

Press release – 28th May, 2008

The invisible job posts of Botnia in Rio Negro: may they at least serve as an experience

In present times, when there is abundance of projects for building new cellulose plants, it is worth while making a pause to analyse the reality of the sole of such projects located in the country (Botnia) and to compare it with the promises made by the company at the time. One of its arguments was the generation of job posts.

Along these lines, Botnia always talked about a figure of 8000 jobs, even when the company had a personal meeting with President Vázquez, whom at the end of the meeting publicly repeated the same figure. In Botnia's magazine "Espacio" you can read that "When completed, the plant will employ around 300 people and will directly and indirectly generate jobs for around 8,000 people".

In a press release on 8th March, 2005 ("Investment and jobs in Botnia: all that glitters is not gold"), Guayubira questioned said assertions and maintained that "the maximum figure of 8,000 jobs is not based on any serious study to that effect, and those publishing it do not provide any concrete evidence on where and how these job posts will be generated", concluding "that the 'famous' and so called 8,000 jobs are, to put it mildly, somewhat exaggerated".

Unfortunately, the facts have proved us right. Today in Rio Negro, one of the departments with more forests with eucalyptus for cellulose in the country and also the only one that has a modern and huge cellulose plant is the department with the highest unemployment index in the country. According with the latest data of the National Institute of Statistics (September - December 2007), the unemployment figure for Rio Negro stands at 14%, being almost two percentage points higher than those following behind, namely: Artigas, with 12,2% and Rocha with 12,1%.

Said sad situation originates in two factors. On one hand, the false promises made by the company concerning employment generation (both in the forestry area as those related with the company) and on the other hand, that jobs lost in other sectors of the economy were not taken into account. In the same press release of 2005, Guayubira asserted that job posts would be lost by the substitution of agricultural and livestock related activities by forestry, since forestry generates less job posts than any agricultural or livestock activity it substitutes, including extensive cattle raising. On top of that we would have, we said, the jobs lost in other activities that could be affected by the plant, such as tourism in Fray Bentos (which provided jobs to around 1,500 people), fishing industry and others.

Once again, unfortunately, we were right. Las Cañas is today a ghost beach resort, where the only thing that abounds are "On Sale" signboards for all the houses in the place. In the river, not only fish are scarce on the Uruguayan side (this is not the case for the opposing riverside), but furthermore a questionable closed season was imposed impacting artisan fishermen.

But what is really important is not being right, but that the experience may help so as to not stumble twice (or more times) with the same rock. The Spanish company Ence has made the same (and even more exaggerated) promises as far as generation of job posts concerns and even mentioned in Parliament the incredible figure of 15,000-20,000 job

posts. Its settling in Colonia may result in a social disaster on large scale, since this department, with a great diversity of productive activities that generate employment, today has the lowest unemployment figure in the country (4.3%). What impact can this project have in the loss of employment sources in those other activities?

But the story does not end with Ence. On line are two other cellulose projects such as Stora Enso and Portucel and announcements by Japanese; Argentine and Chilean companies on their willingness to install their pulp mills in our country.

Today Botnia is operating at full capacity - 100% - and those promised job posts are more invisible than ever. It is high time the government becomes involved and decides on a suspension of forestation in the entire national territory and cease granting authorization for the location of new cellulose plants. May the experience endured at least serve to avoid greater tribulations.

Inception / Indigenous Woodland / Forest Plantations / Cellulose Plants

Grupo Guayubira

Maldonado 1858 - Montevideo - Uruguay

telephone: 413 2989 / fax: 410 0985

info@guayubira.org.uy

www.guayubira.org.uy