
Papua New Guinea: Incentives to oil palm plantations

Papua New Guinea (PNG) possesses one of the planet's largest remaining tropical rainforest. At least seventy-five percent of its original forest cover is still standing, occupying vast, biologically rich tracts over 100,000 square miles in all. Its forests provide the habitat for about 200 species of mammals, 20,000 species of plants, 1,500 species of trees and 750 species of birds, half of which are endemic to the island. It has been estimated that between 5 and 7% of the known species in the world live in PNG. Rare plants and animals like the largest orchid, the largest butterfly, the longest lizard, the largest pigeon and the smallest parrot ever registered live in these forests. The forests also constitute the home of the indigenous peoples. But these forests and forest peoples are under threat due to large-scale logging activities and oil palm plantations.

PNG is the world seventh largest palm oil producer and the third largest exporter of palm oil, exporting almost its entire production to Europe. During the last years the oil palm industry has been expanding throughout PNG, mainly in West New Britain Province, which is the leading producer of oil palm in the country, known as "The Oil Palm Province".

Initially, oil palm plantations were implemented by companies in which the government was one of the shareholders. But now the situation has changed with the increasing investment of Chinese, Malaysian and Indonesian companies in oil palm plantations which destroy the forests to give way to this monoculture. This is resulting in the appropriation of local communities' lands and therefore in resistance against this activity. One of such cases is that of the Maisin indigenous people, who inhabit the rainforest of Papua New Guinea. The Maisin filed a lawsuit against a Malaysian company, that found its way to Papua New Guinea's highest Court. The company claimed to own leasing rights to both clear-cut the Maisin's forests and to establish an oil palm plantation. Under the Papua New Guinea constitution, the Maisin are the legal owners of their traditional lands. The Maisin claim they have never signed away their forest lands, and that the Malaysian company possesses an invalid lease with forged signatures. The company denied the charges, but the Papua New Guinea Courts have enjoined the project pending final resolution of the case.

Instead of promoting environmentally sound and socially beneficial activities --such as community forest management-- the PNG government is strongly supporting this type of development. In April this year, the Livestock Minister Muki Taranupi announced plans for tax incentives in the oil palm sector designed to encourage growth and boost production. The minister said the government would offer tax credits to oil palm estates and reduce import duty on agricultural imports. The minister added that he had also directed his department to examine the possibility of reducing import duties on imported agricultural equipment and implements including fertilizers.

It is worth noting that an activity such as this, which results in the impoverishment of local peoples --who lose their lands and forests-- and in the depletion of biological and water resources receives strong governmental support, while socially and environmentally beneficial activities do not. In the case of PNG, oil palm plantations are not even aimed at the production of edible oil for the local population and almost the entire production is export-oriented. As usual, corporate profits and macroeconomic benefits seem to be more important than local peoples livelihoods and environmental conservation.

