

CHAPTER IV CONCLUSION

This chapter is the final chapter of the preparation of the author's final research report. The author here will give some points related to the fact of the protectionist effort carried out by the European Union for farmers and the vegetable oil industry related to the Renewable Energy Directive which will stop using palm oil for European Union biofuel production.

Anti palm oil attitude in Europe emerged as a new idea urging the European Parliament only to use local products. This idea is under the left, right, center, farmers, industrialization, as a protection effort for local products. This research in line with the hypothesis where the EU seeks to support renewable energy and improve economic welfare in an effort to protect domestic companies. The efforts made by the combination of the anti-palm oil movement finally resulted in the European Parliament Resolution banning oil palm as biofuel in Europe starting in 2021. This resolution was approved by 485 of the 751 members of the European Parliament or 60%, with the aim of reducing the import of palm oil, so local products such as rapeseed, sunflower, and soya remain the primary commodities (Oegroseno, 2018).

The European Parliament uses the issue of deforestation as the reason for banning oil palm as a vegetable oil material in the European Union. Here are ten arguments that refute EU accusations of prohibiting palm oil:

1. Based on reports released by the European Union, the highest causes of deforestation came from livestock (24%), soybeans (5.4%), corn (3.3%) and oil palm (2.5%). The number of livestock in the EU reaches 335

million, including goats, cows, sheep, and pigs. With this high number of farm animals, there is not found an anti-livestock movement in the European Parliament, even though livestock ranked as the highest contributor to deforestation.

2. Based on industry data from Europe and the United States, it found that the expansion of soybean, sunflower and rapeseed plantations increased compared to oil palm. It recorded in 2016, and soybean land expansion reached 121 million hectares, sunflower reached 24.69 million hectares, rapeseed reached 33.6 million hectares, while oil palm only amounted to 20.23 million hectares.
3. In November 2015, NASA data showed that 56% of the world's forest fire hotspots, 33% in timber industrial forest areas and 7% in oil palm concessions. Based on EU and NOAA data from 2011-2015, the forest area in Indonesia is only 64,000 ha, far below the United States (2.2 million ha), Russia (2.3 million ha), Portugal (84,000 ha), Spain (107,000 ha) , Australia (236,000 ha) and a combination of Italy and Greece (106,000 ha). Besides, the number of forest fires in Indonesia has decreased every year. If in 2015 there were 22,000 forest fire points, in 2017 there were only 89 points, and in 2018 there were 51 locations.
4. The deforestation rate in Indonesia has decreased by 30%, in 2014 Indonesia's deforestation rate reached 1 million ha, but it declined to 0.47 million ha in 2017. The Indonesian government's substantial and tangible efforts to reduce this deforestation rate.
5. Indonesia is one of the countries with the most considerable peat in the world. Based on Wetland International, of 381 global peat hectares, Russia occupies the first position with 137.5 million ha of peat area, Europe 29 million ha, United States 22 million ha, and Indonesia 18.5 million ha. Peatlands cannot be used as agricultural land, but 55.37 and 33 percent of peatlands in Europe, Russia, and the United States are used for

agricultural land. Whereas in Indonesia only 13 percent of the total peatland is converted into agricultural land.

6. Based on research conducted by Indonesian peat experts, the original peat forest carbon stock is 81 tons per ha, secondary peat forest 57 tons per ha. Whereas palm oil stocks with ages 9-12 years reach 54 tons per hectares, and oil palm ages 14 and above are 73 tons per hectares.
7. FAO data puts Europe as the highest producer of greenhouse emissions with 28.8%, followed by China (14%), India (13%), Brazil (9%), United States (8%), while Indonesia is only 3%.
8. The accusation of Western experts on Indonesia is that 70 percent of oil palm in Indonesia is brutally harvested from natural forests. However, according to the findings of the IPB expert, in 1950-2014, 99 million hectares of forest land changed to non-forest for some reason. At the same time vulnerable, oil palm plantations develop from 597,000 hectares to 10 million ha is a prolonged process which shows that oil palm land in Indonesia is not deforestation but reforestation because in 2013 total palm reforestation reached 7.9 million hectares.
9. IE Henson's Rite and PPKS show a comparison between oil palm and tropical forests in the process of carbon absorption and oxygen production. Palm oil can absorb 64 tons of carbon per year and issue 18 tons of oxygen per year, while tropical forests can only absorb 42 tons of carbon and release 7 tons of oxygen per year.
10. The fact that oil palm requires only 85 cubic meters to produce energy per gigajoule. While rapeseed requires 184 cubic meters, 100 cubic meters of soybean and 87 cubic meters of sunflower (Oegroseno, 2018).

Palm oil is not the only source of biofuels in the EU, and there are rapeseeds, sunflower, and soybeans managed by local farmers. As a local European product, the three ingredients get a massive subsidy of 59 billion euros, equivalent to Rp. 1,000 trillion. Besides, currently, the total land for planting

biofuel sources has reached 11.5 million hectares and will continue to grow.

Local media reported that some EU Parliament members received funds of up to 5,000 pounds, equivalent to IDR 93 million per month from the agricultural business. Greenpeace itself acknowledges that farmers' lobby input in EU decision-making processes is stinging actively. While the EU vegetable oil industry has a strong lobby position, of which there is the European agricultural giant Avril Group. According to EU Transparency Register data, Avril has a budget of up to 4.8 million euros or around IDR 78 billion per year with 76 professional lobbyists to lobby the interests of the vegetable oil industry in the EU. One of the massive lobbies used by farmers and the vegetable oil industry in the EU is the weakening of oil palm by raising non-trade issues such as health, environment, labor, et cetera. This aims to shift even to stop using palm oil as vegetable oil on the EU market.

Efforts were made by the EU to stop using palm oil as vegetable oil, Bas Pick out of Green MEP Netherlands stated that the use of palm oil needs to be reduced to zero by 2021. Then ePURE secretary general Emanuelle Desplechin stated that LJE should stop promoting the use of oil in biofuels. Besides, since November 2013, the EU officially filed anti-dumping against Indonesian palm oil. This shows that the issue of anti-palm oil brought by the EU comes from business competition between farmers and domestic industries, mainly the rapeseed, sunflower and soybean industries, in the vegetable oil market in the European Union. Moreover, in this competition, they aim to get rid of palm oil which is not a domestic product from the EU market. Although Indonesia or international agencies present the facts of the issue of oil palm brought by the EU, it cannot stop the EU from implementing burdensome regulations for palm oil producers.