



KOMISI MINYAK SAWIT INDONESIA

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Jakarta, 11 August 2011

To.
Committee Secretary
Standing Committee on Economics
PO Box 6021
Parliament House
CANBERRA ACT 2600, AUSTRALIA
Phone: (02) 6277 4587, Fax: (02) 6277 4774
email: economics.reps@aph.gov.au

Dear Sir/Madam,

Re: Food Standards Amendment (Truth in Labelling - Palm Oil) Bill 2010

With regard to the Food Standards Amendment (Truth in Labelling - Palm Oil) Bill 2010, we, from Indonesian Palm Oil Commission (an organization established in 2003 under Ministry of Agriculture Decree, which members are associations and palm oil stakeholders) would like to express some concern regarding basic reason why Truth in Labelling – Palm oil was put to the Australian Government Parliament :

1. Australia is Indonesia trading partner for a long time, we import other wheat, live oxen, cotton, aluminum oxide, meat of bovine animal and we routinely import salt and cane sugar from Australia. Our balance of trade import is USD4.1billion while exporting USD4.2 billion. If we have imported many type of Australian products, while Australia refuse to buy Indonesian palm oil. It is also not fair, that NGO and related institute against the use of palm through action, which is known as consumer boycott.
2. As Australia's trading partner, Indonesia had been very disappointed with the fact that the Australian Senate had approved the legislation that will pass WTO illegal trade restriction on exports from palm oil by passing the "Truth in Labelling (Palm Oil) Bill after the Community Affairs Legislation Committee recommended the Bill not be passed. The Australian Senate has also disregard the verification on the false claim made by environmentalist that palm oil reduced biodiversity as well as deforestation.
3. The legislation required listing palm oil in the ingredients use in food products, while other vegetables are categorized under the general grouping as vegetable oil. We believe the discriminatory treatment due to the pressure given by many NGO's to relate palm oil and the environment (without giving the producing countries the

chances to tell the Australian on the other side of the accusations /story). This will likely led to negative perception regarding the nutritional adequacy, food safety and sustainability production of palm oil, despite much evidence to the contrary. But it is clear that the Australian Senate had disregard Indonesia's commitment on sustainable production of palm oil with unilaterally implemented the Indonesian Sustainable Palm Oil Certification System which follow all Indonesian and international regulation related to Environment starting from April 2011.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Rosediana Suharto', written in a cursive style.

Dr. Rosediana Suharto