

*There is a growing list of reasons why Domtar's owner, Paper Excellence, should get the boot.*

In Saturday's op-ed we sketched the connection between Domtar's owner, Paper Excellence and Asia Pulp and Paper. Independent reports by CBC, Greenpeace, and NDP MP Charlie Angus have established that Paper Excellence and Asia Pulp and Paper are sister companies based in Shanghai, within the Sinar Mas conglomerate.

A CBC report found that PE's entire back office - legal, accounting, finance and marketing - was in Shanghai, run by APP and financed in part by China Development Bank. Lumber and forestry are of great interest to China and it's finance arm, the China Development Bank. "It's often one of the first organizations in the door when China wants to enter a market and acquire resources in another country," said Margaret McCuaig-Johnston, a former top official in the federal government's Industry and Natural Resources department, and an expert on China.<sup>1</sup>

A search by Greenpeace found that "the Orbis database on private companies ... provides evidence that the Widjaja family (which owns Sinar Mas) is the beneficial owner of Paper Excellence."<sup>2</sup>

In March of this year, NDP MP Charlie Angus commented to the House of Commons Standing Committee on Natural Resources, during a meeting called to discuss Paper Excellence: "Their ownership says they're Canadian-based but what we've been trying to track is that it goes through a whole series of shell companies set up in the Netherlands, Malaysia, [the] Malaysian offshore jurisdiction of Labuan, two shell companies in the Virgin Islands, and all of them are tied back to Indonesia and the Sinar Mas group."<sup>3</sup>

Shane Moffatt, Head of the Greenpeace Canada Nature and Food Campaign, in his address to the June 6th meeting of the House of Commons Standing Committee on Natural Resources: "What we have been able to determine is that Paper Excellence is directed by the Sinar Mas group, and Asia Pulp & Paper can be considered a sister company of Paper Excellence within the Sinar Mas family, and directed by Sinar Mas."<sup>4</sup>

MP Charlie Angus at the same meeting commented: "Look at what happened in Pictou Landing. Boat Harbour lagoon is now the largest toxic site in Nova Scotia. That toxic effluent was being pumped right into the waters, and when the premier and Province of Nova Scotia attempted to get Paper Excellence—Northern Pulp—to clean up the mess, they turned around and shut the mill down, got rid of the workers and launched a \$450-million lawsuit against Nova Scotia."<sup>5</sup>

MP Angus: "We have been told by whistle-blowers from Asia Pulp & Paper that the reason Paper Excellence—which may be Asia Pulp & Paper in some form or another—is in Canada is a fibre grab. Its control of the mills is less important than its control of fibre to feed the big China machine. When the mill was shut down in Pictou Landing, Northern Pulp—Paper Excellence—was still allowed to continue cutting, so where did that fibre go? That fibre went to Woodland Pulp in Maine. Now, Woodland Pulp in Maine has recently been purchased by the

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<sup>1</sup> [CBC](#)

<sup>2</sup> [Greenpeace Report, pg. 16](#)

<sup>3</sup> [CBC](#)

<sup>4</sup> [Open parliament.ca](#)

<sup>5</sup> [Ibid.](#)

International Grand Investment Corporation, which is Hong Kong-based, and the mill manager, at one point, flew over to Shanghai to meet with—guess who—the Wijayas. The Halifax Examiner is telling us that the pulp that was coming from Nova Scotia is now going through the Woodland Pulp operations, which seems to be a front for Asia Pulp & Paper, and that pulp is being transported to China. Would it be reasonable to say that we need to look at what kind of benefit there is to Canadians to have this company controlling so much market through so many murky shell companies and shifting our forest products to China?”<sup>6</sup>

The Sinar Mas story is a story of three generations, starting with Grandpa Eka Tjipta Widjaja, the founder. Grandpa Widjaja was born in China and moved to Indonesia with his family as a child. His Sinar Mas Group produced sodium bicarbonate, then paper, then expanded into real estate<sup>7</sup> before starting Asia Pulp and Paper in 1994. Grandpa Widjaja passed away in 2019 and today much of the massive Sinar Mas conglomerate is run by his four sons and their children, including Jackson Widjaya, CEO of Paper Excellence.

