
Indonesia: APRIL the troublemaker

Finnish and Indonesian NGOs have repeatedly denounced that UPM-Kymmene's partner -the Singapore-based APRIL (Asia Pacific Resources International Holdings Ltd.)- is violating human rights and causing severe environmental problems in Indonesia. The company has converted rainforests to exotic monoculture plantations, to feed their pulp mills and NGOs demand that the project is abandoned (see WRM Bulletins nr. 6 and 8).

Four representatives of the human rights group of the Finnish Parliament recently visited APRIL's pulp mill in Riau Province to check the situation in situ. Even if all of the parliamentarians were at the same place, not all of them were able to see the same things . . . While the representatives of the Greens and the left wing parties concluded that the logging of thick rainforest looked ruthless, the deputy of the Conservatives considered that population pressure is the cause for forest destruction and that acacia plantations in Indonesia are similar to Finnish fields in their homogeneity.

UPM-Kymmene stated that the methods used by APRIL are the best option for supplying the mill. UPM also reminded that last Spring APRIL committed itself to a wide environmental programme.

APRIL is still in financial trouble and hasn't been able to find finance for the second paper machine in Riau. Before that machine is ready, its full alliance with UPM will not take place. Even if Finnish export credit has in some way already granted some US\$500 million loan for APRIL, the loan has not been awarded yet, probably due to conditions in Indonesian markets.

The above is not the only conflict created by APRIL in Indonesia. The holding owns 61.3% of the shares of Inti Indorayon Utama, a pulp mill in North Sumatra Province. Indorayon produces up to 240,000 tons of pulp and 60,000 tons of viscose fiber for the production of paper and rayon by APRIL. The company was hurt by the 1997 economic crisis and decided to close down the mill, which would mean the loss of their jobs for about 7,000 workers, who thereby oppose the closure. At the same time, villagers of Porsea demand that the factory remains closed, since the company's activities had been causing acid rain, damaging water supplies and fisheries, and plundering natural forests. Residents of Porsea continue to live under military intimidation. Environmental groups and university student organizations support this struggle and state that the eucalyptus trees in Indorayon's reforestation programme are draining water reserves. On the opposite side, APRIL's shareholders in New York have recently addressed president Habibie warning about the "negative effects" of the closure on the confidence of foreign investors in Indonesia. The conflict has even resulted in direct confrontations between workers and villagers. On November 22nd, villagers burned logging trunks and workers' accommodations in Porsea.

The case of APRIL can be considered an example of how workers and villagers are held hostage by a situation created by the economic interest of investors and central government decisions. Given that neither local people nor the environment were taken into account when the mill and the plantations were set up in the area, this has resulted in environmental degradation and social conflict, where workers trying to protect their jobs confront villagers trying to protect their livelihoods. Comfortably seated in Jakarta or New York, APRIL's shareholders use the dire needs of the workers

to serve their purposes.

Sources: Otto Miettinen, Friends of the Earth/Finland, Forest Group, 8/11/98 (based on Minna Asikainen, "MPs disagree about environmental impacts of April. Finnish MPs visited mill of UPM's partner", Helsingin Sanomat, 5/11/98); Tom Bannikoff, "A company copes in post-Suharto Indonesia", Asiaweek, 8/11/98, Liz Chidley, 23/11/98