultations, those companies haven't met with us," Sovanna said. "They only work with officials from the Ministry of Environment and provincial authorities."

Sovanna pointed to the complicity of the Ministry of Environment, noting how there was a disconnect between the authorities' actions and the law.

"Bulldozing the roads, we think, is wrong and in contrast with the Law on Forestry and Code of Environment, so the Ministry of Environment shouldn't allow this construction within the protected areas," he said. "For the villagers, who are the protectors [of the forest], we are banned; instead, they allow the bulldozing within the center of the Prey Lang Wildlife Sanctuary in Kratie. This is wrong. I think that bulldozing the roads will spread the logging."

All of this comes as new data from Global Forest Watch show that 2021 was the worst year on record for deforestation in Prey Lang, with more than 8,000 hectares (20,000 acres) of primary forest lost in what appears to be a trend of increasing destruction. Logging in Prey Lang had previously peaked in 2016, when 7,410 hectares (18,310 acres) of primary forest was lost, but this subsequently dropped by around half until 2019,



Satellite data from the University of Maryland visualized on Global Forest Watch show Prey Lang lost more primary forest in 2021 than in any other year since measurement began in 2002.

"This is the business model and the government, I am afraid, knows no other model than illegal extraction benefiting a few well-connected army brass, businessmen, politicians and their families," Ida Theilade, a professor at the University of Copenhagen who has studied Prey Lang extensively, said when asked of Think Biotech's operations in the forest.

"This was the business model of the Khmer Rouge and it still is the government's business model today. Logic as the players are the same too," she added.

Theilade warned that there are long-term ecological prices to be paid for the ongoing destruction of Prey Lang, with farmers nationwide already losing out to longer dry seasons (<https://www.thethirdpole.net/en/livelihoods/cambodian-farmers-can-no-longer-rely-on-tonle-sap-lake/>), unpredictable and extreme weather events such as droughts and floods. These, when coupled with falling groundwater levels, force farmers to move to more adaptable crops like cassava, but there they lose out financially and nutritionally.

Theilade contextualized the loss of forest amid rising temperatures (<https://www.frontiersin.org/articles/10.3389/ffgc.2022.756115/full>), climate change-induced economic losses in productivity ([https://pure.royalholloway.ac.uk/portal/en/publications/hot-trends\(185d2a08-2998-4c0d-9931-e601fa7490ce\).html](https://pure.royalholloway.ac.uk/portal/en/publications/hot-trends(185d2a08-2998-4c0d-9931-e601fa7490ce).html)) and the impact that reduced tree cover has on Cambodia's waterways

(<https://www.thethirdpole.net/en/nature/interview-abby-seiff-is-it-too-late-to-save-tonle-sap-lake/>), upon which millions depend for food and livelihoods.

"Decreased run-off from Prey Lang Forest has already put dams on Stung Chinit in peril," Theilade said. "Imagine what will happen once the Tonle Sap River stops flowing back into Tonle Sap? That's the protein source of Cambodia. Short-term and nepotistic gains by a few incompetent rulers will ruin the productivity, nutritional status and climate resilience of the whole country."

While those who stand to profit from the new mine remain silent, those who have attempted to employ schemes such as REDD+ (reducing emissions from deforestation and forest degradation) to conserve what remains of the protected forest were dismayed to learn of the government's decision.

"We are extremely concerned about the high rates of deforestation in Prey Lang and especially to learn about this large mining concession," said Srabani Roy, acting country director of Conservation International in Cambodia. "We are already seeing some road construction around the concession — even though it is still exploratory — and associated deforestation from this."

Conservation International began its REDD+ venture in the section of Prey Lang that lies in Stung Treng province, teaming up with the Ministry of Environment and Japanese trading house Mitsui in 2018. But now, with accreditation ongoing for the initial phase of the project, the conservation NGO and its partners had hoped to expand the project and confer REDD+ status on large swaths of Prey Lang Wildlife Sanctuary, including the 938 hectares in Kratie where KP Cement's mine is being built.

"As we are still in the process of defining our REDD+ project area, we can feasibly eliminate this concession from the project area," Roy said. "If the boundary had already been established, a concession such as this would most certainly be considered a reversal."

A "reversal" in REDD+ terminology is the loss of forest within the REDD+ project's accounting area, whether intentional loss, such as from illegal logging or new land concessions, or unintentional forest loss caused by fires or natural disasters. Reversals can derail a REDD+ project, rendering

it unviable and its carbon credits worthless. But Tim Frewer, an academic based in Cambodia, said Conservation International and Mitsui were able to avoid this because they "can simply excise these concessions from their project areas." By contrast, Frewer noted, local people cannot excise areas devastated by concessions from their lives and are instead forced to live with the destruction and degradation of their environment while suffering spiritually and economically as a result.

He pointed to the long, grim history of extractive industries ravaging Prey Lang and noted how protection conferred upon the forest, both by protected area status and REDD+, have done little to deter the government from issuing new concessions.

"From this long-term perspective there is nothing particularly surprising or extraordinary about the mining concession," he added. "What is notable is the naiveté of REDD+ proponents in thinking that they have the power and influence to change this."

Banner image: Clearing of forest with trucks and cement laid for the foundations of a building at the feasibility study area of KP Cement's mine.

Image by Andy Ball for Mongabay.

Editor's note: This story was powered by Places to Watch (<https://blog.globalforestwatch.org/places-to-watch>), a Global Forest Watch (GFW) initiative designed to quickly identify concerning forest loss around the world and catalyze further investigation of these areas. Places to Watch draws on a combination of near-real-time satellite data, automated algorithms and field intelligence to identify new areas on a monthly basis. In partnership with Mongabay, GFW is supporting data-driven journalism by providing data and maps generated by Places to Watch. Mongabay maintains complete editorial independence over the stories reported using this data.

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John Lowrie



27 May, 2022

An exceptional detailed and thorough account of the deforestation and exploitation of Prey Lang. This is not only bad in itself and despite considerable external funding to prevent such abuse there, but it's history repeating itself. Back in 1998 a similar logging track as the one shown in this ar...See more

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29 May, 2022

This is a super piece of reporting, which makes or should make everyone cry on behalf of beautiful natural resources in Cambodia. But nothing will result from this report, unless, unless it's sent directly to His Majesty Hun Send for his actions. He communicates with his people over his FB account....See more

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