



## **Asia Pulp & Paper and associated companies threaten historic pact to save Sumatra's ecosystems and tigers**

Press Release

for immediate release

20 October 2008

**Pekanbaru, INDONESIA** – Just 10 days after Indonesia announced a commitment to save Sumatra's critical ecosystems at the IUCN World Conservation Congress, an investigation finds that companies associated with one of the world's largest paper companies, Asia Pulp & Paper (APP), have built a 45-kilometer, legally questionable logging highway through prime tiger habitat in Sumatra.

The forest destruction by APP and associated companies, under the umbrella of its holding group, Sinar Mas Group (SMG), is taking place in the Senepis peat forest of central Sumatra, according to a new investigative report released today by Eyes on the Forest, a coalition of Jikalahari, Walhi Riau and WWF-Indonesia. The forest clearing puts at risk local communities as well as one of the critically endangered Sumatran tiger's last strongholds, as the shrinking forest brings tigers into increasing conflict with local communities.

Eyes on the Forest field investigations found that the logging highway passes through natural forest, a proposed protected area and a deep peat area with potential massive carbon stores. This is the third controversial and legally questionable logging road discovered being built by APP/SMG-associated companies in the last year.

"Unfortunately, this logging project is just the latest in a continuing pattern of wholesale natural forest destruction by APP/SMG and its associates in Sumatra," said Johny Setiawan Mundung, Executive Director of Walhi Riau. "Our field investigators found that APP and partners have completed a 45-kilometer highway through the Senepis peat forest and paved nearly half of it already, even though we could find no permit for the road."

The revelations come less than two weeks after the Indonesian government announced a historic commitment to protect the natural forests and ecosystems of Sumatra island, putting the company's actions increasingly at odds with public and private efforts to protect Sumatra's species-rich forests to slow climate change and protect biodiversity.

Senepis and other Sumatran peat forests are a globally significant carbon store; the carbon-rich peat soil is so deep that simply cutting the trees or disturbing the soil releases enough carbon emissions to impact global climate change.

The APP/SMG-associated companies appear to be preparing infrastructure for when Riau Province, where the Senepis forest is located, allows natural forest clearing again. There is a province-wide de facto logging moratorium in place as Riau Police conduct an illegal logging

investigation involving APP/SMG associated companies and others.

The two APP/SMG-associated logging concession holders involved in the clearing, PT. Ruas Utama Jaya and PT. Suntura Gajapati, are among 14 timber and pulp companies implicated in the ongoing prosecution by provincial police for allegedly committing environmental and forest crimes. Since the Riau Police launched their investigation in 2007, Jikalahari and Walhi Riau have filed reports of such alleged criminal acts by the companies and pushed for the law enforcement on it.

“The building of this road has resulted in a massive, 50-meter-wide gash of opened forest along the 45 kilometers,” said Hariansyah Usman, deputy coordinator of Jikalahari. “The road splits the Senepis peat forest in two, releasing significant amounts of climate-altering carbon emissions from the clearing and from drainage canals on both sides.”

In addition, the clearing that has already taken place in Senepis by APP/SMG-associates -- mainly since about 1999 -- has considerably shrunk the size of the forest, which has led to an increase in human-tiger conflict in the area. Riau is a stronghold for the Sumatran tiger, of which fewer than 400 survive in the wild.

Legally questionable forest clearing by APP/SMG-affiliated companies has been well-documented in central Sumatra. Previous reports by NGOs this year found that APP/SMG-associated companies are threatening an additional two important natural forest areas in Sumatra by opening new logging roads and clearing natural forest along them: the Kampar peatland forest and Bukit Tigapuluh dry lowland forest block, which is critical for orangutans, tigers, elephants and the indigenous peoples, the Orang Rimba.

“Major paper customers all over the globe have cut ties with APP because of its involvement in unsustainable and likely illegal activities,” said Nazir Foead, director of corporate engagement at WWF-Indonesia. “We call on APP/SMG and their associates to stop this unsustainable clearing of our forests and to start behaving as a responsible corporate citizen. We urge current and future buyers and investors not to do any business with APP until that time.”

#### **NOTES TO EDITORS:**

- The complete report can be found on [www.EyesontheForest.or.id](http://www.EyesontheForest.or.id). Photos and maps to accompany this story are also available.
- Among the companies that have stopped buying from APP because of its business practices in Sumatra are Staples Inc., the largest office retailer in the United States; Richoh and Fuji Xerox Groups, both headquartered in Japan; Metro Group in Germany and Woolworths of Australia. In addition, Forest Stewardship Council formally dissociated itself from APP in 2007, as did Rainforest Alliance.
- APP China is working to launch an initial public offering (IPO) on the Chinese stock market soon. Conservationists in China and Indonesia are concerned that the IPO would provide funds for APP to continue deforestation in Indonesia on an even larger scale.

#### **For further information please contact:**

Nazir Foead, WWF Indonesia, ph: 62-811977604, e-mail: [nfoead@wwf.or.id](mailto:nfoead@wwf.or.id)  
Johny Setiawan Mundung, WALHI Riau; ph: 62-8127652754, e-mail: [jsmundung@gmail.com](mailto:jsmundung@gmail.com)  
Hariansyah Usman, Jikalahari; ph: 62-812 7669 9967, e-mail: [tikoe@yahoo.com](mailto:tikoe@yahoo.com)

###