The Pulp Invasion continues: Companies linked to Asia Pulp and Paper setting up in Vietnam

Asia Pulp and Paper (APP) is one of the most controversial and destructive paper companies on the planet. The company has cleared vast areas of rainforest to feed its two million tonnes-a-year pulp mill in Sumatra, Indonesia.

APP is constantly expanding. In September 2007, Vietnam Investment Review reported that APP was considering building a two million tonnes-a-year pulp mill in Vietnam. While this plan has so far not progressed, APP seems to be moving into Vietnam through a company called Green Elite.

Green Elite first appeared in Cambodia in March 2004, when it started logging melaleuca and mangrove forest inside the Botum Sokor National Park. Although the 18,300 acacia plantation concession was illegal, since it was inside a national park, the company managed to clear several hundred hectares and started to build a wood chip mill.

Eventually the Ministry of Environment threatened Green Elite with legal action for US$1 million in damages and reparations. While the lawsuit was subsequently dropped, it did at least get Green Elite out of the national park.

Green Elite appears to have close links to Asia Pulp and Paper. In September 2004, the Cambodia Daily reported that thousands of acacia seedlings had been imported from Arara Abadi, which is part of the APP's parent company, the Sinar Mas Group. The Cambodia Daily spoke to ex-employees of Arara Abadi who were now working for Green Elite. One of them, Frankie Ng, referred to Arara Abadi the “sister company” of Green Elite.

Further confirmation of a link between APP and Green Elite came in January 2005, when Jeff Hayward of SmartWood wrote to NGOs in Phnom Penh. Hayward explained that Smartwood “was asked by APP if we would conduct an independent 3rd party evaluation of the concession area in Botum Sakor for which the subsidiary company Green Elite and management company Green Rich Group Ltd. intend to develop into plantations.”

On 21 January 2005, APP put out a statement denying any involvement: “Neither APP China nor APP group have any ownership or interest in either Green Elite or Green Rich. ” Which sounds very clear, except that given the labyrinthine structure of the Sinar Mas Group, the statement does not actually rule out a link between APP and Green Elite.

Since its exploits in Cambodia, Green Elite has moved across the border to Vietnam. On 30 May 2007, according to VietNamNet, Green Elite applied to the Nghe An provincial authorities for permission to set up plantations. Within a few days, the authorities awarded the company with an investment certificate for 70,000 hectares of plantations. A subsidiary of Green Elite, InnovGreen Nghe An, is to implement the project.

The plantations in Nghe An province are part of Hong Kong-based InnovGreen's plans to plant a total

of 349,000 hectares in six provinces in Vietnam. The land would be leased to InnovGreen for a period of 50 years.

Although only a small area of the total area has so far been planted, VietNamNet reports that InnovGreen's plantations are already causing serious problems for local communities.

Lo Van Tho, chairman of Cam Muon commune, told VietNamNet that “we have received no benefits from this firm and they have had no commitment or contract with Cam Muon commune”. Yet 300 families in the commune have handed over their land to InnovGreen. VietNamNet's reporter visited Huoi May village, home to 39 families belonging to the Kho Mu indigenous group. “Innov Green has taken our land,” Vi Van Que, chief of the village's production team, said. “If they don’t compensate us, we will starve to death. That’s a fact; we are waiting for death!”

In Quang Ninh, VietNamNet spoke to Tang A Tai in Ban Danh village. “If they lease all the forest land here to grow eucalyptus, what will my family do to live?” he asked.

La Van Vi, secretary of the youth branch of Ha Lau commune, said that “Many things will change in 50 years but one thing is sure: without forest land, we will starve to death!”

Dong Sy Nguyen may seem an unlikely person to protest against industrial tree plantations. He is a retired Lieutenant General, former cabinet member and member of Vietnam's Communist Party Politburo. From 1992 to 1998, General Nguyen was in charge of implementing Programme 327, which aimed to re-green Vietnam's barren hills. Unfortunately the “re-greening” mainly consisted of eucalyptus and acacia monocultures.

But in January 2010, General Nguyen wrote to Vietnam's Prime Minister, Nguyen Tan Dung, expressing his concern about the leasing of forest land to foreign investors.

On 10 March 2010, the Prime Minister instructed local governments not to allow any further such projects until the Ministry of Agriculture and Rural Development (MARD) had completed its investigations into the issue.

In a fascinating interview with VietNamNet, General Nguyen explains the core problem faced by proponents of industrial tree plantations in Vietnam: the land is already in use. “Some provinces said that they leased land to foreigners because the land had been unused for years,” Nguyen said. “It is irresponsible! When I implemented Project 327, I saw clearly that our people always need land.”

I couldn't have put it better myself. But it remains to be seen whether the Vietnamese government listens to InnovGreen's false promises of jobs and development or to the voices of General Nguyen and local communities.

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A recent report, by Ernesto Cavallo in Hanoi: “Farmers’ Forests and Crop Land for Wood Pulp Factories? – The mean business practices of InnovGreen in Vietnam” is available in English here: http://bit.ly/btxBCQ, and in Vietnamese here:http://bit.ly/br5T3N