

Interhill Logging and its history in logging in Sarawak – Blockade Dismantled

By Rengah Sarawak

5th July 2006

Who owns what?

Is Interhill Logging a contractor to the timber licensee or a licensee itself? If only a contractor, then who holds the license to log the forests in middle Baram in the Miri Division of Sarawak? Interhill Logging is no new comer to the logging scene. In fact it can be said to be an “old-master” – not the oldest of course – in the Sarawak logging scene. So where else has it been known to local native land owners in the company’s logging history?

According to the Companies Commission of Malaysia data obtained in June 2006, Interhill Logging Sdn Bhd was registered as a private limited company on 16th August 1979 and its nature of business is log trading and log extraction. Its registered address is the same as its business address, which is listed as in Miri, Sarawak. Interhill Logging has an authorized capital of RM500,000 divided into 500,000 shares of RM1 value each. Its total issued capital stands at the same amount.

There are two directors of the company, namely 59 years old Ms. Lau Ngok Yung and 62 years old Mr Hu Chang Pee. Both have been directors since the very first day of the company. Both directors listed common address and it is possible that they are family related. The company secretary is a 47 years old Tiong Thai Kim of Sibu who was newly appointed on June 2004. Mr. Tiong shares a similar family name and structure of name with the Sibu-based logging giant Rimbunan Hijau owners but it is not possible, to determine if there was any such family connection between the two.

Among Interhill Logging’s shareholders are the Hu family, represented by 28 years old Rogina Hu Yun Yun, who has 20,000 shares and Ms Lau with 180,000 shares – total of 200,000 shares. The remaining 300,000 shares of the company is held by a company called Interhill Enterprise Sdn Bhd.

Interhill Enterprise Sdn Bhd is also a private limited company that was established on 20th April 1978 – just less than a year before Interhill Logging was established. Interhill Enterprise shares its registered and business address with that of Interhill Logging in Miri, having a building that bears its company name – Wisma Interhill or Interhill – but its nature of business is timber log exporter.

Interhill Enterprise is obviously the parent company of Interhill Logging, with authorized and issued capitals of RM100 million each. The authorized capital of RM100 million is divided into ordinary share of RM79 million and preferred at RM21 million, while that of the issued is divided into RM30.8 in cash, RM48.2 million in “otherwise than cash” and RM21 million in preference.

Interhill Enterprise officers are expectedly dominated by the Hu family, with the elders Lau and Hu been directors since the company inception. Mr. Hu Chang Kee also serves as the company manager. Rogina Hu is also a director, having been appointed as one on June 2001. The company secretary is the same Mr. Tiong as above.

The major shareholders of the company are collectively in the hands of the Hu and Lau family. Four Hu siblings collectively own 16 million shares while the elder Lau owns 63 million shares. Together, the Lau and Hu own 79 million of the 100 million shares of the company.

Among the other share holders is (what seems to be a) foreigner, Huang Kun-Chi, who owns 1.5 million share and the remaining 19.5 million share is held by a foreign registered company by the name of **Etonia Investments Inc.** No other details can be obtained about these two shareholders currently from the Companies Commission.

Foreign and Local Bankers

Companies Commission record shows that Interhill Logging has taken up 3 loans since 1990. The 1990 loan amounting to RM1 million was taken up with the Hongkong and Shanghai banking group. Another RM2.4 million loan was taken up with the Utama Banking group. Bank Utama is majority-owned by the Sarawak Chief Minister's family. The third loan of RM600,000 was taken up in 2002, with Malaysia's RHB Bank. The Sarawak Chief Minister's family group Utama Bank is one of the major shareholders of RHB Bank after the banking consolidation exercise ordered by the Malaysian Government after the late 1990s financial crisis.

As for Interhill Enterprise, the company has 16 loans taken up with various banks since 1983. Its 1983 loan amounting to RM4.6 million was charged to The Chartered Bank. In the same year, another half a million Ringgit Malaysia loan was secured. The Chartered Bank provided loans to the company's subsequent five loans of RM400,000 also in 1983, RM2 million in 1984, RM102,000 in 1985, another RM502,000 in 1985 and then another RM7 million in 1985. Then Interhill switched banks, or financial institutions. In 1989, Interhill Enterprise took out an undisclosed foreign currency loan with Marubeni Hong Kong Limited. Is this the same infamous Marubeni of Japan that had been identified as a major buyer of Sarawak timbers? Marubeni provided another undisclosed foreign currency loan to Interhill Enterprise in 1992. RHB Bank provided the remaining five loans in 1991, 1992, 1995, 1999 and 2002 of RM6.5 million, RM4 million, RM10.5 million, RM18 million and RM3 million respectively. Hong Leong Bank provided a RM10 million loan in 1997 and Delta Finance provided a RM3 million loan in 1999.

