

tong tana

April 2007

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Protest campaign in Zurich: members of the Bruno Manser Fonds erect a memorial tree trunk for Bruno Manser in front of Credit Suisse headquarters on the Paradeplatz.

Credit Suisse underwrites IPO for tropical timber company

Bruno Manser Fonds demands compensation for victims of deforestation

A brisk wind was blowing through Zurich's Bahnhofstrasse on the quiet Friday morning of February 23rd. About two dozen people were slowly marching in the direction of Paradeplatz, the square that intersects this main shopping street in the city centre. On their shoulders they were carrying the trunk of a fir tree, five meters in length and carved with the figures of plants and animals native to the primary rainforest. It served as a reminder of Bruno Manser who has been missing without a trace since 2000. Janine Manser, the niece of the Basel environmentalist, was leading the small entourage. The twenty-year-old student carried a poster proclaiming: "Put an end to the destruction of the rainforest. Credit Suisse must stop financing the Samling timber group." The first rays of sunshine came over the rooftops and warmed the neo classic facades of the banks on the Paradeplatz. But the heart of the Swiss financial capital remained cold on this winter morning.

"Credit Suisse will not back away from the underwriting of Samling's initial public offering." The words were spoken by Tobias Guldemann, Chief Risk Officer of Credit Suisse Group and, after one hour, ended the meeting with the Bruno Manser Fonds and the Society for Threatened People. The Zurich banker removed all doubts: the major Swiss bank would put its financial interests above



Samling's green image of itself as depicted in its stock exchange prospect...

...and the reality of conditions in the areas under Samling's control.



our concerns for the preservation of the tropical rainforest. On March 7th, the Malaysian timber barons announced their success: the initial public offering in Hong Kong had brought them 280 million US Dollars in new capital. The money will be used for the enlargement of production capacity, additional logging of primary forests and for the repayment of debts. "Global Coordinator" Credit Suisse has made it possible, together with the British HSBC bank and the Australian Macquarie Securities Ltd.

Internal bank controlling mechanism fails to function

"All of the people who are active in - and for - our financial institution are responsible for the protection of the environment within their own domains." This sentence is part of the sustainability guidelines of Credit Suisse that Oswald Grübel, Chief Executive Officer, personally adopted last September. The Bank also signed the "Equator Principles" for financing only sustainable projects and boasts that its shares are represented in "important sustainability indexes".

Additionally, an internal examining authority "supervises the implementation of the obligations that have been entered into and evaluates current ecological and social questions". Thus the business dealings with Samling were exposed to an extensive internal "risk assessment process" according to a letter sent by Credit Suisse to concerned members of the Bruno Manser Fonds.

However, when quick money is calling, it seems clear that the controlling mechanisms of the bank are not very effective. There is no other way of explaining that neither Samling's leading role in the deforestation of the rainforests in Malaysia and Guyana nor its disregard for the rights of the indigenous peoples who live in them are recognised as problems. Andreas Missbach, campaign worker focusing on banks for the Berne Declaration and member of the international BankTrack Network, believes "that Credit Suisse has a problem in implementing the standards relevant to environmental policy. The Bank has also not done its homework with regard to human rights." Unlike other banks, Credit Suisse provides no transparency, either for its own standards or for the internal process of risk assessment.

Penan nomads demand withdrawal of Credit Suisse

In any case, the Penan - the nomads living in the Limbang district of the Malaysian state of Sarawak for example - came to conclusions that differed from those of the risk assessor of Credit Suisse. In an urgent appeal, the communities of Long Nyakit, Long Peresek, Long Adang and Long Keneng insisted that Credit Suisse and the other banks withdraw their support for the Samling timber group. According to headman Aweng Tebai, "Samling is destroying our last remaining primary forest. Sago, one of our main sources of food, can only be found in intact forests. Our greatest wish is for the recognition of our traditional rights to the forest."

The Penan are confronted with Samling's activities on a daily basis as their trucks laden with forest giants roar by from the



The Penan communities in the Limbang District call on Credit Suisse to withdraw its support for the Samling Group.

concession further up the Limbang River. This is where Bruno Manser lived for six years in the 1980's in the still untouched primeval forest and helped to organise the resistance against the loggers. In the meantime, the waters of the Limbang River have become murky from logging. The disappearance of the sago palm has forced many of the nomads to become sedentary and learn how to cultivate rice.

The Penan are especially fearful of work on plantation projects that is being accelerated by Samling and other major companies. If the giant trees of the primeval forest have once been cut down, the remaining vegetation will be cleared in its entirety and replaced by mono cultures of oil palms and species of trees that grow rapidly. It is precisely for this purpose that Samling wants to use part of the money that has been raised on the stock exchange.

