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Haze Fines Win Indonesia's Support With Caveats: Southeast Asia

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The incoming president of Indonesia, a holdout in Southeast Asia's pact to fight haze, is backing Singapore's plan to wield heftier fines against overseas polluters as long as sovereignty is respected.

A year after the city-state endured its worst-ever air quality, Singapore presented a bill to Parliament this month that subjects foreign companies to as much as S\$2 million (\$1.6 million) in fines for illegal emissions, up from S\$300,000 before. Indonesia and Singapore have a long-standing dispute over the haze that blows in from land-clearing fires in Sumatra.

Joko Widodo, the Jakarta governor known as Jokowi who won this month's presidential election, agrees that companies implicated in unlawful fires may be fair game for Singapore's enforcers. The sticking point is the sovereignty of Indonesia, where "incredibly prickly" officials have yet to join other ASEAN nations in signing a transboundary-haze pact, according to the Jakarta office of Control Risks Group.

"We should have some detailed protocols to guarantee the sovereignty of Indonesia," said Sonny Keraf, Indonesia's environment minister from 1999-2001 and adviser to Jokowi. "But we do appreciate the commitment of the government in Singapore to penalize these companies' activities," he said in an interview this month.

Accelerating deforestation makes Indonesia the world's third-largest emitter after China and the U.S., according to estimates from organizations including the World Bank. An outbreak of fires in Riau, a center of Indonesia's palm oil and paper industries on Sumatra island, were blamed for last year's record smog in Singapore.

Hazard Threshold

Singapore's Pollutant Standards Index peaked at 401 in June 2013, 100 points above the "hazardous" threshold. While the index in Singapore hasn't topped 100 in 2014, an El Nino weather pattern may bring drought and worse smog this year



Photographer: Munshi Ahmed/Bloomberg

A man sits with his headphones at Raffles Place in Singapore, on Friday, June 21, 2013.



Photographer: Brent Lewin/Bloomberg

Singapore's Pollutant Standards Index peaked at 401 in June 2013, 100 points above the "hazardous" threshold. While the index in Singapore hasn't topped 100 in 2014, an El Nino weather pattern may bring drought and worse smog this year to Southeast Asia, said Environment Minister Vivian Balakrishnan, who expects final approval for the bigger fines in August.

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“There’s a high risk of unusually dry conditions in Riau and Sumatra in August and September,” Nigel Sizer, global director of forests at World Resources Institute, said in an interview. Unseasonably dry weather in February and March sparked 3,101 fire alerts on Sumatra, exceeding the 2013 high.

Washington-based WRI is working with Google Inc. and forestry agencies in Indonesia to use satellite imaging to pinpoint and respond to fires.

Social Media

“On social media and in the streets, we have seen the Indonesian people asking for better information about where these fires are occurring and how their government is responding,” Dino Patti Djalal, Indonesia’s deputy foreign minister, said last week. “With this alliance, we will be able to start answering these questions.”

Singapore’s new fines will require Indonesia to cooperate with gathering evidence in its territories, which may be seen as infringement, said Eugene Tan, an associate professor of law at Singapore Management University. The city would need “watertight” evidence to win in local courts, he said.

By pursuing culprits in Indonesia, Singapore may risk retaliation, said Alan Khee-Jin Tan of the National University of Singapore Law School. “There is a likelihood of Indonesian lawmakers enacting retaliatory laws that target individuals or entities in Singapore for infringing Indonesian law,” Tan said. “That would be diplomatically messy.”

Largest Emitter

While Susilo Bambang Yudhoyono, Indonesia’s president since 2004, pledged to cut emissions by 26 percent, the nation’s deforestation rate has surpassed Brazil’s, according to Nature Climate Change, a journal.

Indonesia lost more than 6 million hectares of primary forest -- an area the size of England -- from 2000 to 2012, scientists including Belinda Arunarwati Margono and Fred Stolle wrote in Nature Climate Change on June 29.

WRI’s monitoring showed fires burning this year on land controlled by Asia Pacific Resources International Ltd., the pulp and paper maker with offices in Jakarta and Singapore. The company known as April said it has a no-burn policy and is a victim of fast-spreading blazes set by villagers. The firm has about 700 fire fighters and backs Singapore’s bigger fines.

“The key will be in implementation,” said an April spokesman who asked not to be identified in a July 18 e-mail. Determining the cause of fires and who is responsible is difficult because of overlapping land rights, he said.

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Ganging Up

Indonesia has yet to ratify the Association of Southeast Asian Nations' 2002 haze treaty, which requires nations to take steps against forest fires and cooperate with neighbors. Many Indonesians see it as "ganging up," said Steve Wilford, Asia Pacific director at London-based Control Risks, a consultant on corporate threats and government corruption.

Indonesia's Parliament is weighing the transboundary bill, Agus Setyaki, a division head at the Ministry of Environment, said July 10. The parliament hopes to approve the bill in September before current legislators end their terms.

Jokowi will push to extend the ASEAN pact beyond haze to include other environmental threats, Keraf said. Jokowi also plans to continue a moratorium on new permits to develop peatlands and primary forests. The ban, set to expire in 2015, was part of an agreement for \$1 billion in aid from Norway.

The next president wants a network of drones to help monitor and stop land misuse across an archipelago of 17,000 islands that would stretch from New York to Alaska. "Drones are not only for the military but also for the economy, like for illegal logging," Jokowi said in an interview on July 21.