



KEDUTAAN BESAR REPUBLIK INDONESIA
EMBASSY OF THE REPUBLIC OF INDONESIA



Ref: 07 /Out-DAG/IV/2010

Canberra, April 23, 2010

Ms. Naomi Bleeser
Committee Secretariat
The Community Affairs Legislation Committee
Parliament of Australia
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Subject: Senate Community Affairs Committee: Inquiry into Food Standards
Amendment (Truth in Labelling – Palm Oil) Bill 2009

Dear Ms Bleeser,

Referring to information on the website of the Parliament of Australia with regards to the inquiry into Food Standards Amendment (Truth in Labelling – Palm Oil) Bill 2009, the Government of Indonesia respectfully presents the following responses related to the key issues:

1. Response of Director Agriculture and Forestry Product, Ministry of Trade:

- On the issue that palm oil contains hazardous substance for human is merely triggered by commercial competition consideration.
- Recently published scientific research on palm oil, indicated that palm oil contains 50% saturated fat but this has no impact on coronary heart disease, stroke or heart attack. To claim that palm oil is unhealthy is a broad generalisation not supported by scientific research. There is no reference in any research on nutrition that palm oil substance in a food has a damaging effect on hearth. (Yusof Basiron - Director General of Malaysian Palm Oil Board).
- On the management of its plantations, Indonesia's largest palm oil producers, P.T Unilever, PT. Hindoli Page. SINAR MAS, PT. LONDON SUMATRA, PT. SEASON MAS, PT Cargill are members of the Roundtable Sustainable Palm Oil (RSPO) The RSPO has issued to each of these producers a certificate stating that they have fulfilled the criteria of Sustainable Palm Oil including Transparency, Legal Compliance, Economic viability, Best Practices

Environmental Responsibility, Responsibility to Community, Responsible New plantings and Continuous improvement.

- The GOI maintains its commitment to palm oil plantation management practices in accordance with global regulations and environmental care. To overcome environmental problems in forest plantations, the GOI has developed a draft resolution for Indonesian Sustainable Palm Oil (ISPO). ISPO has established regulations to ensure sustainable farming practices. These regulations combine the policies and regulations of relevant ministries and these are used to review the management practices of the palm oil plantations throughout Indonesia.

2. Response of Dr. Asril Darussamin, Liaison Officer, Roundtable Sustainable Palm Oil (RSPO):

- Palm oil is included in the Vegetable Oil Group and therefore it is not misleading to refer to it a Vegetable Oil
- The problem of high levels of saturated fatty acids in palm oil has long been a health issue. However this is offset by the fact that there are no trans fatty acids produced during the manufacture of semi-solid fat (margarine). Thus the information on the content of Palm Oil should note that while saturated fatty acids are included, it does not contain trans fatty acids.
- The GOI is aware of the issues related to biodiversity, environment and manpower practices and their impact on Palm Oil production. Specifically they are addressed in the RSPO Principles and Criteria to which the majority of Palm Oil Producers already comply. These producers use the status "Certified Sustainable Palm Oil" The GOI has a commitment to ensure that all producers will comply with the RSPO Principles and Criteria.

3. Response of Head, Indonesian Palm Oil Association:

- Palm Oil (Palm Oil) contains a balance of saturated fatty acid (SFA) and mono-unsaturated fatty acids (MUFA).
- Although the total SFA content of palm oil can be seen as high, palm oil is not necessarily increasing cholesterol, because the number of mono-unsaturated fatty acids (MUFA) is also quite high. MUFA or omega 9 can reduce cholesterol and LDL (Low Density Lipoprotein), and have high stability against oxidation (Mattson and Grundy, 1985).
- Due to the balanced content of SFA and MUFA in palm oil the separation of the liquid fraction (olein) and solid fraction (stearin) draws on a physical process not a chemical process. In contrast, other vegetable oils which have a high content of poly unsaturated fatty acids (PUFAs) require hydrogenation

(chemical) process to produce a solid compound. In other words Palm Oil based products are "trans fat free" (does not contain trans fat type)

- Palm Oil based products in the United States and Canada can be labelled as "trans fat free".
- Few oil palm plantations in Indonesia are home to the Orang-utan. Over the last decade development of palm oil plantations has not occurred in primary forests in accordance with government regulations or in regions that have high value conservation areas (High Conservation Value Forest / HCVF) as determined through environmental impact assessments (EIA).
- Trans-Fat can reduce HDL cholesterol (High Density Lipoprotein, or "good" cholesterol (Mensin and katan, 1990 and Judd et al, 1994).
- Trans Fat is raising the level of atherogenic lipoproteins in the blood (lipoproteins cause blockage of blood (Khosia et al, 1996, Hornstra et al, 1991; Clevidence et al., 1997).
- Trans Fat can cause damage to the omega-3 fatty acids in the body tissues.
- Trans Fat is inhibiting the activity of insulin in the metabolism of glucose.
- Trans Fat is not synthesized in the body that interfere with some enzyme function.
- Trans Fat can disrupt the immune system (Enig, 1998).

References

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Thank you for your kind attention.

Kind Regards,

Wiwiek Setyawati Firman
Deputy Chief of Mission

CC:

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