"Obviously the moratorium does not hinder investments in the forestry sector. The development of both industrial plantations and oil palm plantations is still allowed as long as industrial forestry firms develop them on degraded land and do not burn forests," Hadi told The Jakarta Post.

The government is currently developing productive forests on 35.4 million hectares of previously degraded land. Of the total area, 9.19 million hectares are allocated for HTIs, 13.23 million hectares for primary forests, 7.46 million hectares for ecosystem restoration projects and 5.53 million hectares for public plantation forests (HTR).

The moratorium on new permits for companies to exploit primary forests and peatlands covers 72 million hectares and was issued on May 20 through a presidential instruction.

It marks part of the government's efforts to reduce Indonesia's greenhouse gas emissions by 26 percent by 2020 as targeted by the National Action Plan to Reduce Greenhouse Gas Emissions (RAN-GRK).

Forestry companies looking to develop HTIs are required to identify remaining natural forests by using remote sensing satellite imagery.

Hadi added that the process was important to determine which forest areas could be exploited and which should be protected as a high conservation value forest (HCVF).

As of 2010, HTIs produced 31.99 million cubic meters of timber, comprising fast-growing species such as eucalyptus, acacia and teak, while primary forests produced only 5.3 million cubic meters of timber.

Indonesia is the world's tenth-largest pulp producer.

"We may rank fifth by 2020 if we have a surplus of raw materials," Hadi said, adding that any surplus could be used to strengthen the panel wood industry.

Indonesian Forum for the Environment (WALHI) campaign manager for forests and large-scale plantations Deddy Ratih said the government should clearly define what it called degraded land.

"In many cases, HTIs are developed not on degraded land but in areas that still have healthy forests," he said, referring to HTIs in Padang Island and Rangsang Island in Riau.

There are HTIs in several regencies that are developed in areas that serve unique ecological functions, Deddy said.

He said half of the raw material for the country's pulp industry came from primary forests.

"Instead of issuing new licenses for HTIs, it would be better for the government to evaluate HTI areas and optimize productivity."

— JP/Elly Burhaini Faizal