

## Indonesia, India ensure sustainable palm oil production and trade

Reporter: Rahmad Nasution 16<sup>th</sup> July 2018



*an oilpalm seedling nursery in West Ranomeeto sub-district, South Konawe District, Southeast Sulawesi. (ANTARA*

Jakarta (ANTARA News) - Representatives of the Indonesian Palm Oil Board (DMSI), Solvent Extractors` Association of India, and Solidaridad Network Asia Limited have signed a Memorandum of Understanding (MoU) here on Monday to ensure sustainable palm oil production and trade in both countries.

Speaking on the sideline of the signing ceremony here, Coordinating Economic Minister Darmin Nasution said that the cooperation is expected to strengthen the sustainable trade of palm oil and its generated products in India and Indonesia.

India is one of the world`s biggest users of palm oil products, with Indonesia`s export value recorded at US\$4.9 billion (US\$1=Rp14,393). It equals to around 34.8 percent of Indonesia`s total export value to the country.

Since India has become the most potential markets for Indonesia`s palm oil products, besides China, a good communication needs to be maintained at the government and association levels, he stated.

The communication, he added, is partly aimed at wiping out the misperception of Indonesia's cheap palm oil.

"The palm oil that we export to India is yet to be used optimally as there is a misperception that its quality is lower than those of other countries due to its cheap price. This is not true," Nasution remarked.

Instead, Indonesia's palm oil is of high quality. However, thanks to its productivity, which is three or four times higher than that of many other countries, its selling price is much cheaper than that of others, he noted.

"We want to work with the Indian associations to conduct a public awareness campaign that Indonesia's cheap palm oil is not associated with lower quality but higher productivity," he explained, adding that the two countries' economic and trade relations are sound, with total value of \$18.1 billion in 2017.

"The data show that the palm oil is important to our countries. I believe that this collaboration will enable the related parties to share views on sustainable growth of the commodity as the leaders of the two countries had previously discussed," he remarked.

As part of the ceremony's agenda, the representatives of the Indonesian and Indian associations also discussed about their increased synergy in the Indonesian Sustainable Palm Oil System (ISPO) and the Indian Palm Oil Sustainability (IPOS).

According to the President of Solvent Extractors' Association of India, Atul Chaturverdi, the MoU would pave the way for sustainable palm oil trade in Asia, adding that India and Indonesia would work together to protect the competitiveness of palm oil industries.

The synergy of ISPO and IPOS would also enable the parties concerned to face future demands of the palm oil markets and meet the national commitments to safeguard a sustainable palm oil trade and production, he stated.

With about 14.3 million hectares of palm plantation, Indonesia is one of the world's largest palm oil producers, with a total production of 40 million tons. The commodity is used for meeting people's demand for cooking oil and biofuels.

During their stay in Indonesia, members of the Solvent Extractors' Association of India's delegation have been scheduled to visit Sintang District in West Kalimantan Province to meet local authorities and observe a place for empowering local palm oil farmers of the Solidaridad and Keling Kumang groups.

**Source:** <https://en.antaranews.com/news/116659/indonesia-india-ensure-sustainable-palm-oil-production-and-trade>