# Indonesian Palm Oil Company Accused of Illegal Activities While EU-Malaysia FTA Discussions Resurface



**Indonesian Palm Oil Company Faces Legal Allegations**

Indonesian conglomerate Astra Agro Lestari (AAL) has been accused of illegally cultivating forest estates and engaging in land grabbing activities. The allegations have significant implications, involving multinational corporations such as Unilever, Olam, BlackRock, and Jardine Matheson. AAL, Indonesia's second-largest palm oil producer, has denied any wrongdoing amidst these accusations.

These developments come as Indonesia pushes for enhanced governance in its palm oil sector, which is the largest globally. Environmental and human rights concerns related to palm oil production have drawn significant international scrutiny. The specific details of the allegations have not been disclosed, but they include claims of environmental degradation and violations of indigenous land rights.

**EU-Malaysia Free Trade Agreement Discussions**

In a separate event, the EU-ASEAN Business Council (EU-ABC) has suggested reviving the Malaysia-European Union free trade agreement (FTA). Chris Humphrey, executive director of the EU-ABC, highlighted that aside from ongoing palm oil disputes, the FTA could facilitate cooperation in multiple sectors, such as the semiconductor industry. The FTA aims to address tariff issues, government procurement, and non-tariff barriers, potentially strengthening trade and investment between the EU and Malaysia.

Malaysia, one of the EU's top three trading partners in Southeast Asia, seeks to become the region’s semiconductor hub. The EU is exploring new global markets, and an FTA could provide a structured framework for these investments. Discussions around European deforestation regulations and their impact on palm oil imports are ongoing, involving a joint task force from Indonesia, Malaysia, and the EU.