

Sectors: Agriculture for Palm Oil

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By: BankTrack

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About Bumitama

Bumitama Agri Ltd. is one of the largest producers of Palm oil and Palm Kernel in Indonesia, where it controls over 200.000 hectares of palm oil plantations. It was established in 1996 by the Harita Group, a mining business conglomerate created by billionaire Lim Hariyanto. Its first operations were in Central Kalimantan, which it later expanded to West Kalimantan and Riau. In 2011 it sold 56,8% of its production to Wilmar. As of 31 December 2014 Bumitama Agri owns and controls 199,242 hectares of land of which 153,268 hectares is planted.

Bumitama has repeatedly been found to be engaged in deforestation, including on orangutan habitat, as well as deforestation of peatland.

Bumitama has been a member of the Round table on Sustainable Palm Oil (RSPO) since 2007.

Headquarters	Jl. Melawai Raya No. 10 Kebayoran Baru 12160 Jakarta Indonesia
CEO/chair	Lim Gunawan Hariyanto CEO
Website	http://www.bumitama-agri.com/
Ownership	Bumitama Agri was listed on the Singapore Stock Exchange in April 2012. The Hariyanto family is the majority owner of Bumitama Agri. Its top shareholders are source : <ul style="list-style-type: none">● Fortune Holdings: 50.93 %● IOI Corp Bhd (see profile): 31.4 %● Affin: 15.68 %● Value Partners: 9.46%● Temasek: 4.42 %
Subsidiaries	Bumitama Gunajaya Agro – Indonesia En+Group – Vietnam (profile) PT Andalan Sukses Makmur – Indonesia PT Ladang Sawit Mas – Indonesia PT Nabatinduo Karya Utama – Indonesia PT Windu Nabatindo Lestari –

Issues

Environmental issues

Since 1990, development of palm plantations by Bumitama and others has cleared about [16,000 square kilometers](#) of forested land in Kalimantan. In its Ladang Sawit Mas Plantation and its Gemilang Makmur Subur/Golden Youth Plantation, Bumitama operates with irregular permits. Its concessions overlap indigenous lands, forest reserves and contain pristine forest where orangutans live.

A complaint was filed at the RSPO and in response to that, in April 2013, Bumitama promised it would not clear land near forest reserves in West Kalimantan until studies were completed to appraise the land's ecological importance. But it did [clear 460 hectares](#), between May and September 2013. As of August 2013, and excluding the LSM concession, Bumitama exploits 7.305 ha outside location permits.

Major shareholder IOI is accused of illegally clearing 10.000 ha and of developing plantations without approved Environmental Impact Assessments. By July 2014 there were [five complaints](#) filed against the company about violations of the RSPO Principles and Criteria, and one at the Dutch National Contact Point of the OECD. The RSPO Complaints Panel has confirmed that the company had been clearing land before carrying out the necessary HCV assessments. The panel noted that the noncompliant practices of Bumitama might be "systemic in nature."

In August 2014 the [Indonesian Supreme Court](#) ruled that Bumitama's subsidiary PT. HPA illegally cleared 7,000 hectares of rainforest in Borneo for

plantations.

More recently, Bumitama has promised repeatedly to stop deforestation on its plantations, and it has set aside 11,000 hectares for conservation. It has also started working with the HCS assessor Ata Marie to determine what areas are eligible for development and what should be protected. As a result of this HCS pilot study, [Bumitama announced in September 2014](#) that it would protect more than 13,000 ha of forest across five subsidiaries. However, the policy does not apply to all subsidiaries, or to third party suppliers.

In August 2015, Bumitama adopted its new [sustainability policy](#) in which it states that Bumitama is committed to ensure that there will be no more planting on peatland regardless of depth, it will subscribe to the HCS approach, a zero-burning policy during land development and replanting, amongst other commitments.

Other issues

Its subsidiary Gemilang Makmur Subur, operating in Central Kalimantan, was found to be operating [without any of the critically required national permits](#) in violation of Indonesia's Forestry Act, the Environmental Act, and the Plantation Act.

Governance

Updates

Bumitama divested from its subsidiary PT Hatiprima Agro

Jan 15 2015

Bumitama divested all its assets from PT Hatiprima Agro in January 2015 following a court decision by the Supreme Court which decision states that HPA was required to sell of all of its assets to the new license holder, PT Langgeng Makmur Sejahtera. PT Hatiprima Agro had previously been subject to a court case as well as a RSPO complaint.

Bumitama terminated contract with PT Gemilang Makmur Subur

Aug 15 2014

In August 2014, Bumitama terminated its land management contract with PT Gemilang Makmur Subur. PT Gemilang Makmur Subur was involved in controversy regarding the environmental and legal permits relating to the land that it cultivated.

