
Indonesia: Pulp and paper company APRIL and forest destruction

Friends of the Earth-UK has just published a detailed report on forest destruction in Indonesia, focused on the damaging environmental and social impacts of Asia Pacific Resources International Holding Ltd, otherwise known as APRIL, one of the biggest pulp and paper companies in the world.

Part of the Indonesian Raja Garuda Mas Group and owned by the business magnate Sukanto Tanoto, APRIL is a Singapore held company. APRIL's main pulp subsidiary is Riau Andalan Pulp & Paper (RAPP), located in Riau Province on the Indonesian island of Sumatra. RAPP began operating in 1995 and has now developed a pulp mill with a capacity of 2.0 million tonnes per year, making it the largest pulp mill in the world.

In production since 1995, the vast majority of the fibre going to APRIL's RAPP mill has been mixed tropical hardwood obtained through the clearance of natural forest. In 2000, 100 per cent of APRIL's fibre came from cleared rainforest. In 2001, 80 per cent of its fibre was still sourced from cleared rainforests. As a result, Friends of the Earth estimates that by the end of 2001 APRIL's operations had already led to the destruction of 220,000 hectares of rainforest. APRIL admits that it will continue to depend upon clear-cutting natural forest until 2008, when it estimates its plantations will meet all its pulp capacity requirements. Industry analysts vigorously question APRIL's claims regarding its acacia tree planting rates and some estimate that APRIL may be clearing rainforest well beyond 2008. By APRIL's own estimates, it will be clearing an additional 147,000 hectares of rainforest over the next six years.

APRIL's logging sites are the natural habitat of numerous endangered species, including the tapir (*Tapirus indicus*), the Sumatran elephant sub-species (*Elephants maximus*) and the Sumatran tiger (*Panthera tigris sumatrae*). But even if all its wood consumption came from plantations it would mean the conversion of these natural rainforests into tree plantations, inevitably leading to the reduction of the area available to these species, thus making extinction increasingly likely.

To make matters even worse, a study by the independent auditors SGS, commissioned by APRIL in 1998, found that over 40,000 hectares of APRIL's concession area has been claimed by local communities. The area where the RAPP factory has been built is land claimed by the indigenous people of Delik, Sering and Kerinci villages. As a result of this dispute the legal representative of these villages was imprisoned for three years. In another land dispute case at Lubuk Jambi village, a member of the community is reported to have been stabbed to death during a protest in 1998.

The report also highlights the role of Northern paper merchants buying APRIL's paper as well as that of the Finnish pulp and paper giant, UPM Kymmene, which is the biggest buyer of APRIL pulp for its Changshu paper mill based in China. According to the report "APRIL would not be able to undertake its destructive activities without this market support. These companies must therefore accept partial responsibility for supporting the catastrophic damage that has occurred in recent years to Indonesia's forests."

Financial institutions from within and outside Indonesia (UK, the Netherlands, Switzerland, France,

US, Finland, Japan) are also held responsible for the massive injection of capital investment of between US\$12 billion and US\$15 billion which contributed to the exponential growth of Indonesia's pulp and paper industry.

APRIL is now facing a serious financial crisis. It is renegotiating repayments on US\$1.9 billion in debt while facing a possible raw material shortage in the future. The global pulp and paper industry is suffering from low prices and the financial institutions are potentially facing massive losses. But the greatest losers are undoubtedly the indigenous peoples of Indonesia who are losing their homes and livelihoods. Who will pay this debt?

Article based on information from: "Paper tiger, hidden dragons 2: APRIL fools", by Ed Matthew and Jan Willem van Gelder, Friends of the Earth-UK, February 2002,