The public listing prospect distributed by Credit Suisse indicates that the timber group has acquired plantation licenses for 438,000 hectares - corresponding to a third of Switzerland's forest area.

Demand for 10 million Dollars in compensation

In the meantime, the criticism of Samling's initial public offer that was initiated by the Bruno Manser Fonds has met with a wide international response. In an ad that appeared in the March 9th issue of the International Herald Tribune, 37 non-governmental organisations in 18 countries called upon investors and banks to

shun the Samling group. The appeal criticised Samling's continuing destruction of the rainforests in Sarawak and Guyana and recalled its involvement in illegal logging in Cambodia and Papua New Guinea in the 1990's. Samling founder and chairman Yaw Teck Seng had a substantial financial interest in the Concord Pacific firm that was illegally logging extensive pristine forest areas in Papua New Guinea under the guise of a road construction project until 2003.

In spite of the growing criticism, Credit Suisse has continued to defend its business dealings with Samling. Credit Suisse spokesman Alex Biscaro at least admitted to the *Sonntagszeitung*, a leading Swiss Sunday newspaper, that "not everything was perfect" in the assessment of the tropical timber group. Nor is it "perfect" for the Bruno Manser Fonds that Credit Suisse is left with a lofty profit from Samling's initial public offer while the Penan, who have suffered from the logging, continue to live in bitter poverty. According to the calculations of the *Sonntagszeitung*, the Bank has earned about 10 million US Dollars from the deal. The Bruno Manser Fonds is calling upon the management of Credit Suisse to make this sum available for the compensation of the indigenous peoples who are the victims of Samling's actions and for the reforestation of their land.

News in brief

Conflict with the Penan-blockade is becoming critical

The dispute with regard to the blockade of a logging road erected by the Penan at Long Benali is becoming critical. On February 7th, the Malaysian police cleared the blockade in the presence of a manager of the Samling timber group. Shortly thereafter, Samling came with bulldozers and other heavy machinery to accelerate the road construction. On March 15th, the Penan reconstructed the blockade. According to the latest reports, a unit of the Sarawak Forest Corporation (SFC), supported by police from the Baram district, is once again tearing down the blockade. Long Benali is at a strategic entry point to one of the last intact primary forest areas in Sarawak. Information on the current blockade can be found under www.bmf.ch/en/news.

NZZ refuses ad from Bruno Manser Fonds

The editorial department of the *Neue Zürcher Zeitung* (NZZ), a major Swiss newspaper, declined to print an advertisement from the Bruno Manser Fonds. The ad stating "Put an end to the destruction of the rainforest. Credit Suisse must stop financing the Samling timber group" should have appeared in the business section of the *Neue Zürcher Zeitung* on 23 February 2007. A spokeswoman for the NZZ justified the decision to the Swiss News Agency, SDA, by saying that such an ad cannot be printed without the necessary proof.

The Bruno Manser Fonds regrets the decision of the NZZ and maintains that it provided the newspaper with a documentation at the time of placing the ad. Unlike the NZZ, it was possible to place the ad in two other Swiss newspapers, the *Zürcher Tagesanzeiger*, and the *Basler Zeitung*, in the German *Handelsblatt*, and in a modified form in the *International Herald Tribune*.

Possible evidence of orang-utan in Penan area

Penan from the upper reaches of the Baram have reported that they have heard the cries of the orang-utan at Gunung Murud Kecil. If the reports are confirmed, it would amount to a minor sensation because the orang-utan is extremely rare in Sarawak. The seldom-visited and biologically very rich area in the vicinity of Gunung Murud Kecil is being protected from the loggers by the Penan blockades.



Bruno Manser Diaries appear in paperback

The fascinating diaries of Bruno Manser are now available in paperback (in German only). Ruedi Suter, the Basel journalist and Manser biographer, has selected the most impressive diary pages from more than one thousand. The richly illustrated paperback entitled "Bruno Manser - ein Leben für den Regenwald" [Bruno Manser, a Life for the Rainforest] includes a foreword by Micheline Calmy-Rey, President of the Swiss Confederation. The paperback is available in bookstores and from the BMF for CHF 39 (26 Euro). (ISBN 978-3-85616-317-4).



Micheline Calmy-Rey, President of the Swiss Confederation, received a delegation of the Manser family and the Bruno Manser Fonds for a one-hour meeting on 26 March 2007. Ms. Calmy-Rey, who is also the Head of the Department of Foreign Affairs, was informed about the lifetime work of Bruno Manser and about the human rights situation in the rainforests of Sarawak.

Impressum

Tong Tana means "in the forest" in the language of the indigenous Penan living in the rainforest of Sarawak (Malaysia)

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