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MENU

Coca-Cola to Investigate Sugar Sourced From Cambodia

BY DENISE HRUBY | NOVEMBER 9, 2013

The Coca-Cola Company, the world's largest beverage supplier, said on Friday that land grabs were "unacceptable" and that the company would not source any sugar produced by companies that refuse to comply with human rights standards.

The soft drink giant said that third parties would be employed to conduct social, environmental and human rights assessments on sugar sourced from several countries, including Thailand, where one of Coca-Cola's three main sugar suppliers, Mitr Phol, is based.

Mitr Phol is linked to several sugar plantations in Cambodia's Oddar Meanchey province where hundreds of families have been displaced due to economic land concessions granted by the government for sugar cane plantations.

"The Coca-Cola Company commits to zero tolerance for land grabbing," the company said in a statement.

"The Coca-Cola Company believes that land grabbing is unacceptable. Our Company does not typically purchase ingredients directly from farms, nor are we owners of sugar farms or plantations, but as a major buyer of sugar, we acknowledge our responsibility to take action and to use our influence to help protect the land rights of local communities," the statement says.

Coca-Cola's commitment is a direct response to the Oxfam report *Nothing Sweet About It: How Sugar Fuels Land Grabs*, which highlighted the plight of 457 families displaced in Koh Kong province's Sre Ambel district, and accused companies like Coca-Cola, Pepsi Co. and Associate British Foods of fueling such land grabs instead of taking responsibility for supply chain abuses.

"This is a big victory. It is very rewarding that a big company like Coca-Cola, one of the biggest in the world, is indeed accountable to local communities," said Chris Eijkemans, country director for Oxfam in Cambodia.

Coca-Cola's task now of assessing sugar suppliers and pushing them to comply with human rights standards at their plantations will be difficult, but it will benefit affected communities in Cambodia in the long run, Mr. Eijkemans said.

"They [Coca-Cola] are not directly involved, but they will use their influence, and the influence of a big sugar buyer like Coca-Cola is huge, so this will reach a satisfactory outcome," he said.

"If those [supplier] companies are not behaving according to the line that Coca-Cola wants them to, there will be repercussions. It will start with talking with the company," but could lead to companies losing contracts, he added.

In May, two local organizations, Licadho and Equitable Cambodia, issued a statement claiming that "70 year concessions were granted to three companies directly linked to Mitr Pohl: (1) Angkor Sugar Co. Ltd., (2) Tonle Sugar Cane Co. Ltd., and (3) Cane and Sugar Valley Co. Ltd. The directors of each of the three companies are all senior figures in Mitr Phol, and the company has admitted they are all part of one venture."

"Licadho and Equitable Cambodia's petition states that the Mitr Phol concessions, through actions by the

companies granted the concessions, local police, military and security forces, have resulted in the illegal confiscation of land from local people; the destruction of their homes; killing of livestock; arson; looting of crops; beatings, threats, intimidation and arrests of villagers,” they said in their statement.

In July 2012, Mittr Pohl issued a statement saying that it did not support encroachment on private land or forced evictions and had followed all local laws to acquire its Oddar Meanchey sugar plantation.

Ninety percent of Cambodia’s sugar exports, which rose to \$13 million in 2011, an increase of 270 times compared to two years prior, went to the European Union (E.U.), which allows poor nations such as Cambodia to export goods duty free under its Everything But Arms scheme.

In a letter sent Thursday to the European Trade Commission as well as high-ranking officials of the E.U. and the U.N., several local human rights groups called for an investigation of Cambodian sugar exports to Europe and their impact on local communities here “without further delay.”

“We hope that E.U. Trade Commission will initiate an immediate investigation into the Human Rights abuses caused by the sugar industry in Cambodia and stop giving trade preferences to companies and countries that are responsible for Human Rights Abuses,” said Eang Vuthy, executive director of Equitable Cambodia.

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