

Press Release For immediate release 27 July 2009

Fires in APP/Sinar Mas Concessions Add to Region's Haze Woes, Threaten New UN Biosphere Reserve

Pekanbaru – Satellite data for the first six months of 2009 show that Riau Province had the largest number of fire "hotspots" in Indonesia: 4,782. And nearly one-quarter of the Riau fires happened within concessions affiliated with Sinar Mas Group's Asia Pulp & Paper company, more than in any other single company's concessions, an Eyes on the Forest analysis found.

Forest and peat fires are raging across numerous concessions in central Sumatra associated with APP/SMG, adding to regional haze problems and global climate change and destroying species-rich forests in the newly declared UNESCO Biosphere Reserve in Riau Province.

Forest and peat fires are a major threat to Indonesia's public health, biodiversity, regional economy and global climate. They are often deliberately set as a quick and easy way to clear land after clear-cutting natural forest and before establishing plantations. El Niño this year is expected to cause much worse forest and land fires than the past two years, with the peak between September and October.

In May this year, APP/SMG touted as a conservation achievement the designation of the Giam Siak Kecil-Bukit Batu forest (GSK-BB) as a UNESCO Biosphere Reserve. However, 20 percent of all fire hotspots in Riau for the first half of 2009 occurred inside the original GSK forest block and half of them occurred inside APP/SMG-associated concessions, according to Eyes on the Forest. MODIS satellite data shows that 22 percent of Riau's hotspots are burning in the biosphere reserve and other APP/SMG-connected concessions.

"APP/SMG and their associated companies should take seriously their legal responsibility as license holders to prevent such fires in their concessions, regardless of whether the fires are caused by themselves or others," said Susanto Kurniawan of Jikalahari. "We also call on APP/SMG to stop building new roads through or next to natural forest, digging peat drainage canals and clearing any more natural peatland forest. All of that facilitates fires."

"Whether through fires, draining or forest clearance in its wood-sourcing concessions, APP/SMG is the single biggest contributor to the destruction of natural forest and peat soil in the original ecosystem where the Biosphere Reserve was established. Between 1996 and 2007, APP had pulped 177,000 hectares – 65 percent of all natural forest lost in the ecosystem," said Nursamsu of WWF-Indonesia.

"These forests were cleared sometimes without proper licenses and sometimes even inside provincial protection areas," said Hariansyah Usman of Walhi Riau. "In addition, they also sometimes violated Presidential Decree Number 32 Year 1990, which prohibits clearance of natural forest on peat soil deeper than 3 meters. APP/SMG still continues this kind of legally questionable forest clearance elsewhere in Sumatra. We call on the government to reopen the findings of the recently terminated illegal logging investigation properly, instead of closing the case. We also call on the government to take legal action against companies which set fires."

Biosphere reserves are conservation designations created to protect the biological and cultural diversity of a region while promoting sustainable economic development. Today, just 35 percent of

the 700,000-hectare UNESCO Biosphere Reserve is natural forest; the rest is dominated by acacia monoculture plantation with very low conservation values.

"We hope that the biosphere reserve's natural forest will remain and that the health of the peat ecosystem of the reserve will recover. For that to happen, APP needs to provide real security to the area and conduct responsible hydrological management of the peat. The recent fire hotspot map clearly shows that the company does not. It is time for them to live up to their own PR," said Susanto Kurniawan.

Recently, APP has been under international scrutiny for its destruction of natural forest in the Bukit Tigapuluh landscape in Central Sumatra. Around 450,000 hectares of remaining contiguous natural forest in the area is home to the world's only successfully reintroduced Sumatran orangutan population, a quarter of the remaining wild population of critically endangered Sumatran tigers and an important population of endangered Sumatran elephants. Two indigenous tribes, the Talang Mamak and Orang Rimba, also depend on this forest for their livelihood and home. APP/SMG has plans to clear up to 200,000 hectares of this forest if the Ministry of Forestry allows it.

This year, around 100 hotspots have been noted in Bukit Tigapuluh, indicating areas where natural forest had been cleared recently. Many of them occurred along a new logging highway through natural forest, which APP/SMG built in 2008 to transport timber to its two giant pulp mills in Riau and Jambi provinces. As new as it is, the logging highway has already brought illegal logging and encroachment to the natural forest, threatening the lives of wildlife and indigenous people.

Every year, forest and land fires in Riau and Jambi cause significant transboundary haze across the region. This year, major outbreaks of fires started in January and May, causing significant increase in the number of people with upper respiratory syndrome and forcing schools and airports closure and flight delays.

