



THE *PAPUA NEW GUINEA* ECO-FORESTRY FORUM

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Our Ref: Malaysia 1/2007

14th February 2007

Dato' Seri Abdullah Ahmad Badawi

Prime Minister of Malaysia
Prime Minister's Office
Pejabat Perdana Menteri Malaysia
Federal Government Administration Center
Bangunan Perdana Putra
62502 Putrajaya
Kuala Lumpur
MALAYSIA

OPEN LETTER

Dear Prime Minister,

Re: Destabilizing role of Malaysian Companies in the PNG logging industry

We wish to respectfully bring to your attention the leading role, played by Malaysian companies in illegal and unsustainable logging in Papua New Guinea (PNG) and the environmental and social problems they create.

Currently, Malaysian companies operate almost all the logging concessions in PNG and we have substantial evidence they use illicit and unlawful means to secure logging rights. This severely affects governance and stability at a national level.

The situation is so serious that former Finance Minister and widely respected Member of Parliament, Bart Philemon, has publicly stated that forestry is the most corrupt sector in PNG. We attach a collection of media articles, which illustrate some of the range of issues concerning Malaysian logging companies in PNG for your reference.

As you can gather, as well as undermining governance, these companies create serious social and environmental problems for many rural communities who depend on forests for their livelihoods. Illegal and unsustainable logging by Malaysian companies in PNG degrades valuable forest resources and damages the environment. It also robs our Nation of potential revenues that should be used to expand our economy - undermining our development and nation building efforts.

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While we concur with your view which you so passionately delivered at the January 2005 Paris meeting of the Convention on Biodiversity that "the new global dialogue on biodiversity should foster a climate of sincerity, trust and integrity [and] this is the only guarantee we have for a future with sustainable development", we regret the activities of Malaysian companies in our country are defeating such noble aims.

The practices of Malaysian logging companies operating in PNG also contradict your own acknowledgment of the importance of developing countries achieving "economic and social advancement without depleting the[ir] natural capital" and your commitment that "the utilisation of natural resources for economic development... must be carried out in a sustainable manner so that the valuable biodiversity and rich ecosystems on this planet, can continue to flourish'

We will of course continue to do all we can to tackle illegal and unsustainable logging in partnership with our members and supporters. At a national level we will continue attempts to enforce legal protections through the courts and other governance mechanisms and engage in policy dialogue to improve management standards and enforcement. At a local level we will continue to support affected communities in raising their grievances and ensuring that better alternatives are available.

But we find our efforts alone cannot overcome the pervasive and corrupting influence of the logging industry, which has captured the loyalty of key government figures and senior public servants. It is on this basis that we write to you to raise our concerns and to call for a swift action to be taken on your side against those Malaysian companies linked with illegal and corrupt activities in PNG.

By devastating our precious ancient forests, the livelihoods of our community and good governance these companies are destroying any possibility for what you have described as the necessary "climate of sincerity, trust and integrity" for the well being of humanity, the earth and the environment on which we ALL depend.

We welcome Malaysia's recent negotiations with the European Union on ways to reinforce accountability in your own timber industry. However, the activities of Malaysian companies in PNG will continue to seriously tarnish the image and reputation of Malaysia unless action is taken to ensure better corporate governance and business practices overseas.

We understand you are a Leader who has genuine concerns about accountability and transparency and we are sure you are committed to building a strong nation with a lot of courage, integrity and professionalism, not afraid to tackle complex and sensitive issues such as corruption.

We earnestly hope that by raising these issues with you, effective action will be taken by your estimable office to exercise some control over rogue Malaysian logging companies operating overseas. In this context some other countries now have laws, which make it illegal for their companies to engage in illegal and corrupt practices overseas. We hope you can spearhead such an initiative in Malaysia.

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It is only with your intervention that the involvement of Malaysian companies in illegal and unsustainable logging in PNG and the human rights violations that accompany such activities can be stopped.

This will undoubtedly go a long way to repair some of the damage that has already occurred. It will help us to restore faith and trust in the Malaysian Government and her leadership in bringing developing nations into a sustainable and positive future. It will certainly propel your image as being a strong and responsible leader worthy of praise and a good role model for our region.

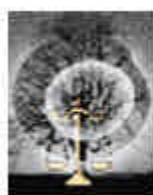
Should you require further information, we will be most happy to furnish you with further relevant data and references.

Yours faithfully

The PNG Eco-Forestry Inc, and its members: The Village Development Trust Inc.



Alotau Environment Ltd.



**Centre for Environmental Law and
Community Rights (CELCOR) Inc.**
Friends of the Earth Papua New
Guinea (FoEPNG)



FPCD Foundation for People and Community Development, Inc.



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The *Papua New Guinea Eco-Forestry Forum* supports integrated rural community development and sustainable resource use through a viable and sustainable eco-forestry industry



BISMARCK RAMU GROUP

- Copy:** SUHAKAM - Malaysian Human Rights Commission
SAM - Sahabat Alam Malaysia
SUARAM - Suara Rakyat Malaysia
COAC - Centre for Orang Asli Concern
Asia Watch
Amnesty International
DAGA - Documentation for Action Groups in Asia World Student Christian Federation, Asia-Pacific Region
Asian Human Rights Commission
European Union delegates in Port Moresby
- Encls:** *Logging, Legality and Livelihoods*. Forest Trends (2006)
Bulldozing Progress- Human Rights Abuses and Corruption in Papua New Guinea's Large-scale Logging Industry. ACF and CELCOR (2006)
Assorted news articles