Interhill Logging History

With its existence since the late 1970s, Interhill has been in the logging business for over three decades. Its first known logging controversy surfaced when it was involved in the attempted logging in the Lundu District in the Kuching Division in 1990. The famous Gunung Gading National park, which bordered the logging concession area then, is famous among others for the availability of the world's largest flower plant, the *Rafflesia*, was once under threat from logging.

Apart from the threat posed to the national park, the local people from the affected area, especially the Muslim Malay community and others whose water supply was and still is provided by the crystal clear streams flowing through the national park protested vocally and with the support of people such as the then Opposition Member of Parliament for Kuching, Mr. Sim Kwang Yang managed to halt the logging altogether. Typical of logging concession information in Sarawak, the Sarawak Chief Minister's brother had major interest in Sanyan, which had been awarded the logging concession and that Interhill was the appointed contractor.

Not much had been heard of Interhill since then, at least not publicly. Then in March and April of 2002, Sahabat Alam Malaysia (Malaysia's Friends of the Earth) made public a series of blockades by community people against Interhill in the Middle Baram of Miri Division.

The mainly Penan of Long Sayan and Long Belok, Sungai Apoh region; Long Pakan and Long Kabeng, at Long Kabeng; joint force of Long Pakan, Long Kabeng Sungai Patah and Pengaran Iman, Sungai Akah region; Long Pengaran Iman, Ulu Sungai Akah area; Long Lutin, Sungai Patah area; and Long Lilim, Sungai Patah area had put up blockades against Interhill logging on the people's native customary rights lands.

Typical of addressing such community resistance, the company had the state government and the police to back up their logging activities and arrests were made, people detained etc.

According to SAM, the Penan, who were originally nomadic hunter-gatherers, resorted to erect the blockades as a desperate measure to draw the authorities' attention to their plight and the continued violation of their rights, as detailed below:

- Rights to their customary land had long been ignored by the logging companies and the State Government. This had resulted in them having to endure increasingly severe living conditions due to the depletion of forest and river resources and their livelihood.
- Most of them were living in dire conditions without adequate food supply, proper housing facilities, accessible healthcare and education services and other basic necessities like clean water and electricity.
- Even the settled Penan communities were also not able to make a living as they had no experience in farming and little assistance in terms of technical training and seed access.
- All the promises by the Sarawak State Government on biosphere reserves, fair compensation process and financial and infrastructure assistance had not been fulfilled.
- Before the blockades were dismantled, they would like to see concrete actions taken by both the government authorities and the companies to:
 - Fulfil their demands on the recognition of their rights, a fair and transparent compensation process, and meaningful state assistance so that their living conditions could be improved.
 - Halt all logging operations and plantation activities on their customary land. They maintain that in the future they should be consulted before any economic activities commence on their native land.
 - Recognise that the people have the right to choose development models that best suit them. They asserted that development plans must be people-centred and their implementation process must include meaningful participation and prior informed consent from the people.

The people had called for the Government of Malaysia, the State Government of Sarawak and the Suruhanjaya Hak Asasi Malaysia (SUHAKAM – Malaysian Human Rights Commission) to ensure that all the demands above were fulfilled. They also called on the authorities to protect their constitutional right from intimidation or harassment by both the police and company workers during the blockades.

History is repeating itself

The latest round of protest from the Penan points to a repeat of logging pattern in Sarawak and make a mockery of the countless protests by the affected people. Not only is the logging company continuing to encroach on Native Customary Rights lands, but the tactic and speed of encroachment seem to be more blatant, if not more brutal. How else to explain the number of bulldozers used in the latest round of clearing and the way lands around the houses were cleared such speedily.

Another group of Penan has made another call for their rights to be protected. It looks set to fall on deaf ears, yet again. The Penan continue their struggle to defend their rights against encroachment the best way they know how, with symbolic blockades as much as they can. With so much stacked against the people and a history of authoritarianism regimes in Sarawak, it is no surprise that the Ba Abang blockade was reported to have been dismantled by Interhill on 5th July 2006 and that the police and the GOP (General Operation Forces – paramilitary police force) are in the area searching for the Penan who set up the blockade in the forest.

But the struggling people will surface, as defending one's rights is the only way forward for the people.