

Masalai i tokaut

Number Thirty Eight: 14 May 2005

Rimbunan Hijau puts the squeeze on Patrick Pruaitch

Logging giant Rimbunan Hijau is losing patience with Forest Minister Patrick Pruaitch and the pressure is showing in the Minister's increasingly erratic and desperate behaviour.

Rimbunan Hijau, frustrated at waiting for more than two years for Minister to deliver a raft of new logging permits, is furious that its destructive logging practices have been internationally exposed and that they are facing the loss of important timber markets in Australia and New Zealand.

As the pressure mounts on the Minister, whose reputation is already severely tarnished, he is engaging in increasingly desperate moves to satisfy his logging masters.



This culminated last week in a refusal by the Minister to follow the orders of his National Alliance party caucus to withhold the Forestry Amendment Bill from Parliament and his submission to the National Executive Council seeking the unilateral cancellation of the World Bank Forestry and Conservation Project.

While the Prime Minister is again travelling to Columbia University in the United States to promote his vision for a sustainable forestry and carbon trading initiative, his Forest Minister is threatening to make the PM an international laughing stock.

The Forest Minister Patrick Pruaitch has enjoyed the generous patronage of the giant Malaysian company Rimbunan Hijau since he took office in September 2002.

Feted by RH company executives and the spivs in its puppet lobby group, the Forest Industries Association, the Minister and his wife have enjoyed expensive

trips abroad and generous 'allowances' above the usual rounds of free meals and copious booze in Port Moresby's restaurants and clubs.

In return the Minister had promised new timber permits and business as usual in the remote logging camps where Rimbunan Hijau is notorious for its destructive logging practices and human rights abuses. But, embarrassingly, the Minister has been falling rather short in fulfilling his 'big man' promises.

His attempts to fast track new timber permits have been blocked by honest officers in the National Forest Service and a group within the Forest Board who have insisted on due process and landowners rights.

Meanwhile Rimbunan Hijau has been internationally exposed for its appalling logging practices and human rights abuses.

HERALD SUN: Logging slave claim (Melbourne, 26 Feb 2005)

PORT MORESBY – Papua New Guineans are being treated as slaves and forced to live in appalling conditions in logging camps run by a Malaysian timber giant, PNG's parliament has been told. Huon Gulf MP Sasa Zibe called on Forestry Minister Patrick Pruaitch to expel the company, Rimbunan Hijau, or quit. "The company's treatment of citizen employees reflects labour exploitation and slavery and should be condemned at all levels," Mr Zibe said, quoting from a Department of Labour and Employment report. Workers were vulnerable to death and injury because of an appalling lack of health and safety standards, the report said. Living conditions were unsafe and overcrowded with six single workers sharing a room six metres long and four metres across. Two families had to share a single space with only a blanket to separate them and one light switch, Mr Zibe said. The report also found large numbers of illegal workers were in the logging camps, as many as 80 in one camp alone. Mr Pruaitch said he had not seen the report and many unfair criticisms were levelled against logging companies. (AAP)

While RH has been paying the Minister to smooth its image it has had to suffer repeated humiliations that have culminated in comments from the head of the world's largest banking group, Citibank, that RH's logging operations in PNG are unsustainable and illegal.

News

Monday 07th March, 2005

US bank reins in RH

UNITED States banking giant Citigroup has directed its client Malaysian logger Rimbunan Hijau (RH) to comply with a new set of environmental policies adopted by the bank. Citigroup chief executive officer Chuck Prince reportedly told stakeholders during an "environmental and social risk management briefing" at the bank's New York headquarters last week that their client had to comply with a set of progressive new environmental policies adopted by the bank last year.

The International humiliation of RH

Over the past 12 months Rimbunan Hijau as been subjected to World scrutiny for

all the wrong reasons.

In February 2004 an international meeting of Prime Ministers and Presidents at the Convention on Biodiversity in RH's home country of Malaysia, was used by NGOs to launch a glossy report on Rimbunan Hijau's world of forest crime and political patronage.

'The Untouchables', which exposes many of RH's illegal and unsustainable logging practices, has been widely distributed all around the globe.

You can download 'The Untouchables' over the internet at:
<http://www.paradiseforest.org/publications.php>

The publication of the 'The Untouchables' was followed in New Zealand by a surprise move from the traditionally conservative timber trade. In May 2004, the NZ Timber Importers Association announced that a Rimbunan Hijau subsidiary company was being kicked out of its association and that they did not want to touch RH timber from PNG.