Financiers

Banks

[Bank Ekonomi](#)

[Details](#) ▼

Debt – corporate loan EUR 14.41 million October 2010

Loan was fully repaid by end of 2012.

source: FoE - The financing of Bumitama Agri (2015)

[Bank Permata](#)

[Details](#) ▼

Debt – corporate loan EUR 18.02 million October 2010

The loan was fully repaid at the end of December 2012

source: Thomson ONE Banker, Tearsheet 2621738115, consulted on 21 October 2010

[CIMB Malaysia profile](#)

[Details](#) ▼

Approached, interested EUR 47.96 million August 2014

Bond issuance

source: FoE - The financing of Bumitama Agri (2015)

[Crédit Agricole France profile](#)

[Details](#) ▼

Uncategorised EUR 2 million May 2015

shares/bonds underwriter or manager - value of the shares it held

source: FoE - The financing of Bumitama Agri (2015)

DBS Bank Singapore [profile](#)[Details ▼](#)

Debt – corporate loan EUR 17.19 million May 2013

Loan secured through subsidiary Bumitama Gunajaya Agro Group
source: Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013

Debt – corporate loan EUR 25.4 million November 2012

source: Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012

Uncategorised EUR 66.72 million April 2012

shares/bonds underwriter or manager
source: Thomson ONE Banker, Tearsheet 2320296009, consulted 3/April/2012

Debt – corporate loan EUR 28.83 million October 2010

The loan was fully repaid at the end of December 2012
source: FoE - The financing of Bumitama Agri (2015)

Deutsche Bank Germany [profile](#)[Details ▼](#)

Uncategorised EUR 0.7 million June 2015

shares/bonds underwriter or manager - value of the shares it held
source: FoE - The financing of Bumitama Agri (2015)

HSBC United Kingdom [profile](#)[Details ▼](#)

Debt – corporate loan EUR 17.19 million May 2013

Loan secured through subsidiary Bumitama Gunajaya Agro Group
source: Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013

Debt – corporate loan EUR 25.4 million November 2012

source: Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012

Uncategorised EUR 66.72 million April 2012

shares/bonds underwriter or manager
source: Thomson ONE Banker, Tearsheet 2320296009, consulted 3/April/2012

Debt – corporate loan EUR 21.62 million October 2010

The loan was fully repaid at the end of December 2012
source: FoE - The financing of Bumitama Agri (2015)

Malayan Banking[Details ▼](#)

Uncategorised EUR 71.94 million August 2014

shares/bonds underwriter or manager - Bonds issuance
source: FoE - The financing of Bumitama Agri (2015)

Uncategorised EUR 55.38 million March 2014

shares/bonds underwriter or manager - Bonds issuance
source: FoE - The financing of Bumitama Agri (2015)

Mitsubishi UFJ Financial Group (MUFG) Japan [profile](#)[Details ▼](#)

Debt – corporate loan EUR 15.28 million May 2013

Loan secured through subsidiary Bumitama Gunajaya Agro Group
source: Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013

Debt – corporate loan EUR 6.69 million November 2012

source: Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012

OCBC Singapore [profile](#)[Details ▼](#)

Uncategorised	EUR 1.07 million	September 2015
shares/bonds underwriter or manager - Value of bonds it held <i>source:</i> FoE - The Financing of Bumitama Agri (2015)		
Debt – corporate loan	EUR 17.19 million	May 2013
Loan secured through subsidiary Bumitama Gunajaya Agro Group <i>source:</i> Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013		
Debt – corporate loan	EUR 17.38	November 2012
<i>source:</i> Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012		
Rabobank Netherlands profile		Details ▼
Debt – corporate loan	EUR 15.28 million	May 2013
Loan secured through subsidiary Bumitama Gunajaya Agro Group <i>source:</i> Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013		
Debt – corporate loan	EUR 17.38	November 2012
<i>source:</i> Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012		
Debt – corporate loan	EUR 14.41 million	October 2010
The loan was fully repaid at the end of December 2012 <i>source:</i> FoE - The financing of Bumitama Agri (2015)		
Sumitomo Mitsui Banking Corporation (SMBC) Japan profile		Details ▼
Debt – corporate loan	EUR 15.28 million	May 2013
Loan secured through subsidiary Bumitama Gunajaya Agro Group <i>source:</i> Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013		
Debt – corporate loan	EUR 17.38 million	November 2012
<i>source:</i> Thomson ONE Banker, Tearsheet 2910214115 , consulted on 12 November 2012		
United Overseas Bank Singapore profile		Details ▼
Bond issue – underwriter	EUR 55.38 million	March 2014
One of two participating financial institutions in a bonds issuance <i>source:</i> FoE - The financing of Bumitama Agri(2015)		
Debt – corporate loan	EUR 17.19 million	May 2013
Loan secured through subsidiary Bumitama Gunajaya Agro Group <i>source:</i> Thomson ONE Banker, Tearsheet 2980397115, consulted on 8 May 2013		
Debt – corporate loan	EUR 25.4 million	November 2012
<i>source:</i> Thomson ONE Banker, Tearsheet 2910214115, consulted on 12 November 2012		
Debt – corporate loan	EUR 10.7 million	November 2011
One-year revolving credit facility, loan secured through Bumitama Gunajaya Agro Group <i>source:</i> FoE - The financing of Bumitama Agri (2015)		

See [The financing of Bumitama Agri](#) for information updated until December 2015. See Friends of the Earth's report [Commodity Crimes](#) for more details and for the reactions of some of the financial institutions involved.

Related Dodgy Deals

Projects

There are no projects active for Bumitama now.

[[Show on record project files](#)]

Ladang Sawit Mas Plantation Indonesia

on record

Agriculture for Palm Oil

Golden Youth or Gemilang Makmur Subur Plantation Indonesia

on record

Agriculture for Palm Oil