
Indonesia: UPM-Kymmene and APRIL destroy rainforest

UPM-Kymmene of Finland and Singapore-based Asia Pacific Resources International Holdings Ltd.(APRIL), have agreed to establish a strategic alliance to develop jointly their respective fine paper operations in Europe and Asia. In Europe, UPM-Kymmene will hold 70% and APRIL 30% of a new company called UPM-Kymmene Fine Paper, which will comprise UPM-Kymmene's fine paper units, Nordland Papier in Germany and Kymi in Finland. This new company will be the largest fine paper producer in Europe with a combined annual capacity of 1.7 million tonnes of paper and 460,000 tonnes of related pulp. Similarly, in Asia, APRIL will hold 70% and UPM-Kymmene 30% of a new company, APRIL Fine Paper, which will comprise APRIL's paper mills under construction in Sumatra, Indonesia and China. These mills are expected to come into production in 1997 and 1998.

Even if APRIL states that it is not involved in logging in rainforests, the fact is that the material basis of the new alliance is the nearby Riau Pulp pulpmill, whose production is almost completely based on rainforest wood. The mill, which started operations in 1994, produced last year about 600,000 tonnes of short-fibre pulp from natural forests. Until now the company has only planted 7,000 hectares of acacia, which are not only totally insufficient to feed the giant mill, but additionally will only be ready for logging by the year 2002. It is expected that the mill will run on rainforest wood, which will be needed at a rate of over 3 million m³/year. This will mean clearcuts of at least 25,000 hectares of rainforest each year and a total of 200,000 hectares.

APRIL has also a bad reputation in the social area. Land acquisitions by the company have caused serious conflicts with local communities and working conditions in its pulp and paper mills are poor.

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