RH tried to fight back through the Courts but in December a New Zealand judge dismissed claims from Patrick Pruaitch that all Rimbunan Hijau logging operations were legal and unsustainable.

New Zealand Timber Importers Association – Media Statement

14 December 2004

The New Zealand Timber Importers Association (NZTIA) is naturally pleased with Justice Cooper's High Court ruling on Friday 10 December 2004 that supported the Association's expulsion of former member The LumberBank.

Association President Chris Wiffen said that although the case was about the manner in which The LumberBank, a subsidiary of Malaysian timber company, Rimbunan Hijau, was expelled from membership, the key issue was that of importing timber from non-sustainable sources.

In November, Rimbunan Hijau had to suffer the further humiliation of the SBS Dateline television expose titled '**Jungle Justice**' that revealed how RH pays PNG police officers to protect its operations from disgruntled landowners and its own workers and the terrible human rights abuses that the company sanctions.



DATELINE:

Wednesday, November 3 at 8.30pm

Issue date: November 2, 2004.

PNG: JUNGLE JUSTICE

"We bashed them up, we hit them with huge irons...I apologise for what I have done but I followed orders because I wanted bread and butter like any other employee."

Whistleblower Emmanuel Bani

The Australian Government then weighed in. Australian Federal Environment Minister Ian MacDonald castigated RH on November 15th when he announced that Australia would introduce legislation to block the importation of illegal and unsustainable timber from operations like those of Rimbunan Hijau in PNG.

Again Patrick Pruaitch scrambled to defend RH with more of his hysterical newspaper adverts, bungled press conferences and rambling media statements.



Minister for Forests

PRESS RELEASE RESPONDING TO ALLEGATIONS MADE BY ANONYMOUS GROUPS UNDER THE PSEUDONYM OF 'MASALAI I TOKAUT' AND 'FOREST WATCH'

I am extremely concerned at the manner in which certain individuals are hiding behind anonymous groups such as 'Masalai I Tokaut' and 'Forest Watch' and making libellous and malicious allegations against other stakeholders of the forestry sector.

The Minister's bumbling attempts to defend the indefensible were ridiculed at home. One letter writer in the Post Courier newspaper asked '**Why is Pruaitch backing the loggers?**' and ended with this plea '**Mr Pruaitch, for how long are you going to let these monsters destroy our forests. Be a Papua New Guinean, because all of us live because of our forests**'.

And the Minister's words failed to impress the international media who continued to highlight the truth about Rimbunan Hijau's logging operations.

The Canberra Times

Date: Saturday, 26 February 2005
Page Number: 22
Edition: First
Supplement: Main

Market: Metro ACT
Circulation: 38,155
Published: MON TO SAT
Editorial: [email the editor](#)
Item No: P5148764

Attack on PNG logging camps

Port Moresby

Papua New Guineans are being treated like slaves and forced to live in appalling conditions in logging camps run by a Malaysian timber giant, the Papua New Guinea Parliament has been told.

The accusations came from Huon Gulf MP Sasa Zibe who called on Forestry Minister Patrick Pruaitch to expel the company, Rimbunan Hijau, from the country or resign for allegedly protecting its interests over those of local people.

Mr Zibe, a former environment minister and professional forester, used Parliament yesterday to issue details of a damning report by a senior officer of the Department of Labour and Employment.

The report followed the officer's visit in July to one of Rimbunan Hijau's logging camps.

The company's treatment of citizen employees reflects labour exploitation

and slavery and should be condemned at all levels," Mr Zibe quoted the report as saying.

It said workers were vulnerable to death and injury because of an appalling lack of health and safety standards.

Living conditions were unsafe and overcrowded with six single workers sharing a room 6m long and 4m across while two families had to share a single space with only a blanket to separate them and one light switch, Mr Zibe said.

The report also found large numbers of illegal workers in the logging camps, as many as 80 in one camp alone.

Mr Zibe said the report also noted that unskilled Asian workers were brought in on logging boats then trained by Papua New Guinea nationals, thereby taking jobs that locals could do.

Mr Pruaitch said he had not seen the report and asked to be given a copy.

Many unfair criticisms were levelled against logging companies when log-

ging was the country's third-largest revenue earner and companies built roads and contributed to health and education services.

The Parliament witnessed heated debate over logging last November when SBS Television reporter Bronwyn Adcock had her passport seized after compiling a report on corruption and police brutality at a Rimbunan Hijau logging camp.

