



VICE MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

No: D/01840/08/2020

Jakarta, 27 August 2020

I wish to thank you for your letter dated 25 August 2020 on agriculture commodities regarding sustainable supply chains, livelihoods and growth and related to this, due diligence approach based on ensuring that all relevant products meet the legal requirements in their country of origin.

In view of the potential trade restrictions, as well as opportunities to enhance our bilateral trade that may arise from the introduction of regulatory frameworks, Indonesia welcomes the opportunity to discuss further with the UK Government, however, from the outset, we need to set out some guidelines:

1. You mention the need for mutual respect and mutual benefit. I believe this would be best achieved through a form of the mutual recognition of each-others regulatory framework regarding sustainably supply chains. This is not just about Indonesian efforts at sustainability, but also similar efforts made by the UK Government;
2. Mutual recognition of the regulatory framework could then lay the grounds for implementation to include preapproval at origin to ensure that relevant products meet the legal requirements in each other countries; - and as a consequence, can be freely imported and marketed without undue restrictions;
3. The definition and scope of agricultural commodities needs to be discussed. Do we focus on prime commodities or downstream products for industrial and human consumption?
4. As part of the concern of the UK Authorities is palm oil, the Indonesian legal framework for sustainability is ISPO;
5. As an integral part into this should be considered the importance of NDPE in the supply chain. After all, over 80% of palm refineries in Indonesia operate to NDPE and EU Industry have acknowledged that over 99% of palm oil is now traceable to the mill and increasingly to the plantation;
6. Indonesia is supportive of the UK initiative in the sense that it would confirm the significant efforts made by our Government and Industry and hopefully offset the wrong perception of palm oil as well as to promote UK sustainability efforts on oil seeds;
7. In terms of the counterbalance, Indonesia would expect similar efforts made by the UK on rapeseed cultivation upon which mutual recognition could be based;
8. We should also consider the possibility of introducing a common certification mark on sustainability which would also support the growth of our mutual trade;
9. On the issue of livelihood, this would need more elaboration and should perhaps be subject of later exchanges in view of the ongoing impact of the corona virus on the economic and social impact of our respective populations.

We take note of the consultation documents you refer to but suggest that we convene a meeting to discuss the basic principle elaborated above before entering the framework proposed by the UK.

We look forward to hearing from you.



Mahendra Siregar

His Excellency
Mr. Owens Jenkins
British Ambassador
Jakarta

C.c.

1. Minister for Foreign Affairs
2. Coordinating Minister of Economic Affairs
3. Minister of Trade
4. Minister of Agriculture
5. Deputy Coordinating Minister for Food and Agriculture, CMEA