

Norway divests from M'sian, Israeli companies
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Norway's Ministry of Finance has excluded Malaysian timber multinational Samling Global and two Israeli companies from the portfolio of its Government Pension Fund Global (GPF).

In a statement released yesterday, the ministry said based upon the recommendation of the government's Council on Ethics, it has decided to exclude Samling and Israeli Africa Israel Investments Ltd and Danya Cebus Ltd from GPF's investment portfolio.

"The decision to exclude these companies from the GPF is based on the Council on Ethics assessment that they are contributing to or are themselves responsible for grossly unethical activity," said Minister of Finance Sigbjorn Johnsen.

Samling, an integrated forest resource and wood products company that produces timber, plywood, veneer and palm oil, has been in the news several times over disputes with indigenous communities in Sarawak relating to land as well as its logging operations.

In 2008, fingers were pointed to the logging giant after a Penan tribal leader known for his anti-logging activities was found dead after failing to return home after a hunting trip.

Police investigations into the case, however, concluded there were no criminal elements in the death of Kelesau Naan, 80.

Most recently, Samling was implicated in accusations that its loggers were involved in the sexual abuse of Penan women and girls.

The timber company has denied any knowledge of the abuse, whereas the Sarawak government has claimed the allegations are baseless.

Norway's Council on Ethics' investigations, however, focussed mostly on what it said were documented cases of extensive and repeated breaches of government licensing requirements, regulations and other directives governing the company's forest operations in Sarawak, Malaysia and Guyana.

The recommendation of the Council on Ethics was based on field surveys, satellite image analysis, and evaluation of publicly available documentation.

"In its assessment, the Council on Ethics has placed particular emphasis on the extent of illegal logging and the environmental damage that occurs when laws and regulations are not being observed.

"The Council on Ethics has assessed Samling Global, and concluded that the company's forest operations in the rainforests of Sarawak and Guyana contribute to illegal logging and severe environmental damage," said Johnsen.

"I have therefore chosen to follow the recommendation of the Council on Ethics and exclude the company from the GPF's investment portfolio," he added.

On the Israeli companies Africa Israel Investments Ltd and Danya Cebus, Johnsen said their interests in the development of Israeli settlements in occupied Palestinian territory meant it was also liable for the violations against the rights of Palestinians therein.

Africa Israel is the parent company of several subsidiaries with interests in property development, infrastructure and energy. It also holds a majority stake in Danya Cebus, a construction company involved in developing settlements in Palestinian territory.

"The Council on Ethics emphasises that the construction of settlements in occupied areas is a violation of the Geneva Convention relative to the Protection of Civilian Persons in Time of War (the fourth Geneva Convention) and that the GPFG runs an unacceptable risk of contributing to serious violations of individual rights in situations of war and conflict by investing in these two companies.

"The Council on Ethics bases its recommendation on the fact that the international community is united in the view that the area east of the 1967 line is occupied territory and as such comes under the purview of the fourth Geneva Convention.

"Several United Nations Security Council resolutions and an International Court of Justice advisory opinion have concluded that the construction of Israeli settlements in occupied Palestinian territory is prohibited under this Convention.

"I have therefore accepted the recommendation of the Council on Ethics and am excluding Africa Israel Investments and Danya Cebus from the fund's investment portfolio," said Johnsen.

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