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Samling plays leading role in Guyana's illegal logging scandal

President Jagdeo condemns Malaysian timber giant, announces serious penalties

Bharrat Jagdeo, President of Guyana, publicly condemned Malaysian logging giant Samling for illegal logging and announced that the corporation might be seriously penalized for its breaches of the South American country's forest laws. According to recent press reports, the Guyanese Head of State disclosed that the alleged breaches of forestry procedures involve collusion between Samling's Guyanese subsidiary Barama Co. Ltd., some concessionaires and staff of the Guyana Forestry Commission.

"Based upon preliminary investigations it seems as though there was a system among the three groups to defraud the government", according to Staebrok News, a daily appearing in Guyana's capital Georgetown, in quoting President Jagdeo. The offenders might be penalized with revocation of their licenses, suspension or a fine. Meanwhile, the Guyana Human Rights Association (GHRA) asked for a temporary suspension of Forestry Commissioner James Singh and the appointment of independent investigators.

Barama is illegally exploiting 408'000 hectares of tropical rainforest from Guyana in addition to its legally held 1.61 million hectares of forest concessions. Since 1991, the Malaysian loggers have been benefiting from a Foreign Direct Investment Agreement that grants them large tax exemptions and other privileges. The controversial company enjoys the support of international banks such as Credit Suisse, HSBC and Macquarie Securities which sponsored its public listing on the Hong Kong stock exchange in March 2007.

Samling, which has its operational headquarters in the East Malaysian state of Sarawak, has a long track record of illegal and unsustainable logging. In recent years, the company was forced to cease its involvement in logging activities in Cambodia and Papua New Guinea because of non-compliance with local regulations. Only the Sarawak State Government continues to lend Samling unlimited support despite unsustainable logging practices and numerous unresolved conflicts with indigenous communities.

In March 2007, 37 non-governmental organizations from 18 countries asked investors to shun Samling. It is high time that international banks, institutional investors and timber retailers start to divest themselves of all their ties with Samling.

Links to Guyanese news reports:

<http://www.stabroeknews.com/index.pl/article?id=56530610>

For further information on Guyana forestry issues:

<http://guyanaforestryblog.blogspot.com/>

For further information on Samling's illegal and unsustainable activities, please contact us:

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