The report, aired on the *Dateline* program, alleged the company was paying police officers to bash and intimidate landowners living near a remote camp in Western Province.

Adcock's passport was returned after negotiations involving SBS and Australia's Department of Foreign Affairs and she left the country.

Prime Minister Michael Somare criticised Adcock and her report, accusing her of providing misleading information on her visa application form.

Citibank pulls the plug on RH

Clearly Citigroup Chief Executive, Chuck Prince, didn't believe a word that he

heard from the mouth of PNG's Forest Minister.

In March this year the head of the world's largest financial group that employs more than 300,000 staff and has an annual turnover of several **TRILLION US dollars**, announced that his company did not want to do business with Rimbunan Hijau because of its appalling logging practices and human rights abuses in PNG.

When confronted with these facts in a blistering attack on the floor of Parliament last month, Patrick Pruaitch was almost speechless and mumbled some incoherent comments about 'commercial decisions' and 'international markets'.

To listen to Pruaitch's sell-out defence from inside Parliament, click here:



RH criticism at home

Meanwhile, back on home turf the Minister has been equally incompetent in protecting his favourite Malaysian logging company from scrutiny.

Firstly, the Ombudsman Commission handed the Minister its report on the attempted illegal allocation of the giant Western Province Kamula Doso concession to Rimbunan Hijau. The Ombudsman made a number of recommendations including special scrutiny of RH and the removal of Pruaitch's accomplice and RH stalwart Dr Wari Iamo from the National Forest Board.

This was not looking good – but Pruaitch managed to save some embarrassment for himself and RH by refusing to table the Ombudsman Commission Report in Parliament and steadfastly ignoring its recommendations.

Pruaitch then had to preside over a Review of six new permits and extensions handed out by his predecessor, Michael Ogio, in the dying days of the Moruata government. Three of the permit extensions were for Rimbunan Hijau and all were found to have been illegally issued.

The Review Team recommended a Commission of Inquiry into the relationship between RH and certain senior public servants and their political masters. Pruaitch managed to side step that recommendation as well!

The Forest Minister has also refused to table for Parliamentary scrutiny a whole host of other Government reports on Rimbunan Hijau's illegal and unsustainable logging. These reports include investigations into a number of individual RH logging projects by the Review of Current Operations that reveal a catalogue of abuses and unlawful activities.

While the Forest Minister continues with his denials, diplomats in Port Moresby are not deceived.

This a recent assessment sent by one High Commissioner back to his Government where he describes the Forest Minister as "*childish*":

"The forestry situation here gets worse by the day. An internal government

report declaring the Government's own policy to be peripheral and moribund has been all but suppressed; and the Forestry Minister has refused to comment in Parliament on it... Pruaitch has declined to be drawn ... in a rather childish reaction to the questioning.

Malaysian logging companies, led by RH, continue to cut a swathe through PNG's forests with impunity... Meanwhile the country's well drafted forestry laws are chronically breached by the government itself.

In my travels I have been appalled at the huge destruction of the rainforest. Most of PNG's forests are now secondary. And the destruction of forest communities in many areas has been nothing short of a disgrace. Humans rights abuses are relatively widespread, and because of the remoteness of the forestry communities they either go undetected or un-investigated".

RH says "Where are our new logging permits?"

Rimbunan Hijau is increasingly angry over the Minister's failure to deliver new logging permits for the company. In September 2002, Rimbunan Hijau presented the new Minister with a list of the concessions they wanted – mostly in Gulf and Western Provinces where PNG has its largest remaining tracts of commercially viable timber and where RH is already well established.

But Patrick Pruaitch has been woeful in his delivery. First, the Minister found that any discussion of the prize that RH most covets, Kamula Doso, was blocked by an Ombudsman investigation. Then the National Forest Board refused to reopen the file and now the National Executive Council has declared the concession off limits (after the Forest Minister presented a bizarre plan to declare the whole area a Rural Development Zone and allow RH tax free status!).

Blocked from expansion in Western, Rimbunan Hijau then showed an interest in the Amanab permits in Sandaun Province. While RH was reluctant to move to a new Province or to go to war with the competing logging company WTK, with their timber resources running out in their other concessions and continual problems with their Wawoi Guavi and Vailala permits, West Sepik seemed a necessary step. However WTK's long established political links in West Sepik and a few compliant landowners, blocked any chances that RH might have had, and Pruaitch was forced to give the new Amanab blocks to WTK.

