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## **NEWS RELEASE**

### **INDONESIA: BENCHMARK FOR SUSTAINABLE PALM OIL IN EMERGING MARKETS**

*RSPO applauds efforts made by Indonesian members towards sustainable palm oil*

**Jakarta, 19 May 2011** – The Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder organization that aims to develop and implement global standards for sustainable palm oil, reaffirmed today that as the world's largest palm oil producer, Indonesia, is in a strong position to be a benchmark for new emerging markets to adopt sustainable practices.

The Secretary General of RSPO, Darrel Webber said that: "With around 3.7 million of its population involved in the palm oil agricultural sector that contributes 6-7% to the country's GDP, Indonesia should be geared to inspire and blaze the trail for new frontiers such as Thailand; Central and West Africa (Liberia, Ghana, Cameroon, Nigeria, Congo); Latin and Central America (Columbia, Honduras, Ecuador, Brazil), in embracing sustainable standards despite the challenges faced."

In Indonesia, 45% of palm oil is produced by small holders. One of the key challenges in Indonesia is the funding and technical support for smallholders in adopting sustainable standards. The role of the government and private sector is critical in this area. "Capacity building for Indonesian smallholders is important so they are aware of the fact that sustainable palm oil is an inevitable future, both for national and international consumption." Webber further reiterated.

In line with this, the RSPO has recently finalized a substantial funding mechanism valued at EURO200,000 per year for a period of 3 years with Solidaridad, a social development non-governmental organization. This sum which is the largest single funding contribution ever made by RSPO, is part of a larger fund that Solidaridad aims to generate for the purpose of supporting independent smallholders from around the world. Indonesia will certainly benefit from this initiative given the large presence of smallholders and their contribution to the palm oil sector.

"Despite the challenges, significant progress and commitment has already been made in addressing some of these issues. In fact, many Indonesian member companies have conceived and implemented world class standards and practices towards achieving CSPO (Certified Sustainable Palm Oil). RSPO aspires to proactively position Indonesia's successes within the international arena, through its outreach exercise in Europe, India and China.

*Indonesia has recorded phenomenal year on year growth of CSPO production: 200, 000 metric tonnes in 2009; quadrupled to 800,000 metric tonnes in 2010; to a whopping 1.2million metric tonnes in the current year as of April 2011. This is a 600% increase in CSPO production in Indonesia in just two years! This astounding success should be attributed also to the Indonesia Government, GAPKI and Indonesian growers.” Webber reiterated.*

*“The market transformation to Sustainable Palm Oil is expected to be confronted with challenges, as any other far reaching change. We must demonstrate willingness as well as unfaltering tenacity, commitment and dedication in addressing these impediments.*

*“As the largest palm oil producer in the world, Indonesia can be referred to as a solid and encouraging role model who has participated actively together with RSPO in coming up with innovative ideas and solutions in achieving CSPO, for the benefit of the country and its people.*

*“Indonesia can demonstrate that practicing sustainable standards does not have to be at the expense of the country’s social and economic development, in fact, it can play an imperative role in catapulting the nation’s prosperity, ethics, success, compassion and reputation in the world’s eye. ” Webber further commented.*

*The upcoming launch of RSPO trademark is a labeling that would finally allow consumers to visibly distinguish sustainable palm oil right on the store shelves. The RSPO trademark will address the increase in discerning consumers as palm oil can be found in most consumer products.*

*All these initiatives and upcoming milestones, namely the RSPO trademark launch, proactive outreach programs in Europe, India and China as well as the smallholders assistance programs, are all intended to increase Indonesian palm oil’s competitive edge, which should thereby increase the uptake in markets around the globe.*

*The transformation of the market to establish CSPO as the norm is in a period of transition but we are confident that RSPO’s vision of making this the norm will be realized through commitment and collaboration.*

*“We are aware on how important palm oil is to the people of Indonesian and the country’s economy. Millions of livelihood depends on it, and the palm oil industry contributes greatly to state revenue, which can in turn fund the nation’s growth. As such, we are fully committed in ensuring that Indonesian palm oil remains sustainable and desirable in the global market,” concluded Webber.*

*The RSPO reaffirmed that the organization is here to guide and uphold its obligation towards Sustainable Palm Oil through its Code of Conduct and Certification Systems for its diverse group of member organizations within the seven sectors of the palm oil sphere from all around the world.*

*Indonesia companies comprise the second largest membership base in the RSPO, after Malaysia.*

### **About RSPO**

*The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The Secretariat is based in Kuala Lumpur with a satellite office in Jakarta. RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil. For further information, please refer to our website: [www.rspo.org](http://www.rspo.org)*