

Andritz receives Austrian “Eyesore of the Year” award and signs on to yet another disastrous project

Vienna, Feb. 21st 2014

Yesterday evening the Austrian company Andritz received the “Eyesore of the Year 2013” award for its involvement in three dam projects with tremendous negative ecological and human rights impacts: Xayaburi in Laos, Belo Monte in Brazil as well as Ilisu in Turkey. At the beginning of this week the company signed the contracts for yet another disastrous mega-project: a gigantic pulp mill in the middle of Sumatra's rainforests. This new project involvement underlines the reasons for Andritz receiving this award, as it continuously takes part in some of the worst projects in the world.

Last Monday Andritz announced that it had signed a EUR 120 million contract for Asia Pulp and Paper's OKI pulp mill project on the Indonesian island of Sumatra. The mill is reported to have a nominal capacity of between 1.5 and 2.0 million tonnes per year of bleached hardwood kraft (BHK) pulp (and about 500,000 to a million tonnes per year of tissue paper), making it the largest single pulp line in the world. Affected communities fear pollution of nearby rivers, with severe effects for their fishery and agriculture, as has been the case with other APP factories in the region. Threatened species such as elephants and tigers would come under even more pressure and the loss of peat soils would release high amounts of additional green house gases such as CO₂.

“APP is one of the worst pulp and paper producers worldwide. It has regularly been confronted with allegations of corruption, human rights violations and illegal logging of primary rain forest”, says Thomas Wenidoppler from the environmental and human rights organization ECA Watch Austria. APP already has some history connected to Austria: In the 1990s Andritz constructed APP's pulp mill Indah Kiat, also in Sumatra and also despite international protests. The project had received export guarantees by Austria's export credit agency OeKB and when APP suffered a financial collapse some years later, Austrian tax payers lost more than EUR40 million.

In the last couple of years APP has lost a whole array of big name clients such as Disney, Hasbro, Mattel, Unilever, Nestle, Danone, Xerox and Mondi. The reason was their concern about reputational risk due to AAP's logging practices and to continuous conflict with local communities in Indonesia and elsewhere in South-East Asia. For Andritz this doesn't seem to pose a problem. Already in November 2012 ECA Watch Austria and Friends of the Earth Austria had sent a letter to Andritz CEO Wolfgang Leitner, informing him and the company about APP's track record and offering a meeting with NGO representatives from Indonesia. Despite several attempts to get in contact with Mr Leitner, Andritz never reacted to this invitation.

Andritz received this year's Eyesore-award for its involvement in the dam projects Xayaburi in Laos, Belo Monte in Brazil as well as Ilisu in Turkey. All three dams are situated in ecology highly sensitive areas, and in all three cases involve the displacement of tens of thousands of people from their homes, often threatened by military or security forces. “Hundreds of species are currently under threat through projects in which Andritz is involved and unique cultural heritage sites will be destroyed, as in the case of Ilisu in Turkey. And now Andritz is already getting in line for next year's Eyesore-award”, says Thomas Wenidoppler.

“There are only few companies that can deliver high quality equipment for these mega-projects. This applies both to the hydropower as well as the pulp and paper sector. If Andritz and their fellows raised their own social and environmental standards and also insisted on them on site, the whole sector could change. We are actually not wishing for Andritz to receive negative awards, but that Mr Leitner and his company takes social and ecological responsibility through its position as a key technological player in Austria and abroad”, concludes Thomas Wenidoppler.

Further information on the “Eyesore of the Year 2013” award at: <http://www.schandfleck.or.at/en/>