

Rubber boom fuelling SE Asia land grabs

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Undated handout image taken in 2013 and received on May 13, 2013 from environmental group Global Witness shows a woman and her son walking through community rice fields that they lost to a rubber plantation in Laos. Vietnamese rubber firms bankrolled by an arm of the World Bank and Germany's Deutsche Bank are driving a land-grabbing crisis in Southeast Asia, activists said Monday.

Vietnamese rubber firms bankrolled by an arm of the World Bank and Germany's Deutsche Bank are driving a land-grabbing crisis in Southeast Asia, activists said Monday.

Indigenous ethnic minorities are bearing the brunt of the seizures, which have affected tens of thousands of villagers and led to the clearance of swathes of protected forests, according to campaign group Global Witness.

Vietnam, the world's third-largest rubber producer, is keen to tap surging demand for the commodity in particular from China, which is hungry for car tyres and other rubber goods as its economy booms.

Global Witness accused two firm, Hoang Anh Gia Lai (HAGL) and Vietnam Rubber Group (VRG), of driving forced evictions via subsidiaries linked to government cronies in impoverished—and notoriously corrupt—Cambodia and Laos.

According to the report, Deutsche Bank has multi-million dollar holdings in both companies, while the International Finance Corp. (IFC)—the World Bank's private lending arm—invests in HAGL through financial intermediaries.



Undated handout image taken in 2013 and received on May 13, 2013 from environmental group Global Witness shows villagers walking through recently cleared forest purportedly inside a HAGL rubber plantation in Cambodia. Vietnamese rubber firms bankrolled by an arm of the World Bank and Germany's Deutsche Bank are driving a land-grabbing crisis in Southeast Asia, activists said Monday.

More than 1.2 million hectares (2.96 million acres) of land in Cambodia alone have been leased for [rubber plantations](#), Global Witness said, with some 400,000 people affected by land grabs for [rubber](#) and other uses since 2003.

"The governments in Cambodia and Laos are allocating large areas of land and ignoring laws designed to protect human rights and the environment," according to the report.

"Often the first people know about either company being given their land is when the bulldozers arrive," it said.

Global Witness urged Cambodia and Laos to suspend all dealings with the two firms and their subsidiaries.

It called on Deutsche Bank and the IFC to withdraw their multi-million dollar funding if the two companies fail to take steps to comply with human rights and environmental standards within the next six months.

In response, Deutsche Bank said an "intensive due diligence process" was conducted before the shares were bought on behalf of its investors.

The IFC declined to comment ahead of the report's release, saying Global Witness had not shared its full findings in advance.

The two Vietnamese companies denied any illegal activities.

"We contribute to the development of the local economy by paying necessary taxes... creating jobs for tens of thousands of local residents, and contributing to local communities," HAGL said in a statement.

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