
Indonesia: Proposed UFS pulp mill threatens forests and nearby communities

The existing Indonesian pulp and paper industry is currently generating a tremendous strain on forests. In that context, a new \$1.2 Billion huge pulp and wood chip mill is planned to be built in the province of South Kalimantan.

The project is owned by the company "United Fiber System (UFS)" which is owned, among others, by Swedish capital investors. The new pulp mill would worsen the current depletion of forests in Indonesia, and the national and local problems connected to it.

Currently pulp industry feeds mainly on tropical forests and rampant illegal logging. Approximately 75-80% of wood used in pulp industry in Indonesia originates in forests, and recent reports by international research agencies and international donors have indicated that the majority of timber harvested from Indonesia's forests --up to 73%-- is illegally logged.

As long as the rate of deforestation and associated illegal logging caused by the pulp industry has not been eliminated, any investment in a new pulp mill would only compound the structural problems of deforestation. Every major pulp mill in Indonesia has caused either major social problems, pollution or deforestation -- in most cases all of these. Research indicates that the proposed pulp mill in South Kalimantan will be no exception.

Within the concession area of UFS alone there are 73,000 hectares of highly endangered forest, and the wood chip mill threatens another 40,000 hectares of precious lowland forests. As UFS admits, an expansion of the facility's capacity to 1,2 million tonnes of pulp production per year is projected for the near future, most likely destroying additional forest.

Furthermore UFS states in their Environmental Impact Analysis (EIA) leaked to the public --despite efforts by the company to keep it secret-- that a complete loss of aquatic sea life in the area of the pulp mill is to be expected, resulting in the loss of hundreds of livelihoods in traditional fishery. Also a massive regional increase in acute respiratory diseases as well as skin diseases and malaria is forecasted in the company's EIA. The construction of the deep sea port for the wood chip mill will destroy rare and precious mangrove forests and will significantly harm the aquatic sea life in the area.

CAPPA, the Community Alliance for Pulp-Paper Advocacy, an Indonesian NGO network, documented four fishing villages, including those dependent on shrimp farming which are likely to have their fishing grounds impacted by waste from the proposed mill. The shrimp breeding grounds utilized by the local communities are a mere 400 meters from the proposed mill site. In addition, CAPPA's findings indicate that the proposed location for the mill is on an ancestral gravesite. According to CAPPA, the initial phase of obtaining land for the mill has led to community conflicts.

The proposed UFS pulp mill and wood chip mill do not contribute to the sustainable development of Indonesian Borneo, but, on the contrary, contribute to widespread deforestation, and to a further degradation of nature and human living conditions in the region.

Article based on information from: "Environmental organisations oppose the building of the new pulp mill in Indonesia", Finnish Association for Nature Conservation, Friends of the Earth and Finnish ECA Reform Campaign, <http://www.vientiluotto.net/Epretxt.html#070604>; Letter to James D. Wolfensohn Concerning proposed MIGA Guarantee for the Controversial \$1.2 Billion United Fiber System Pulp Mill in South Kalimantan, WALHI, https://www.mpi.org.au/kampanye/hutan/strukturisasi/lamp_sp_wksel_150304/; Joint international NGO letter to Austrian companies involved in the pulp mill project, disseminated by Daniel Hausknost, Friends of the Earth Austria, E-mail: daniel.hausknost@global2000.at