
Indonesia: Indorayon's future in question

For years, environmentalists have accused Indorayon's paper and rayon pulp factory (PT IIU) in Porsea, near Lake Toba in North Sumatra, of polluting the lake and its rivers, clearing the surrounding forests and setting up monoculture plantations of eucalyptus and acacia to obtain raw material. Countless demonstrations and protests have accompanied the company's activity and an Indonesian NGO (WALHI) even brought up a court case against both the company and the government which sanctioned its construction in 1989, for the high level of pollution it was provoking. The problem generated by Indorayon's unsustainable production has proved difficult to solve, due to the different interests and viewpoints of the several actors involved. During this long struggle, local activists and peasants --that have always demanded the closure of the mill-- have even had confrontations with city-based NGOs that demanded that the company take responsibility for its negative impacts but without asking for its closure. A similar situation occurred with the plant's workers, who wanted to keep the mill open in order to safeguard their jobs. Within this conflicting framework, central government spokespeople every now and then claimed that the mill had to be closed down, while the company, in order to neutralize opposition, tried to set up new community organisations prone to reach agreements with.

As a solution agreeable to all parts seemed to be very difficult to achieve, on March 12 President Habibie decided to temporarily stop the operations of Indorayon in the area. "The decision was made as a result of public pressure," said North Sumatra Governor Rizal Nurdin after a meeting with the President. Habibie also pledged to immediately issue a presidential decree declaring Lake Toba and 300,000 hectares of land surrounding it as conservation areas. The future of the factory would be decided by experts that would study its environmental impact, especially on nearby Toba Lake. The lake is not only a source of food and water for the communities of the region, but also has a special cultural value for the Batak people who live around it. Nurdin also stated that, based on the results of the study, the President would decide whether to close, relocate or allow the company to continue to operate.

Source: Otto Miettinen 20/3/99.