

Anger Growing in ASEAN Capitals as EU Parliament Committee Votes on Deforestation Regulation

This week, the EU Parliament's Environment Committee (ENVI) confirmed its approval of the negotiated text of the EU's Deforestation Regulation.

This Committee vote is usually a formality. The more important votes will take place in the Council and Parliament over the coming weeks.

Anger is growing across Southeast Asia at the Regulation, because it is a deliberate effort to target and restrict palm oil exports from Indonesia and other producing countries. Over recent months, the Indonesian Government, and the Indonesian Palm Oil Association (GAPKI) have made clear in detail why the Regulation is unacceptable.

- Indonesian President Joko Widodo [spoke publicly](#) about the Regulation immediately after the EU-ASEAN summit, stating that *"there must be no coercion. There can no longer be one side that always dictates to the other and assumes that 'my standard is better than yours.'"*
- Indonesia's Foreign Minister Retno Marsudi also stated in a video address that the regulation is ["in the headlights" of the Indonesian President](#).
- During the previous EU Parliament vote, GAPKI's President Joko Supriyono summarized the industry's position:
 - *"The vote is a step towards another EU trade ban on Indonesian palm oil. The EU Parliament is showing a clear disregard for Indonesia, the largest economy in Southeast Asia. The Parliament's proposal undermines forest protection, by pursuing confrontation instead of cooperation. Norway's agreement with Indonesia is a constructive approach; the EU's approach is unilateral and antagonistic."*
- GAPKI outlined in a [letter](#) to [Christophe Hansen MEP](#) – EU Parliament Rapporteur on the Deforestation Regulation – the following facts about the Regulation:
 - **Small farmers** of palm oil – 4 million families in Indonesia – will be blocked from the EU market. By forcing small farmers out of supply chains, the EU sends a clear message that it no longer cares about poverty reduction and assisting Indonesia in meeting its SDG targets.
 - The **lack of recognition** of existing sustainability schemes means duplication of regulation for palm oil businesses. It is unnecessary. The EU Regulation will increase costs for business, raise food prices for consumers, and undermine food security.
 - The **requirements on traceability** undercut or duplicate existing efforts by the palm oil industry. They are also incompatible with some existing data protection laws.
 - The **designation of 'high risk' is opaque**. There is serious concern this will be a protectionist trade barrier deliberately targeted at developing nations.
- Outside of Indonesia, Malaysian Foreign Minister Zambry Abdul Kadir [said that](#):

- *“The EU deforestation policy is a step against good kinship. Jokowi’s speech has made it clear that [...] the policy is of concern to ASEAN. That the EU cannot dictate. This is an opportunity for Indonesia and Malaysia to join forces and be united in our voices. We stand with Jokowi on this matter.”*
- Even within Europe, there has been condemnation of the EU’s dictates.
 - [Speaking to Politico](#), Ferdi De Ville, a professor in European political economy at the University of Ghent, made note that the Regulation is filled with hypocrisy, arguing that the EU is preventing developing nations from doing what Europe and the developed world had done for years to support development and critical industries, stating, *“Now, not only is the EU telling them what to do, but a lot of developing countries also feel they are now prohibited to do what Western countries have done for decades: industrialize without thinking about pollution and subsidizing infant industries.”*
 - Philippe De Baere, managing partner at prominent Brussels law firm Van Bael & Bellis decried the Regulation and the EU’s behavior, [noting](#), *“We see a regulatory imperialism by the EU whereby Brussels sees itself as an exporter of rules to third countries — as the legislators of the world.”*

The EU Deforestation Regulation ignores the reality, and the facts, about [Indonesian palm oil](#):

- [Deforestation has fallen](#) by [more than three quarters](#) over the past two decades and [reached all-time lows](#).
- The Indonesian Sustainable Palm Oil (ISPO) is on track to become the [world’s largest-ever sustainability scheme for any commodity](#).
- Indonesian palm oil’s sustainability is recognised by many trading partners [including the UK Due Diligence Regulation](#) (in the UK Environment Act).
- Indonesia has signed new [cooperation commitments](#) with partner countries such as Norway, to guarantee forest protections going forward.

Indonesian media, analysis and commentators have [all highlighted the EU’s protectionist business interest](#) in undermining palm oil.

It is not only Indonesia: [13 other developing nations](#) joined with Jakarta in opposing the Regulation for its protectionist and unjust approach to trade barriers.

Malaysia has already [threatened to stop sending palm oil](#) to Europe. Surely other reactions from producing countries are inevitable if the votes in Brussels continue to be approved.

As the Council and Parliament votes approach, and the implementation period for the Regulation looms, the Indonesian government and palm oil sector are set to continue to refute the most harmful components of the Regulation and engage with their allies to put pressure on the EU to reverse course. Indonesia has made it clear that it is seeking equitable and justified treatment for its sector and recognition for its achievements on deforestation. Until these are accommodated, EU leaders will face growing criticism and will continue to drive a wedge between themselves and the ASEAN bloc.