

To: KONIG Helena (TRADE); 4.1(b)

Cc: 4.1(b)

Subject: Meeting with GAR/Sinar Mas, 4 October 2017 - Report

Attachments: Sustainability PDF Preso 10AUG2017.pdf

Participants: 4.1(b) (DG TRADE); 4.1(b) 4.1(b)
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Content:

The meeting was held at the request of Sinar Mas, at the occasion of 4.1(b) visit to Brussels for a series of meetings on palm oil (meetings with several DGs; participation in the workshop organised in the framework of DG ENV's ongoing study on palm oil).

4.1(b) gave an overview of the activities by GAR/Sinar Mas, the 2nd largest palm oil producer worldwide, and highlighted the company's engagement on sustainable palm oil production [powerpoint presentation attached]. Besides a corporate sustainability policy (including environmental management practices, social engagement, protection of workers' rights, work towards full traceability throughout the supply chain by 2020, reporting and a public register of grievances), 4.1(b) stressed the importance of their ongoing R&D activities, expected to lead to a two- or three-fold increase of oil palm productivity in the coming years, which would allow to meet increasing demand for palm oil with no further expansion of the plantations. 4.1(b) also noted that GAR/Sinar Mas work with all the main certification schemes (RSPO, RSPO-RED, ISPO, ISCC), and refrained from commenting on whether one scheme is preferable to others or on possible developments with ISPO.

Against this background, he stressed two key messages: (1) the private sector can deliver on any of the concerns raised in the public opinion with regard to the sustainability of palm oil, problems arise when there is no properly identified concern but only a general perception of palm oil being not sustainable; (2) Sinar Mas is fully committed to ensure sustainability for palm oil, and does not think this should be problematic in the EU-Indonesia FTA talks, but wants this to be pursued in a non-discriminatory manner (i.e. for the whole vegetable oils sector) and is concerned about a perceived trend in the EU public/political debate to target palm oil only.

4.1(b) asked about the envisaged milestones for the EU-Indonesia FTA talks.

DG TRADE confirmed that non-discrimination is a key principle for the EU trade policy and gave an update on the EU-Indonesia FTA talks, noting the importance of ensuring that palm oil is properly addressed, including with regard to sustainability considerations. DG TRADE also stressed that the FTA talks were launched with a high level of ambition, to which the EU remains committed, and recalled that a reform-oriented approach on the Indonesian side is essential in order to deliver on this objective.