

Palm oil: Disaster for the South

by Ade Fadli - Kalimantan, Indonesia – 27th May 2009

Ladies and gentlemen,

my name is Ade Fadli. I am from East Kalimantan in Borneo, Indonesia. I have come here to raise the issue of the severe problems that large scale production of palm oil is causing in Southeast Asia. I am pleased to hear so many Finnish people have signed this petition to stop using palm oil diesel as fuel.

The planned target of the EU to cover 10 per cent of fuel usage with renewables is creating an incentive to expand large scale oil palm plantations for bio fuel production in Southeast Asia. Neste Oil, an oil refining company largely owned by the Finnish government is set, over the next two years, to become the world's largest consumer of palm oil. This expansion will lead to massive deforestation of our precious rainforests and contribute to global warming.

The increasing demand for bio fuels worldwide is leading to even stronger expansion of large oil palm plantations. Large plantation systems cause social problems by ignoring the local communities' and indigenous peoples' rights, not to mention the numerous environmental problems caused by palm oil production.

Palm oil production means large-scale monoculture plantations. More and more tropical forest area and productive land is taken over by the companies in collaboration with the local and central governments.

Social conflicts are common in the industrial oil palm plantations. According to the Indonesian organization Sawit Watch there were at least 513 conflicts between the local communities and palm oil companies in 2008. According to the Constitution and the agrarian legislation local communities own their land in Indonesia. Anyhow, the government gives licenses to the companies to use these lands as oil palm plantations without any agreement with the local communities.

For example, in Central Kalimantan in Borneo, the members of the local community refused to accept that their land was given to a palm oil company. Instead they continued to use their land as always. Because of this, four people from the community may be sentenced to prison.

Another example: in Jambi in Sumatra village leader Mr. M. Rusdi (from the village Karang Mendapo) is now under investigation of committing a crime. He refused to accept and deliver to the people money from a palm oil company (PT. Kresna Duta Agroindo). The land of the community was taken over by the company without agreement from the community. Now the village leader is accused of corruption.

Local communities are struggling with various environmental problems. Land clearing for large scale plantations causes floods, erosion and draught. Oil palm requires vast amounts of water

each day, and this causes the drying out of ground waters. Ground water sources dry out during the dry season and increasingly also during the rainy season.

Oil palms need high amounts of pesticides and fertilizers. The chemicals end up in ground waters and rivers, which provide water for daily needs of local communities. The rivers turn brown and smelly. Local fishermen are struggling as the fish stock weakens and move away to different areas.

Pesticides and fertilizers also cause health problems for the workers in the plantations. They have an impact on people's fertility and cause for example cancer. The chemicals are extremely toxic, and mostly banned in Western countries. No appropriate protective equipment is provided.

Because of the growing demand for palm oil, the president of Indonesia has changed legislation so that it now allows the establishment of plantations to peat land as well. The draining and burning of peatland is driving the degradation of forests even more and causing massive greenhouse gas emissions. Millions of people are annually exposed to the emissions from the massive forest fires. Already half of the 12 million hectares of peat land in Indonesia is converted to agriculture, oil palm plantations, pulp and timber.

Many oil palm plantations have also been established in protected forest areas such as national parks.

The growing demand for palm oil is driving the expansion of large oil palm plantations that are owned by companies and corporations. This is leading the local communities to lose their land, forest and sources of livelihood. Financial benefits are not received by the local communities, and poverty will continue.

Therefore I am here to call on the decision makers in Finland to make a decision to stop supporting palm oil based fuel and by so doing save the rain forests and the people of Southeast Asia.

Thank you for your attention.