

Masalai i tokaut

Number Two: 5 June 2002

Concord Pacific and Rimbunan Hijau are fighting for control of Western Province

The two largest logging companies in Papua New Guinea are fighting for control of the unallocated forests of Western Province. These forests are the largest remaining tracts of untouched forest in PNG and are the subject of a bitter battle between two Malaysian owned companies, Rimbunan Hijau and Concord Pacific.

The remote Western Province contains most of PNG's last remaining large contiguous tracts of untouched forests. Although this forest is wet, swampy and inaccessible, with the better stocked and more easily accessible forests of the Islands Region already exhausted and the forests of Gulf Province already allocated, Western Province, and to a lesser extent, West Sepik, are the only areas available to fuel the future of the log export industry.

Malaysian owned Rimbunan Hijau and Concord Pacific already control around 75% of PNG's log exports and both already have a toehold in Western Province. Rimbunan Hijau has been operating the Wawoi Guavi concession since 1992 and Concord Pacific has been logging between Aiambak and Kiunga since 1995. Both operations are widely regarded as being illegal.

The Wawoi Guavi concession is illegal because it is operating without the informed consent of local resource owners and in February 2002, a 10-year extension was granted to the logging permit without the necessary approval of either the Provincial Forest Management Committee or the National Forest Board.

The Kiunga Aiambak project is also illegal. The Timber Authority was granted by a Minister acting outside his powers and with no proper procedures having been followed. Two subsequent extensions to the project have been similarly deficient.

Both companies have been trying desperately to extend their logging operations in Western Province. In 1999 the National Forest Board voted to give the huge Kamula Dosa logging concession to Rimbunan Hijau. Kamula Dosa covers some 790,000 hectares (one fifth of the land area of Western Province).

In granting Kamula Doso to Rimbunan Hijau as an extension to the Wawoi Guavi project, the Board ignored all the normal allocation procedures and the normal tendering

processes. The Board also ignored the wishes of local resource owners, the advice of the Forest Authority and the Provincial Forest Management Committee.

The decision of the Board is now the subject of an Ombudsman investigation and the extension has been put on hold.

In 2000 the National Executive Council received a submission that Concord Pacific should be granted rights to construct 875 kilometres of road in Western Province. This was to be funded through log exports from a 6 kilometre wide corridor or 'buffer zone'.

The proposed road alignment goes through the heart of seven proposed logging concessions, including Kamula Dosa, but carefully weaves around the two existing logging concessions at Wawoi Guavi and Makapa (*see map below*).

The NEC submission was rejected on the advice of a number of government Departments who described the project as 'clearly bogus' and 'blatantly in breach' of the law.

This did not deter the Minister for Forests and Deputy Prime Minister, Michael Ogio, who in December 2000, granted an illegal Timber Authority to allow the logging to go ahead. After public exposure the Minister was forced to rescind the permit.

But in December 2001, Concord Pacific succeeded again. In December 2001 a new Timber Authority was granted by the Forest Authority for logging along an 830 kilometre corridor. This permit was granted with none of the proper procedures being followed and no authorisation from either the Provincial Forest Management Committee or the National Forest Board.

Rimbunan Hijau are furious that Concord Pacific appears to have beaten them to access into the unallocated forest areas of Western Province. RH has therefore unleashed the wrath of their support network on both Concord Pacific and its controversial general manager, Philip Lee. This network includes the RH financed, Forest Industries Association, RH's own newspaper, The National, and the Chair of the National Forest Board, Dr Wari Iamo.

National Weekend



Friday-Sunday, February 22-24, 2002

Online: <http://www.thenational.com.pg>

Papua New Guinea

Lee won't be allowed back

2 The National

Friday, May 17, 2002

NATION

Kiunga-Aiambak TA illegal: Iamo

THE controversial Kiunga-Aiambak timber operation had its logging licence re-

newed in March this year by then managing director of the National Forest Au-

thority (NFA), Thomas Nen, just before he resigned to contest the national elections.

Mr Nen may not have had the authority to exercise such powers at that time as his delegated responsibilities for issuing of Timber Authorities had already been withdrawn, according to the chairman of the NFA board of directors, Dr Wari Iamo.