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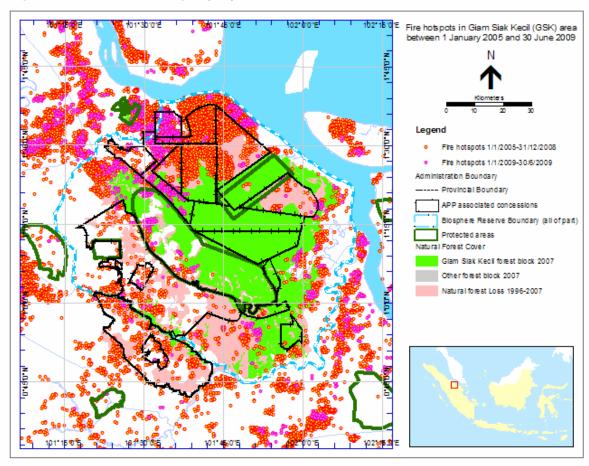
NOTES TO EDITORS:

- Eyes on the Forest is a coalition of WWF-Indonesia, Jikalahari and Walhi Riau. Past reports on APP are published at www.eyesontheforest.or.id.
- Fire hotspot data used are from NASA/University of Maryland (2002) MODIS Hotspot / Active Fire Detections. Data set. MODIS Rapid Response Project, NASA/GSFC [producer], University of Maryland, Fire Information for Resource Management System [distributors]. Available on-line at http://maps.geog.umd.edu.
- Fire hotspot analysis for GSK and BTp were done within the original natural forest boundary in the year when APP/SMG and associated companies started to clear natural forest in these areas. APP/SMG associated companies started to clear natural forest in GSK and BTP in 1996 and 2000, respectively.
- The GSK forest has been shrinking ever since APP's first commitment in 2004 to protect it. Forest Stewardship Council (FSC) accredited certification body SmartWood, hired by APP to monitor its protection of this forest, cancelled the contract in 2008 when it found that APP had taken no steps to protect the forest both from themselves and from others. http://www.rainforest-alliance.org/forestry/documents/app.pdf.
- On APP's activities in Bukit Tigapuluh area, see: http://eyesontheforest.or.id/index.php?option=com content&task=view&id=233&Itemid=6

For further information please contact:

- Afdhal Mahyuddin, EoF Editor; mobile phone: +62-813-8976-8248
- Hariansyah Usman, WALHI Riau; mobile phone: +62-812-7669-9967
- Susanto Kurniawan, Jikalahari; mobile phone: +62-812-763-1775
- Nursamsu, WWF Indonesia, in Riau; mobile phone: +62-812-753-7317

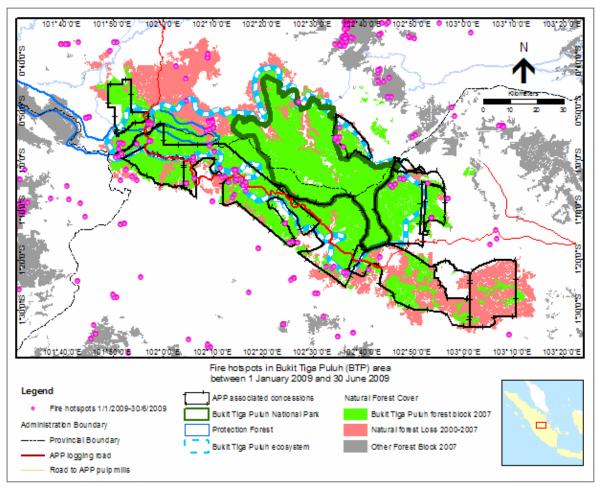
Maps and Data to Accompany Eyes on the Forest's Press Release



Map 1.—Fire hotspots in Giam Siak Kecil (GSK) area between 1 January 2005 and 30 June 2009. In total 950 hotspots were counted in areas where there used to be natural forest in 1996 in GSK (pink and green area).

Table 1.—Fire hotspots in Giam Siak Kecil (GSK) area between 1 January 2005 and 30 June 2009. In total 950 hotspots were counted in areas where there had been natural forest in 1996 in GSK (pink area), and they were divided into those inside APP/SMG associated concessions, protected areas and other areas (see Map 1).

| | 2005 | 2006 | 2007 | 2008 | 2009 | | | | | | |
|-------------------------------------|-------|-------|------|------|------|------|------|------|------|------|-------|
| • | | | | | Jan | Feb | Mar | Apr | May | Jun | Total |
| APP/SMG associated concession | 4,192 | 751 | 246 | 326 | 241 | 148 | 5 | 13 | 19 | 52 | 478 |
| | 70% | 74% | 53% | 52% | 61% | 59% | 100% | 76% | 23% | 26% | 50% |
| Protected | 28 | 7 | 11 | 25 | 40 | 13 | 0 | 4 | 44 | 49 | 150 |
| areas | 0% | 1% | 2% | 4% | 10% | 5% | 0% | 24% | 52% | 24% | 16% |
| Other | 1,807 | 257 | 206 | 278 | 111 | 90 | 0 | 0 | 21 | 100 | 322 |
| | 30% | 25% | 44% | 44% | 28% | 36% | 0% | 0% | 25% | 50% | 34% |
| Total | 6,027 | 1,015 | 463 | 629 | 392 | 251 | 5 | 17 | 84 | 201 | 950 |
| | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |



Map 2.—2009 fire hotspots in Bukit Tigapuluh area. Many of the hotspots occur along the APP/SMG logging road through this natural forest.