
Ecuador: Eucalyptus plantations in the Province of Esmeraldas

Eucalyptus Pacifico S.A. - EUCAPACIFIC is a new company set up at the end of 2000 to carry out a major eucalyptus plantation project on the Ecuadorian coast, in the Province of Esmeraldas, specifically in the Tonchigüe and Sua sector. This company, composed of transnational capital, has received approval by the Ministry of the Environment to carry out large scale plantations.

The comparative advantages regarding the price of land and labour, climatic conditions and the prospects of a very good output of wood, have encouraged foreign companies to invest directly here. This was made very clear by the recent launching of the largest eucalyptus plantation project in the country with the establishment of EUCAPACIFIC. This project unites two Japanese companies (Mitsubishi Paper Mills and the Sumitomo Corporation), Electric Power Development and Waltz International, that have merged to set up this company.

This project totally renews the production of wood for pulp and paper in Ecuador: here there will be plantations on the Coast (and not in the Sierra as before) of Eucalyptus urograndis (and not the traditional Eucalyptus globulus) over approximately 10,500 hectares.

The objective is to produce pulp and paper from eucalyptus. The wood will be converted into chips at the port of Esmeraldas and then exported to Japan. Presently the project is at an initial stage and plantation has started.

EUCAPACIFIC uses a green cosmetic discourse. The Company, both in its statements to the press and in private interviews, insists that it “does not want to have problems with ecologists” and on its desire to preserve native forests. They do not purchase land on which there are forests, or if they do, “before the purchase they warn the owners that as a condition, they should not exploit small extensions of wood.” They affirm that one of the major advantages of the project is the creation of “green forests” and the promotion of the idea that it is better to plant trees rather than to cut them down. Environmental issues are very present, at least in the presentation of the project.

Through this discourse the company seeks to achieve greater credibility and support for a project having as its major objective to gain money, obtaining the highest productive and financial profitability. The main idea of Mitsubishi Paper Mills is to have its own wood resources in Ecuador where it already carries out business with Expoforestal and the Sumitomo Corporation. The project provides “reserves” of raw materials for their industries at a very low cost. Expoforestal and the Sumitomo Corporation only hope to increase their profits in a sector that has already provided them with significant benefits. These three companies operate under a capitalist rationale of increasing their volume of business and profits, where environmental issues are merely green cosmetics. The objective of Electric Power Development is somewhat different. Through the project this company hopes to obtain “carbon dioxide credits.”

The choice of Ecuador to promote eucalyptus plantations mainly corresponds to profitability objectives. EUCAPACIFIC recognises that it saw in the country and in the region of Esmeraldas, the possibility of obtaining a major wood production in a very short time, thanks to the climatic conditions

favouring the rapid growth of trees. The location of the port of Esmeraldas near the land has made the place even more interesting. That is to say, it was the economic advantages offered by the region that led to the choice of location, and not the favouring of the development of a poor province in a country going through a crisis.

Furthermore, the choice of the Province of Esmeraldas is largely motivated by the low cost of land and the low wages paid to workers. The Company's policy is not aimed at improving labour conditions in the country, but rather at benefiting from this poor situation to obtain greater profits.

Although the company states that the exploitation of wood will generate sources of employment, in fact jobs are temporary, require scant qualifications and are poorly paid. There is no guarantee of stability nor long term job prospects.

Another point to be underscored is the role played by the Ecuadorian government in this matter. It is giving all its support to the project, to the extent that the company started plantation without having finalised and submitted to the Ministry of the Environment, the environmental impact assessment (which is obligatory when the plantation covers over 500 hectares).

As in so many other regions in the South, history repeats itself in Esmeraldas: the same model (single crop eucalyptus), the same stakeholders (transnational companies and the government) and the same promises (that very shortly are shown to be false). Therefore, as suggested by the author of the study we are summarising in this article, "we must be vigilant" vis-à-vis this new enterprise.

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