

“The Acceptance of Sustainability Standards in the Palm Oil Industry to Meet the Global Market”

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1. The Acceptance of Sustainability Standards in the Palm Oil Industry to Meet the Global Market

- ✓ Reframing sustainability as a bridge between trade, development, and equity

“We are not just producing a commodity — we are sustaining communities, economies, and ecosystems.”





2. Palm Oil at the Crossroads of Sustainability and Geopolitics

✓ *A Defining Moment for a Global Commodity*

- Vital to food, energy, and rural livelihoods
- Yet, facing tightening sustainability and trade pressures:
“Around 30 new due-diligence/sustainability rules worldwide now touch commodity supply chains (UNCTAD, 2024)”
- Sustainability is becoming a new market entry condition

“The question is no longer whether palm oil is sustainable — the question is whether sustainability itself is fair.”



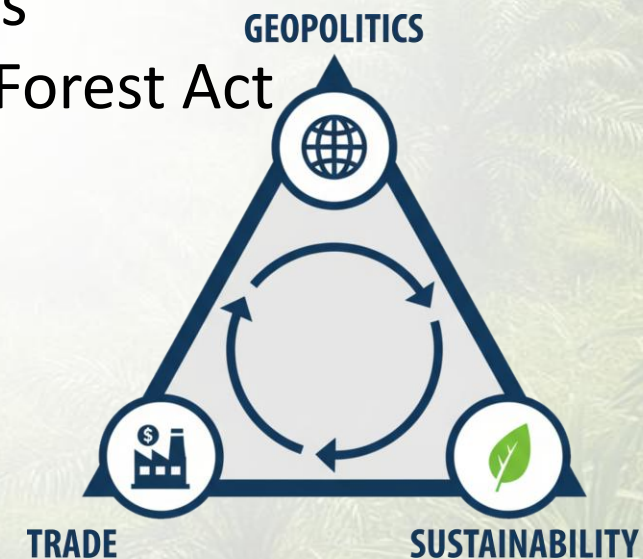


3. The Global Context — “It’s Not the Same World Anymore”

✓ Three Converging Forces Reshaping Palm Oil Trade

- 1. Trade Nationalism** – Carbon border taxes, local content laws
- 2. Sustainability Legislation** – EUDR, UK Environment Act, US Forest Act
- 3. Geopolitical Realignment** – The rise of the Global South

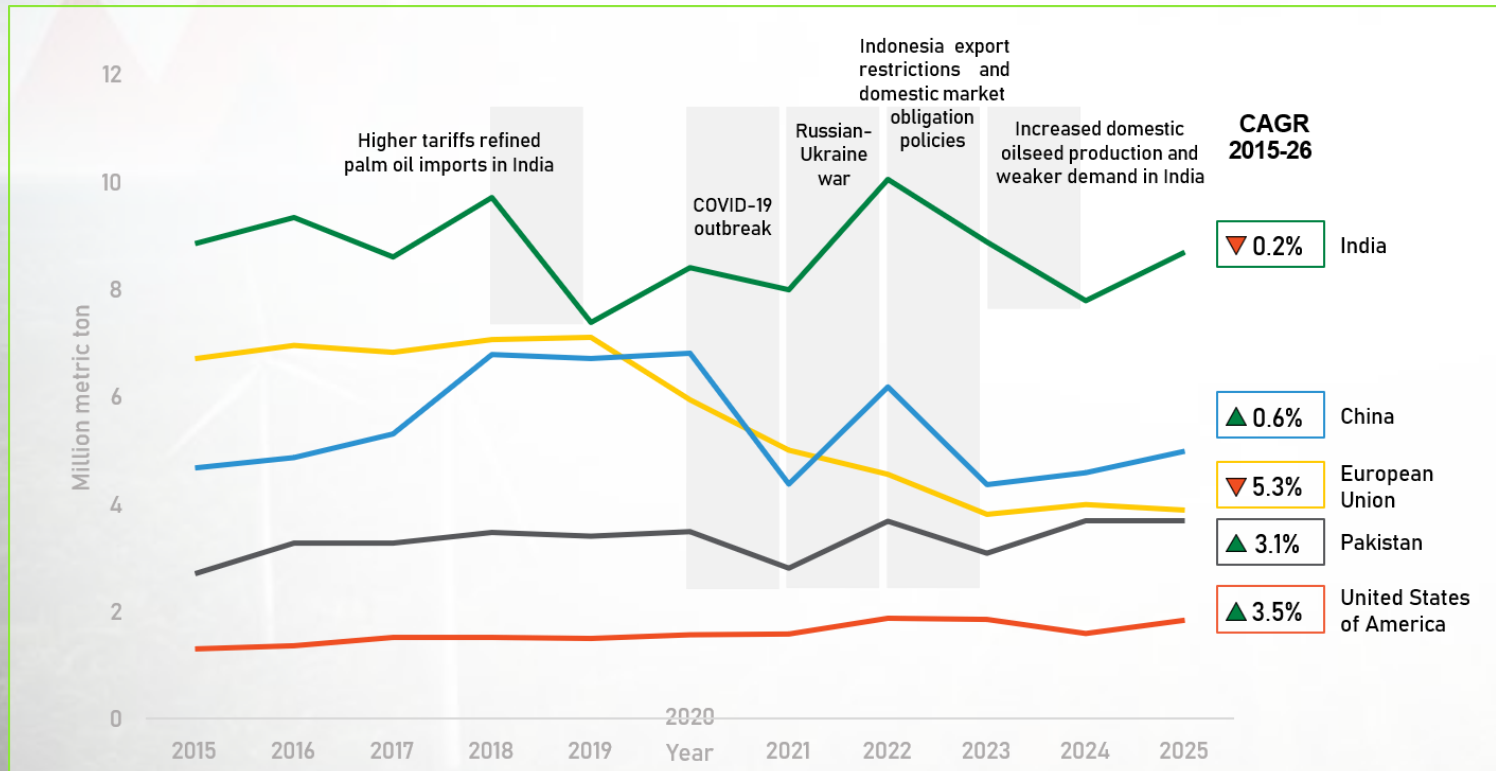
“These three forces are not separate stories. Together, they define the new global marketplace.”



