

To:  
Committee Secretary  
Senate Standing Committee on Community Affairs  
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Re: Indonesia's comment on Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2009.

Dear Sir/Madam,

We wish to take the opportunity to raise our concerns regarding the Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2009 with regard to the exports of Indonesian palm oil to the Australian market.

We fully acknowledge the object of this Bill is to amend product information standards to provide for the accurate labelling of palm oil in food, the impact to consumers health, to the environment and wild life and manufacturers should use *Certified Sustainable Palm Oil*.

We consider palm oil is part of the vegetable oil group, therefore the labelling of palm oil as substitute of vegetable oil is not a problem. Based on the research of Matson and Grundy (1985) palm oil contains high saturated fatty acid, but it does not increase cholesterol, because it contains high mono unsaturated fatty acid (MUFA). MUFA or Omega 9 character able to decrease cholesterol and low density lipoprotein and also have high stability toward oxidation. Palm oil does not contain trans fatty acid. Base on this information we suggest product information of palm oil, contains high saturated fats should include the information *trans fat acid free*. USA and Canada already implemented their food products which contains palm oil are labelled trans fat free.

Regarding environment and wild life issue, Indonesia is already aware and it is already included in the principle and criteria of Roundtable on Sustainable Palm Oil (RSPO). The product and plantation/factory which have covered the RSPO principle and criteria are characterized Certified Sustainable Palm Oil. For your information not all palm oil plantation are inhabited by orang utan. In the past ten years palm plantation expansion are prohibited in primary forest or in the regions of High Conservation Value Forest.

With a common spirit of our close trading partnership and having regard for the above concerns, we finally hope that the Australian Government will reconsider the implementation of the bill.

We look forward to your positive response on this important issue.

Sincerely Yours,

On behalf of Ministry of Trade, Republic of Indonesia

**Harmen Sembiring**

Director of Bilateral Cooperation I