In a last ditch attempt to satisfy the hunger of his Malaysian masters the Minister was able to sign off on the permit for the East Awin concession that surrounds the West Papuan refugee camp. The Minister was told by the National Forest Board that the permit was illegal because it did not comply with the Forestry Act, but he signed it anyway – because he knew that the chosen logging company, GL Niugini, was only a shelf company that had already agreed to sell on the permit to RH.

Once again things did not go the Ministers way. Because he did not stop to sort out various legal problems before he issued the permit, he had left himself wide open to a legal challenge that is now dragging through the courts and preventing RH from starting its demolition of the forest.

RH, finding themselves blocked in Western Province and out-bid in West Sepik,

turned their malevolent attention to West New Britain.

The forests of WNB have been largely obliterated by 30 years of intensive logging, but a few small pockets do remain and these have been tied together in two 'consolidated' projects – Asengseng and Rottok Bay.

Rimbunan Hijau put in bids for both projects when they were advertised in 2003 and started intensive lobbying. As landowner opposition against RH was very strong in Rottok Bay they were only selected as the preferred developer for Asengseng,

Rimbunan Hijau were not happy, they wanted both projects as they are close together and the poor stocking density means that individually the two concessions are almost unviable, but the Minister was heaving a heavy sigh of relief at the prospect of at last delivering SOMETHING to his patron.

But then, last month, disaster struck in the form of a Court Order!

In the rush to get the permit issued, nobody had consulted the local politicians as required under the Forestry Act and MP David Sui has obtained an Order from the National Court preventing the Minister signing the timber permit.

The current situation

We have a forest Minister who has failed to protect his closet friends from international scorn and has failed to deliver them new permits (except the almost worthless East Awin concession in the remote north of Western Province).

Australia and New Zealand, the biggest markets for RH's sawn timber, will soon be totally off limits and to make matters worse, the domestic banks in Port Moresby (ANZ, BSP and Westpac) are now summoning RH bosses to explain their logging practices and human rights abuses.

Time is running out for Minister Pruaitch and he has adopted two desperate measures to try and extend his political control so that he can better serve RH's interests.

1. The Forestry Amendment Bill

When the Minister presented the draft forestry bill to the National Executive Council for approval he did not disclose that he had interfered with the draft approved by the Forest Board. He had added measures that would substantially increase his power over the Board and deny landowners rights.

NEC, unaware of the details, approved the Bill on April 13th. But Pruaitch's own National Alliance Party caucus has not been so compliant. Last Wednesday as concern mounted the party members issued an instruction that Pruaitch arrange a private briefing for them by the Forest Authority. That Briefing took place on Thursday at the National Parliament, and as a result of what the MPs heard; they voted that the Bill should not be presented to Parliament during its current sitting.

PNG Govt reconsiders forestry changes

Plans by Papua New Guinea's Government to make significant changes to legislation covering the logging industry appear to have been delayed.

The Minister was furious with his colleagues in the National Alliance, and he flew from the caucus meeting wildly declaring that he didn't need NA approval and that he would present the Bill anyway – something that he failed to do as Parliament did not allow him the time

2. The World Bank

The Minister has also convinced the NEC that the World Bank is blocking new forestry projects and he has got their consent to unilaterally cancel the Forestry and Conservation Loan. Heaven forbid that that there is reform in the forestry sector! Pruaitch might have to obey PNG's Laws!!!!

This news was conveyed to World Bank officials when they met the Chief Secretary in Cairns on the 2nd of May.

This will have serious implications for PNG.

It is usually not a good idea for a country to cancel a contract with the World Bank as the Bank is then very reluctant to enter into any new deals for other projects – such as the much talked about Highlands Highway rehabilitation – and is quick to warn other international financiers that the country is a 'bad risk'.

It also reflects very badly on PNG and affects its ability to attract financing for major projects when the international financial community is aware that a major loan has been cancelled because of corruption in government.

Minister Pruaitch is sending a very clear signal to the whole world. The PNG Government is dominated by corrupt influences and cannot be trusted.

The irony for Patrick Pruaitch is that as he becomes more and more desperate to fulfil his promises to Rimbunan Hijau's he is exposing not only himself but the whole Government to international ridicule and a reputation as being corrupt.

How long will Patrick Pruaitch's own colleagues allow him to continue in office as he increasingly tarnishes the image of them all? When will RH finally give up on

Pruaitch and demand a new Forest Minister? How long can he hold on as things crumble around him.....



024777

