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ASEAN 'Three' Join Hands over EU's Palm Oil Resolution

ASEAN neighbours and the world's top palm oil producers Indonesia, Malaysia and Thailand have vowed to fight a European Union resolution they fear would deal a major blow to one of their biggest exports, according to a asiacorrespondent.com report on May 1, 2017.

Speaking during the Indonesia Malaysia Thailand – Growth Triangle (IMT-GT) which is running parallel to the 30th Asean Summit in the Philippines this week, Indonesia's foreign affairs minister Retno Marsudi claimed there was an international smear campaign against oil palm.

"The latest example is the discriminative European

parliament resolution on palm oil," she said.

In April, the EU passed a resolution to phase out the use of unsustainably produced vegetable oils, including palm oil, in the production of biodiesel by 2020.

Retno also urged Thailand to join the Council of Palm Oil Producing Countries that Indonesia formed with Malaysia.

Reflecting the importance of palm oil to their respective economies, the IMT-GT Summit saw the attendance of Indonesian President Joko "Jokowi" Widodo, Malaysian Prime Minister Najib Razak, and Thai PM Prayuth Chan-ocha.

Indonesia and Malaysia produce more than 80 percent of the world's palm oil between them, and Thailand is the third largest producing country. The highly productive crop, which is found in supermarket items from snacks to cosmetics, has driven economic growth.

The palm oil industry has long been criticised by environmentalists, however, for its contribution to rapid deforestation in Indonesia, Malaysia and Thailand during recent decades.

"If this resolution were to be enforced, it will have a devastating effect on our national interest, particularly the [livelihoods of] 600,000 smallholders in Malaysia and

2.4 million in Indonesia,” Najib told reporters on Apr 30.

Haze largely caused by illegal slash-and-burn agricultural policies in Indonesia has affected the Southeast Asian region annually for decades and been the cause of diplomatic tensions within the region.

Uncontrolled burning from fires in Riau, South Sumatra, and Kalimantan causes smoke to spread hundreds of kilometers across the region to Malaysia, Singapore, Thailand, and the Philippines, resulting in major deterioration in air quality levels, health problems, and economic losses.

Speaking at the Economist Indonesia Summit in Jakarta in April, Eric Wakker the co-founder of NGO Aid Environment told a panel on haze and oil palm that “under the current Jokowi administration, things have improved tremendously.”

He said that the past three years had been positive with palm oil companies adopting “a very serious commitment to clean up the supply chain”, but expressed disappointment that it had taken decades to achieve progress while forests continued to be destroyed.

“We will do whatever we can to convince the European parliament and European countries not to implement it. We don’t want to think of the middle ground just yet, we will negotiate in full force,” Indonesian coordinating minister for economic affairs

Darmin Nasution told reporters in April.

Indonesia and Malaysia will send a joint mission to meet with EU officials this month (May 2017).



(L to R) Indonesia’s President Joko “Jokowi” Widodo, Malaysian Prime Minister Najib Razak and Thai Prime Minister Prayuth Chan-ocha link arms during the 10th Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT) Summit as part of the 30th Association of Southeast Asian Nations (ASEAN) summit in metropolitan Manila, Philippines April 29, 2017.

Source: Reuters/Aaron Favila