

# France reverse palm oil tax break after outcry

November 15 2019, by Adrien De Calan

---



The tax break represents a huge financial boost for energy giant Total

France's parliament on Friday voted down a proposed tax break on palm oil—which would have hugely benefited energy giant Total—after lawmakers and environmental activists complained the legislation had

been rushed through the day before without proper debate.

In the second vote in two days on the issue, 58 MPs in the National Assembly voted against including [palm oil](#) on a list of biofuel sources that will enjoy tax breaks until 2026. Only MPs two voted in favour.

Prime Minister Edouard Philippe called for the second vote, which reversed an amendment to the 2020 budget passed by the lower house on Thursday, after lawmakers said they had not been sufficiently informed about the tax break.

Last year, parliament excluded [palm](#) oil from [tax breaks](#) for biofuel sources, dealing a huge blow to a new refinery belonging to French oil giant Total which began operations in July.

But lawmakers from the region where the refinery is located subsequently sponsored an amendment to put palm oil back on the list.

The national assembly passed that amendment on Thursday, despite an unfavourable opinion from the budget legislation's rapporteur, a member of President Emmanuel Macron's centrist LREM party.

Environmentalists were up in arms, saying that palm oil drives deforestation, with vast areas of Southeast Asian rainforest having been logged or set ablaze in recent decades to make way for plantations.

"MPs in the majority, in collaboration with the government, have given in to Total's shameful lobbying," the Amis de la Terre (Friends of the Earth) advocacy group said after the amendment passed on Thursday.

It called the renewed tax break a "fiscal present" valued at 70-80 million euros (\$77-\$88 million).

Prior to the new vote on Friday, rapporteur Joel Giraud told AFP: "We got screwed."

Another lawmaker in Macron's party, who asked for anonymity, said "several didn't even know that this was part of it."

The government has made ecology one of its top priorities.

LREM member Emilie Cariou said it was "out of the question that we go back on what we have voted for last year".

Former environment minister Delphine Batho said the tax break was "complicit with ecocide—we cannot support that".

## **Total lawsuit**

Total had filed a lawsuit against the parliament's decision last year, saying lawmakers had unlawfully singled out palm oil.

The company's CEO Patrick Pouyanne said last month the tax break was necessary "just to be able to compete with our European rivals who, unlike us, enjoy a tax advantage until 2030."

But last month, the constitutional court rejected that argument, saying "legislators, knowing about the global palm oil farming conditions, used objective and rational criteria" towards achieving the goal of reducing emission of greenhouse gases.

Total has pledged it will process no more than 300,000 tonnes of certifiably [sustainable palm oil](#) per year at the Mede refinery, one of the largest in Europe, which employs 250 people.

It said the certification ensured there had been no deforestation to

produce the oil and would result in at least a 50-percent reduction in carbon emissions compared to fossil fuels.

But that has failed to convince environmentalists, with Greenpeace staging a blockade and protest last month at the site near the Mediterranean port city of Marseille.

© 2019 AFP

Citation: France reverse palm oil tax break after outcry (2019, November 15) retrieved 24 April 2024 from <https://phys.org/news/2019-11-france-reverse-palm-oil-tax.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.