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## South Africa: Tree plantations render corporation profits but fire, damages and death for the people

For the global pulp and paper group Sappi, money does grow on trees. Indeed, the company's latest annual report suggests that it grows most efficiently in South Africa. The report noted that Sappi's southern Africa division, Sappi Forest Products, represented 15% of group sales, but contributed 36% to the group's operating profits in the year to September 2002. "We have an extraordinarily low cost base in South Africa, which has unique competitive advantages in fibre production because of the speed at which trees grow and low inherent energy costs," the report noted.

Sappi is a South African-based international forest products company, and is ranked in the top 20 pulp and paper manufacturers in the world. From a totally South African company in 1989, the company has become an international organisation with manufacturing facilities on three continents being a major producer in its core businesses of coated woodfree paper and dissolving pulp. Sappi Saiccor, in South Africa, is the world's largest and lowest cost producer of dissolving pulp, used in the manufacture of viscose fibre, with a 15% share of the world market.

During 1998 the Sappi group was restructured into a fine paper company and a forest products company, with head offices in London and Johannesburg respectively. The latter owns and manages nearly 540,000 hectares of monoculture tree plantations in South Africa and produces bleached and unbleached paper pulp for own consumption and market pulp.

Sappi's executive chairman Eugene van As noted that following the September 11, 2001 attacks, consumption of coated paper, much of which is used in producing glossy magazines, fell 12%, "the sharpest decline most participants can recall". However, despite losing money in the US, Sappi came through the year with reasonable earnings. He highlighted the benefits of the geographical diversity of the company, which has plants in North America, Europe and South Africa.

That's good news for the corporation. But what about South Africa and its people? The company boasts of the "excellent operating efficiencies" in the region, but that may be just a way of how profits and liabilities are settled. It's not the company who bear the environmental and human costs of its activities --externalities, they call it. It will not pay for the diminishing or contaminated water, the shrinking forests, the lost ecosystems. It will not pay for the poverty of the people deprived of their livelihood and now depending on meagre salaries that allow for those "excellent operating efficiencies".

According to a report from the South African environmental organisation Timber Watch, typical forests in this country are restricted to frost-free areas with mean annual rainfall of more than 525 mm in the winter rainfall region and more than 725 mm rainfall in the summer rainfall region. They occur from sea level to over 2 100 m above sea level. They rarely burn, mainly thanks to the humidity "bubble" that is trapped within the canopy, and the dense greenery of shrubs and small trees that make up the eco-tone or margin. Under extremely hot and dry (berg wind) conditions fires may occur and destroy the forest structure, but this usually occurs where the ecotone has been damaged, often as a result of timber plantations being too close to the forest margin which together with industrial

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crops such as sugar cane, have expanded into natural areas, thus increasing the pressure.

The most damaging impacts of plantations on forests are ground water depletion (SAWAC, South African Water Crisis, can bear witness to that), and displacement of human communities from farmlands. These lead to a wide range of secondary impacts such as overexploitation of forest products including mammals and birds, slash and burn clearing for subsistence agriculture, and increased exposure to alien plant infestations and fire.

Precisely, in July 2002, serious wildfires hit Mpumalanga Province, with several damages including death toll and injured people. Although prescribed, burns run out of control. Explanations pointed to dry and very windy conditions, the El Nino phenomena and sudden weather changes. However, it's worth noting that Sappi has established in Mpumalanga 245,000 hectares of pulpwood and sawlogs plantations as well as a pulp and paper mill which encouraged forestry. Some coincidence?

Article based on information from: Sappi Shows Strong Growth in Region's Fertile Ground, John Fraser, <http://allafrica.com/stories/200301030360.html> ; MBendi Information for Africa, <http://www.mbendi.co.za/cosp.htm> ; Forests in South Africa Under Threat, Timber Watch, [http://www.timberwatch.org.za/forests\\_in\\_south\\_africa\\_under\\_threat.htm](http://www.timberwatch.org.za/forests_in_south_africa_under_threat.htm) ; Forest Fires in South Africa, 12 July 2002, [http://www.fire.uni-freiburg.de/current/archive/za/2002/07/za\\_07122002.htm](http://www.fire.uni-freiburg.de/current/archive/za/2002/07/za_07122002.htm)