According to Jackson’s sister Linda Widjaya Limantra, “We believe in the phrase ‘one captain per ship,’”. But unlike many other Indonesian family conglomerates ... Linda says Sinar Mas operates more like a family council. Of Eka’s many grandchildren, 12 are directly involved in the family business, although “the ones who are running the show [are] probably less than 10,” said Linda. “My cousins and I are, thankfully, very, very close. We keep each other updated and ask each other for help and support.” ... According to Linda, the third generation tries to meet with their seniors on the Sinar Mas board at least once a week.<sup>8</sup>

Greenpeace found that Asia Pulp and Paper has converted over two million hectares of Indonesian rainforest to plant pulpwood, depriving Sumatran elephants, orangutans and tigers of critical habitat.<sup>9</sup> The group’s suppliers, controlled by APP and Sinar Mas, have been accused of clearing large swaths of peatlands in a UNESCO biosphere reserve, contributing to wildfires. Those fires created widespread haze reaching from Sumatra to Singapore and Malaysia in 2015.<sup>10</sup>

Unilever, Nestle, Burger King and HSBC announced in 2010 that they would no longer buy palm oil from Sinar Mas, due to the company’s deforestation of rainforest in Indonesia.<sup>11</sup>

The World Wildlife Fund “recommends that companies and financial investors avoid doing business with SMG/APP and its affiliates until a regular, truly independent third-party verification demonstrates significant progress against the FSC’s roadmap requirements.”<sup>12</sup>

Human Rights Watch has accused APP of involvement in numerous violent confrontations with indigenous and other rural communities around its Sumatran concessions.<sup>13</sup>

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<sup>6</sup> [Ibid.](#)

<sup>7</sup> [Forbes](#)

<sup>8</sup> [Greenpeace Report, pg. 24](#)

<sup>9</sup> [Greenpeace Report, pg. 3](#)

<sup>10</sup> [The Straits Times](#)

<sup>11</sup> [Mongabay](#)

<sup>12</sup> [WWF panda.org](#)

<sup>13</sup> [Human Rights Watch](#)

Greenpeace states “This corporate group (Sinar Mas) also had a record-breaking trail of debt problems beginning in 2001 that left banks and investment funds around the world – including the U.S. Government – with substantial losses after protracted legal battles.”<sup>14</sup>

In Nova Scotia, the Paper Excellence mill Northern Pulp has filed for creditor protection on loans of \$84 million from the province. The mill had a \$3.2 million deficit in pension plans as of January 2021, with payments shielded by the creditor protection plan.<sup>15</sup>

We are fortunate that the Spanish Forest is managed by EACOM Timber<sup>16</sup>, owned by Burnaby-based Interfor Corp. But Paper Excellence does manage nearly 22 million hectares of Canadian forest - an area four times the size of Nova Scotia.<sup>17</sup> "To see that one of the biggest forestry players on Crown land in eastern Canada is an Indonesian giant, formerly financed by China, is not reassuring to us. We do not want to plunder our forests here in Quebec," said Daniel Cloutier, executive director of the Unifor local that represents unionized workers at Resolute and Domtar.<sup>18</sup>

All important operational decisions will now be made for Domtar by their new owner, Sinar Mas. Given their business, environmental and human rights record in their home country, can this conglomerate be trusted to act any more responsibly here?

Canada’s great wealth lies in its land and in the industry of its people. For the people of Espanola and the North Shore, the Spanish River watershed has fed us over generations. Our fathers have paddled its waters, hiked its hilltops and drawn their living from its bounty.

The mill is set to close now, but the river still powers its turbines. Rainbow trout still swim in the land of moose and whiskey jacks, from Gordon Chutes to Gogama. The Spanish River watershed flows its wealth to us through our memories and our mill. We are of this land and we carry it with us. Our mill may close now, but the land is still strong. We must preserve it, to honour generations past and benefit generations yet to come.

Guy Talevi  
Sept. 20, 2023

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<sup>14</sup> [Greenpeace report, pg. 3](#)

<sup>15</sup> [Greenpeace Report, pg. 47](#)

<sup>16</sup> [Environmental Registry of Ontario](#)

<sup>17</sup> [Ibid.](#)

<sup>18</sup> [CBC](#)