Learn more about LSEG	
	Q =
📅 My View 🛆 Following 🔲 Saved	

Land Use & Biodiversity | Deforestation | Climate Change

Indonesia says 200,000 hectares of palm plantations to be made forests

Reuters

November 1, 2023 9:24 AM GMT+5:30 · Updated 8 hours ago





A general view of a palm oil plantation in Siak regency, Riau province, Indonesia, April 26, 2022. Picture taken with a drone on April 26, 2022. REUTERS/Willy Kurniawan/File Photo <u>Acquire Licensing Rights</u> [7]

JAKARTA, Nov 1 (Reuters) - Some 200,000 hectares (494,210 acres) of oil palm plantations found in areas designated as forests in Indonesia are expected to be returned to the state to be converted back into forests, a government official said late on Tuesday.

Indonesia, the world's biggest palm oil producer and exporter, issued rules in 2020 to sort out the legality of plantations operating in areas that are supposed to be forests, aimed at fixing governance in the sector.

Officials said the measures were necessary as some companies have already been tending the land for years, although green groups have attacked the government for forgiving past forest encroachment.

Companies have to submit paperwork and pay fines to obtain cultivating rights on their plantation by Nov. 2, 2023, according to the rules.

While 3.3 million hectares (8.1 million acres) of the country's nearly 17 million hectares of palm plantation have been found in forests, only owners of plantations with a combined size of 1.67 million hectares have been identified, forestry ministry secretary general Bambang Hendroyono told reporters.

Advertisement · Scroll to continue

The government is still cataloguing which of those are found in designated production forests, meaning owners will have to pay fines but they can continue to grow palm trees, and which are in protected areas and must be returned to the state, he said.

He gave an estimate that about 200,000 hectares will be returned, adding the figure may increase.

"The ones in protected forests and conservation forests, the government wants to restore after they pay the fine," Bambang said, adding this will be part of the government's efforts to mitigate climate change.

Advertisement · Scroll to continue

Indonesia's chief security minister Mahfud MD has <u>threatened</u> to pursue legal action against palm oil companies that use land illegally after the Thursday deadline passes.

Indonesia has launched several programmes to improve governance in its massive palm oil industry, amid criticism by environmentalists of the crop's impact on deforestation.

Last year it started an industry-wide audit, followed by this year's launch of a task force aimed at ensuring companies pay the right taxes.