



## Indonesia to sell palm oil to Africa to counter hostile EU rules

**KOTA KINABALU:** Indonesia is mulling diverting its Europe-bound palm oil exports to Africa after the European Union (EU) launched the anti-deforestation law that is detrimental to its major commodity.

According to a June 24 report by [www.jakartaglobe](http://www.jakartaglobe), the EU Deforestation-Free Regulation (EUDR) has stressed out palm oil exporter Indonesia. This new regulation requires operators and traders to prove their products do not come from deforested lands. Commodities such as palm oil and its derivatives are subject to this policy. The EUDR also classifies countries whether they are at low, standard, or high risk of producing deforestation-linked products.

With the EU closing its doors, Indonesia intends to gradually reroute palm oil exports from Europe to Africa.

Indonesia is the world's top palm oil producer. Together with Malaysia they combine for about 85% of the world's output with China and India as major buyers.

Malaysia has spoken out against the EUDR and is working with Indonesia to protest the EU policy. It however has not adopted any retaliatory stand.

"I told the European Parliament about three days ago that we are thinking that if we export about 3.3 million [tons of palm oil] to the EU, perhaps we can gradually divert these exports to Africa," Chief Investment Affairs Minister Luhut Binsar Pandjaitan told a press briefing in Jakarta on Friday (June 23).

"So you [EU] don't mess with us," Luhut said.

The Trade Ministry revealed that Indonesia-EU traded \$32.88 billion in goods last year. Indonesian exports to the EU were worth \$21.4 billion, while imports coming from the European bloc totalled \$11.48 billion. According to industry association Gapki, Indonesia's exports of palm oil products to the EU-27 amounted to 3.75 million tons in the first 11 months of 2022.

News outlet Reuters wrote that African nations imported nearly 8 million tons of palm oil in 2020 based on Food and Agriculture Organization data.