And industry sources were last night baffled by the inaction of the NFA board to quickly deal with the matter and whether Mr Nen could be made to account for his actions, if this was indeed the case.

International movement Greenpeace sailed to Umuda in Western province on Saturday and forced the halting of timber firm Paiso's log exports by boarding the export vessel Hua Yang and strapping themselves to the boat's cranes. The mostly young Australian campaigners claimed the timber con-

signment was illegally logged.

Dr Iamo issued a statement late yesterday saying his board was concerned that Mr Nen had issued a new Timber Authority for Paiso Company Pty Ltd without the board's consent. Paiso is said to be a landowner company with 10 ordinary shares each allocated to Philip K S Lee, a Malaysian businessman who is a consultant to Concord Pacific, and David Kaya, a local who is chairman of the board of directors.

The Timber Authority reference No. TA-08, according to Dr Iamo, was for Paiso to extend its operations into the Nomad area of Western province. It was issued without the Board's consent on March 24, 2002, Dr Iamo said.

He said the Board considers the issuance of TA-08 as "illegal" because the Timber Authority was issued after the "Board powers which had been delegat-

ed to Mr Nen had been withdrawn."

He said that TA-08 was in addition to TA-024, which was issued to Paiso Company Pty Ltd on April 18, 1994 for a five-year period. TA-024 was issued for the company to construct a road to link Aiambak with Kiunga within the specified requirements of road establishment of 40-metre width.

Dr Iamo, however, said that the company had instead cut trees within 1000 metres on both sides of the road and "this is a violation of the requirements."

He said that PNGFA intervened in 1999 to stop the logging activity but the company took out a court injunction in 1999 impeding the PNGFA from enforcing the Act on Paiso Company. "The Timber Authority has now expired," said Dr Iamo.

Dr Iamo said amidst the saga, Paiso had at times been exempted from or paid reduced log export

taxes and landowner royalties by the Government.

Mr Kaya, meanwhile, challenged Greenpeace to produce "real evidence of clear felling and destruction of forest in the area." He said yesterday Greenpeace had misled the country and the world by publishing on its Internet website (www.paradise.org) damaging photographs of logging activities that were not from the Kiunga/Aiambak project area.

Meanwhile, Greenpeace campaigner Bianca Havas said they had negotiated with Concord Pacific and towed the log barge away from the log ship, and had begun informing the locals about Greenpeace and the reasons behind their actions.

"Our visits began on Wednesday to the three villages on Umuda Island that make up the Suburiba tribe, which we are working closely with," she said.

She said while Green-

peace volunteers are keeping watch on the log barge that was towed seven miles away yesterday, another two have also been sighted coming down from Kiunga-Aiambak loaded with logs.

On the appointment of the acting managing director, David Nelson, Dr Iamo said the board did not recognise his appointment as it was not consulted as required under section 34 of the Forest Act.

He said the NFA board had advertised the managing director's position and applications for the position had been received and referred to an independent body to evaluate a shortlist forwarded to the board meeting scheduled for May 29, 2002.

With regard to extension of Timber Permit TP 1-7, relating to Wawoi Guavi Timber Project, the chairman said that the extension granted by the Minister was in order as the proper procedures were followed.

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FIA wanted Concord out

CONTROVERSIAL logging company Concord Pacific could not become a member of the Forest Industries Association because it did not meet the group's membership criteria.

And the association had been against and even tried to shut down the operations of the company's much publicised Kiunga-Aiambak project in the Western Province since 1996.

Association executive officer Bob Tate, accompanied by PNG Association of Foresters president Andrew Tagamassu, revealed this to the *Post-Courier* on Friday.

Mr Tate said the FIA was opposed to Concord Pacific's Kiunga-Aiambak logging operation long before the project became a controversy. He said the association was critical of the company's operations between 1996 and 1999 when they joined the National Forest Board to try to shut the Malaysian firm's operations.

"For many years we were the only organisation which was publicly speaking out against it. Now it has become a political football exploited for public relations purposes and it is a pity that some of the most vocal people now about the project were not here in 1996, 97, 98 and 99," Mr Tate said.