3. Evolving Global Demand for Palm Oil

How shifting trade policies, sustainability rules, and geopolitics reshape import patterns

Import Trends of Palm Oil from the Top 5 Importing Countries 2015 – 2026



Sources: U.S. Department of Agriculture

- **China & Pakistan imports fluctuated** due to external shocks (COVID-19, Russia- Ukraine war, and Indonesia's export restrictions)
- **India shows a slight decline trend** (CAGR ▼ 0.2%), driven by higher tariffs and a shift to domestic oilseed production
- **EU imports declined sharply** (CAGR ▼ 5.3%) under stricter sustainability regulations
- **USA imports grew steadily** (CAGR ▲ 3.5%) driven by renewable fuel and industrial demand diversification.

Emerging Import Markets

Country	Palm Oil Imports 2023 (MT)	Import Growth (2022-2023)	Key Driver
Egypt	870,000	+17%	Expanding food processing and substitution for sunflower oil
Kenya	900,000	+22%	Rapid population growth, low domestic oilseed production
Saudi Arabia	730,000	+14%	Rising food manufacturing and re-export to Gulf region



5. Sustainability as the New Trade Frontier

✓ *From Trade Tariffs to Traceability Requirements*

- Sustainability has become a **non-tariff barrier**.
- Compliance = Market access.
- Producer countries face mounting costs to meet overlapping standards. *“OECD: aid for responsible-business/due-diligence jumped from USD 12.7m (2018) to USD 84.4m (2022), a sixfold increase.”*



“The world no longer trades in commodities — it trades in compliance.”



6. Emerging Global Regulations on Deforestation-Free Supply Chains

✓ ***Beyond standards: How new market regulations shape palm oil trade access.***

Regulation / Policy	Type	Scope & Key Focus	Recognition / Market Implications	Impact to Palm Oil
EU Deforestation Regulation (EUDR)	Regulatory (EU)	Prohibits imports linked to deforestation post-2020; requires full geolocation traceability for palm oil, soy, cocoa, etc.	Mandatory for EU market entry (effective Dec 2024)	Very high impact
UK Environment Act (Due Diligence on Forest Risk Commodities)	Regulatory (UK)	Requires large businesses to ensure forest-risk commodities are produced legally; national laws determine compliance.	Applies to large UK importers; legality-based, not sustainability-based.	High impact
US FOREST Act (proposed)	Legislative Proposal (US)	Would restrict imports of commodities linked to illegal deforestation; emphasizes law enforcement and supply chain due diligence.	Still pending in Congress; reflects U.S. policy direction toward deforestation-free imports.	Potentially high impact if passed
France Duty of Vigilance Law	National Regulation (France, EU member)	Requires large companies to identify and prevent human rights and environmental violations in global supply chains.	Applies to companies headquartered in France; can influence corporate sourcing policies globally.	Indirect but real impact
Germany Supply Chain Due Diligence Act (LkSG)	National Regulation (Germany, EU member)	Focuses on human rights and environmental due diligence throughout supply chains.	Applies to companies operating in Germany; promotes traceability expectations similar to EUDR.	Indirect but growing impact

“These regulations move sustainability from voluntary commitment to mandatory compliance — a new global trade reality.”



