

## CHIPMILL OWNER BUYS AUSTRALIAN PAPER MILLS

Harriett Swift

Conservationists are challenging the owner of the Eden chipmill to say how its entry into the Australian paper manufacturing industry last week will affect the woodchipping industry in the south east.

The chipmill's major shareholder, the Nippon Paper Group, announced on 16 February that it had bought the two PaperlinX mills at Shoalhaven NSW and Maryvale in Victoria for up to \$A700 million.

"This could radically change the dynamics of the woodchipping industry in this region, especially as Nippon Paper apparently plans to expand its production in this country," according to Chipstop spokesperson, Ms Harriett Swift.

"At a time when the woodchipping industry in Australia is experiencing a serious slump, with the closure of 3 Gunns chipmills in Tasmania announced last week, it appears that Nippon Paper has bought the two mills at a bargain price."

Ms Swift said that the parent company's statement on the purchase made it clear that Nippon Paper intends to further increase its presence in Australia.

The company is already one of the biggest paper manufacturers in Japan and is about to become one of the biggest in Australia.

Ms Swift said that the entry of Nippon Paper into the Australian paper market has many worrying aspects, but also makes it a more accessible target for conservationist campaigns.

"For example, in the past it has never been possible for Australian consumers to boycott the products for which our forests are destroyed, since Nippon Paper's output has all been sold in Japan and mostly on a wholesale basis or as industrial inputs," she said.

"I would particularly like to ask Nippon Paper if it intends to use woodchips from south east forests in its newly purchased mills," Ms Swift said.

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