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## [Indonesia: opposition to oilpalm plantations](#)

An accelerated process of plantation of oil palm is going on in Indonesia. The present area of 3.2 million hectares is expected to increase at a rate of 330,000 hectares a year. Since these monocultures invade lands originally occupied by forests and generally inhabited by indigenous peoples and local communities, their expansion means a significative environmental and social problem. Many cases of conflicts regarding the use of the territory and natural resources have been denounced (see WRM Bulletin nr. 14 and 15).

The activity is in the hands of a powerful group of companies, that usually integrate the whole of the process, from plantation to processing and cooking oil factories, including crude palm oil production. Through huge scale of expansion in the last few years, conglomerates' domination will surely get stronger and stronger. Some of the companies come from other sectors of the economy, while others –such as Musim Mas, Bukit Kapur Reksa and Hasil Karsa- have grown up basically from the oilpalm business itself.

In the first stage of the production chain, the most important companies are Sinar Mas Group and Salim Group, with an area of 64,010 hectares and 49,492 hectares of plantations respectively. Salim Group, that holds a site license for 130,000 hectares to be devoted to palm oil plantations in East Kalimantan, is nowadays the biggest land owner in the country in that branch. Another big fish is Sumalindo Lestari Jaya which received an area of 119,500 hectares. Regarding industry, Musim Mas Group is the biggest cooking oil producer, owning four cooking oil factories in Medan, Bekasi and Sidoarjo, with a production capacity of 877,000 ton/year.

There is also a state-owned enterprise that gives a big contribution in the oilpalm industry: it is PTPN IV, located in North Sumatra. In 1997, its production reached 554,899 tonnes. PTPN also owns oil palm plantations in Kendari, in Southeast Sulawesi.

Foreign actors play an important role, since 75% of the 650 investors that are applying for converting forest lands into oil palm plantations are foreign companies. For instance, last December the Research and Technology Minister Department and the Indonesia Palmoil Association invited 25 Dutch investors to join a project to set up oilpalm plantations on one million hectares of peat land in Central Kalimantan. Brunei's investors are also preparing to enter Indonesia with a project of about Rp. 5.5 billions for oilpalm development and plantations that will cover 360,000 hectares in East Kalimantan.

The government is not only selling the country's land to the highest bidder, disregarding indigenous peoples' and local communities' rights and the sustainability of the ecosystems, but is also actively involved in direct investments in the sector. In June 1998 the Central Government provided the East Kalimantan Plantation Office Rp. 3 billions from the Reforestation Funds for planting oilpalm the left and right side of Samarinda-Balikpapan roadway. Last year the government also allocated Rp. 10 billion to clear land for setting up 200,000 hectares of export oriented monocultures, including oil palm.

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This policy is being strongly resisted by indigenous peoples and local dwellers. In these kinds of conflicts, people have to confront the companies, as well as the local administration and the military that protect the interests of those who invade their lands. Some of these projects involve only oil palm plantations, while others include also logging activities, mining, etc. A paradigmatic case is that of the surrounding areas of Bukit Tiga Puluh National Park in Riau, Sumatra. In the northern part of the buffer zone of the Park there is land conflict between indigenous peoples and oil palm plantations, and in its eastern part indigenous peoples are driven away to give way to new investments in oil palm and timber plantations and to the invasion of transmigrants from North Aceh and West Sumatra. According to research carried out in late 1998 by members of LATIN (Lembaga Alam Tropika Indonesia), ICEL (Indonesian Center for Environmental Law) and WWF-Riau, in the northern part of the buffer zone of the Park, indigenous people lost their 3000 hectares of land --occupied by rubber, and fruit gardens and rattan trees-- due to clearing activities by the companies PT. Sumatra Makmur Lestari and PT. Arvena Sepakat. Under the protection of local authorities and the military, and ignoring peoples' 'hak ulayat' (indigenous right to land) the companies expropriated the land without any compensation and even lacking permission for developing oil palm plantations in this area.

In sum, oil palm plantations in Indonesia are a clear example of how tree monocultures do not actually protect the forests but destroy them instead. And doing so are detrimental to the health of the ecosystems and to interests of indigenous peoples and local communities, that, together with local environmental NGOs are opposing them.

Sources: Mustafa Alwy, LATIN; Sawit Watch,