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## [Indonesia: Million hectare oil palm plantation programme in Jambi](#)

Jambi province, Sumatra, is one of a number of areas where the newly empowered regional government is pushing for major expansion in oil palm plantations. The provincial governor has announced plans to develop a million hectares of oil palm in the province by the year 2005. Last year, the provincial authorities threatened to cancel the licences of 49 plantation companies which had been allocated over 700,000 hectares in Jambi but had not yet planted it with oil palm. In December, Malaysia's ambassador to Indonesia announced that Malaysian companies were ready to take over around 356,300 hectares of oil palm plantations in the province that current lease-holders had failed to develop.

Jambi currently has around 265,000 hectares of oil palm plantations, of which 200,000 hectares were in production last year. About 320,000 tonnes of crude palm oil was produced by 13 processing plants with a total capacity of 640 tonnes per hour.

In January governor Zulkifli signed a Memorandum of Understanding with a US-British-Swiss venture capital consortium, Asian Jade Venture Ltd, based in Johor Baru, Malaysia. The agreement covered investments of US\$500 million for oil palm plantations, downstream processing industries, a port, a new town and for the tourism and fisheries sectors.

The local environmental NGO, WALHI Jambi, has issued a statement rejecting the million hectare oil palm programme, arguing that it would destroy forests, and wipe out the sustainable livelihoods of communities living near the forests. WALHI has also accused the authorities of failing to indicate where the new plantations will be developed and argues there isn't enough available land to develop such a large area. WALHI says that the focus should be on improving conditions and resolving conflicts between farmers and plantation owners at existing oil palm plantations.

WALHI's press statements --and the apparent second thoughts of Asian Jade Ventures Ltd-- have provoked a furious response from governor Zulkifli. He has accused the NGO of being anti-investment, anti-progress and anti-regional autonomy. The governor and his supporters are believed to be behind a campaign of intimidation, launched by suspect 'NGOs' calling for WALHI to be shut down. This has involved trucking 300 protesters to demonstrate at WALHI's office, and issuing statements of support for the governor's programme.