"They (Concord Pacific) are not members of the FIA, nor would we have them as members — they do not meet the criteria. We, like other organisations, have a code of conduct and a set of standards."

He said the company's Kiunga-Aiambak operation had created a negative image of the timber industry. The project's controversy distorted rational debate on forest issues regarding forest management, its sustainability and economic returns.

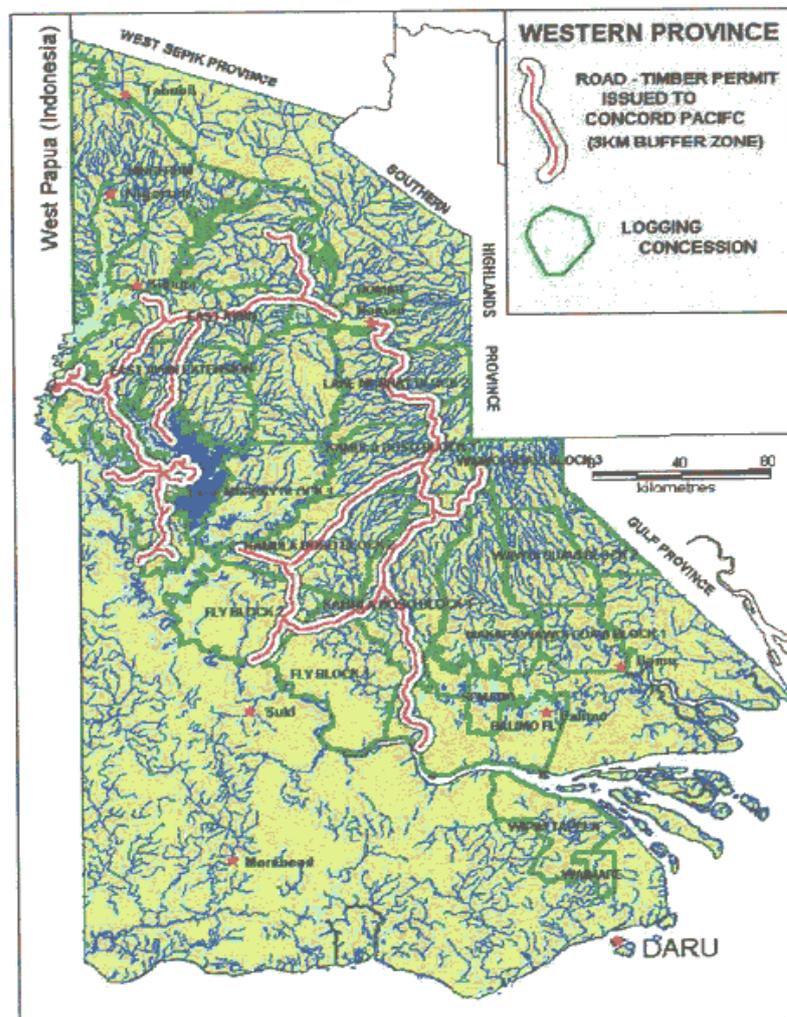
Mr Tagamassu said a lot of work was done in the last 50 years to set up a responsible forest industry.

Concord's new illegal logging permit gives access to 2.7 million hectares of forest

Concord Pacific, the logging company under fire for its unlawful Kiunga Aiambak logging operation, has recently been given another illegal logging permit that gives it access through eight unallocated logging concessions with a total area of over 2.7 million hectares

The Timber Authority, signed in December 2001, allows Concord Pacific to log a 6 kilometre wide and 831-kilometre long corridor through the heart of the last remaining forests of Western Province. The proposed route of the corridor weaves through eight unallocated logging concessions including the Kamula Dosa and East Awin forest management areas

This new Timber Authority is totally illegal as it was granted without the approval of the Provincial Forest Management Committee and without any of the detailed procedures of either the 1993 Forestry Act or the 2000 Amendment Act having been followed.



2nd June 2002

Documents available on request (as gif/word files)

- ◆ Media Release on grant of the illegal Timber Authority dated 29th May 2002
- ◆ Copy of the illegal Timber Permit and letter of approval from the PNG Forest Authority

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