

PALM OIL: SET THE FACTS STRAIGHTS

- The EU is the second largest market for Indonesia's palm oil exports, second only to Indonesia. EU palm oil imports from Indonesia account for more than €3 billion per year.
- A large share of Indonesian palm oil exports is entering the EU duty free or at a reduced rate.
- There is no specific EU regulation forbidding companies to label their products "palm-oil free". In fact, the EU has no authority to contest such labelling practice. The provisions of the recent EU regulation on the provision of food information to costumers, (i.e. Regulation (EU) No 1169/2011) are not discriminatory, as the EU labelling rules apply to all types of oil (e.g. olive, palm, rapeseed etc.). Provided the claim is not false and does not mislead the consumer (e.g. on health impacts) the EU cannot prevent a manufacturer from stating that a product is free of certain ingredient.
- The Renewable Energy Directive (RED) and its sustainability criteria are not discriminatory: biofuel sustainability criteria treat all sorts of biofuels and bio liquids equally. They include requirements for GHG emission savings and protection of land with high environmental value in the production process. The EU uses a science based methodology and the calculation of GHG emissions is not based on the origin but on the feed-stock and the technology used. Biofuels that do not meet the emission savings thresholds or other sustainability criteria can still be imported freely and marketed in the EU but cannot benefit from incentives.
- Anything that Indonesia can do to ease environment and health related concerns on palm oil will ease current difficulties and perceptions.