7. The EUDR and the Challenge of Fragmentation

✓ *When Sustainability Becomes a Maze*

- Plot-level traceability = High cost for smallholders
- Lack of recognition for MSPO/ISPO
- Potential loss of EU market share due to technical non-alignment
- The risk: sustainability becoming politicized

One Regulation, Many Implications



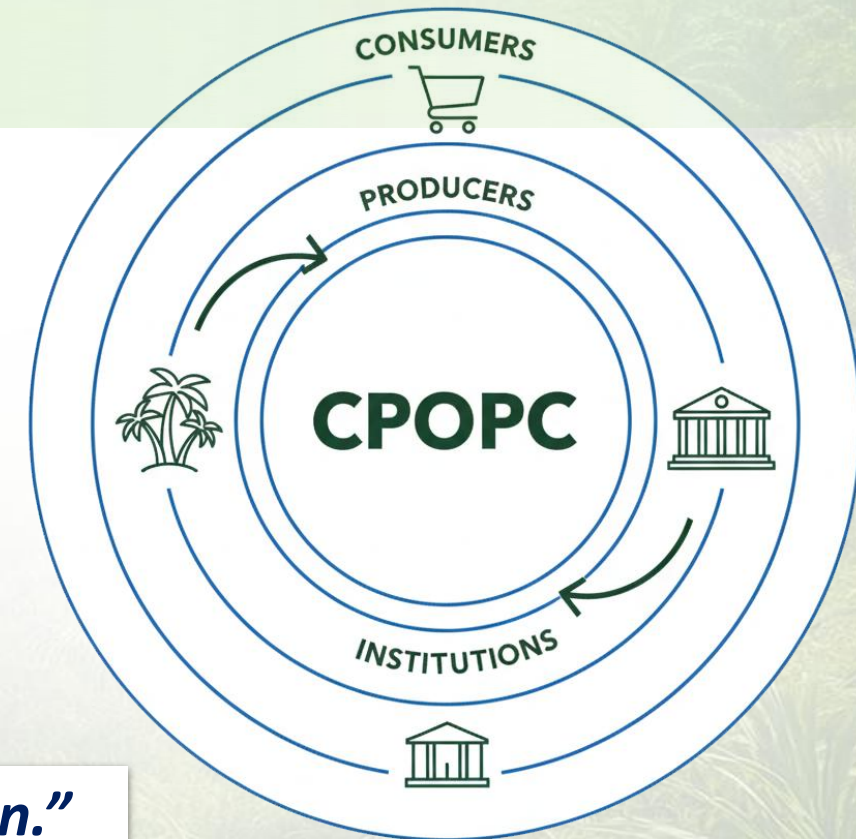
“When sustainability becomes protectionism, everyone loses.”



8. Promoting Fair and Inclusive Sustainability Governance

✓ *From Policy Taker to Policy Shaper*

- Acting on three fronts:
 - **Diplomatic:** UN, World Bank, EU, ASEAN
 - **Policy:** Joint positions & coordinated advocacy
 - **Technical:** Transparency, traceability, smallholder support
- Promoting dialogue-based, **multi-partner** governance
- Calling for fair recognition of producer progress



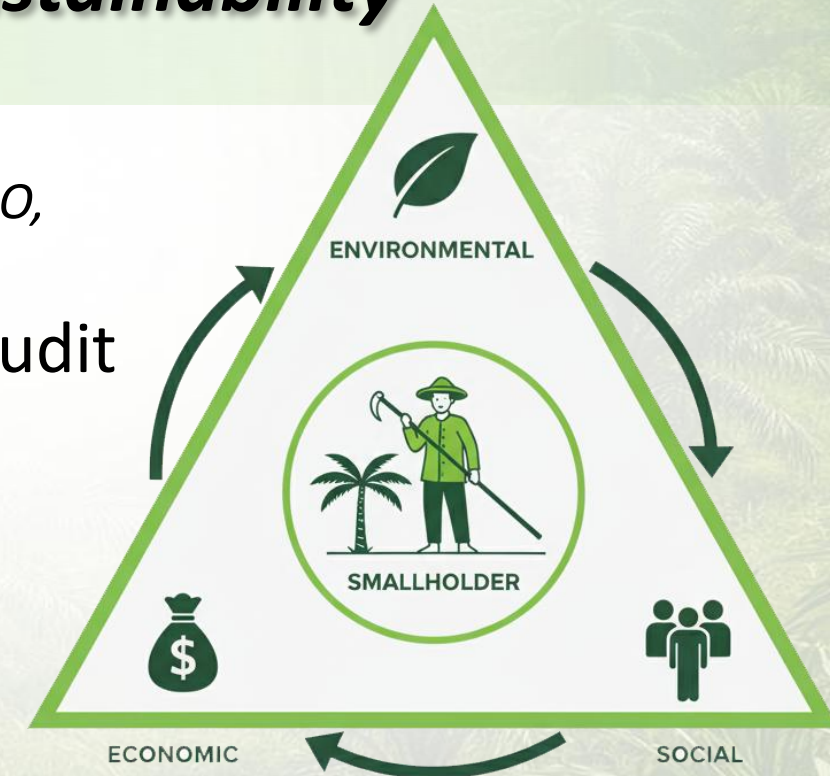
“We are not against standards — we are against exclusion.”



9. The Equity Imperative — Smallholder Inclusion

✓ *Sustainability Without Inclusion is not Sustainability*

- Smallholders = around 40% of global output (FAO, BPS, RSPO).
- Key barriers: Certification cost, digital access, audit fatigue
- CPOPC as an amplifier:
 - **Sustainability schemes**
 - **Digital traceability tools**
 - **Blended finance**

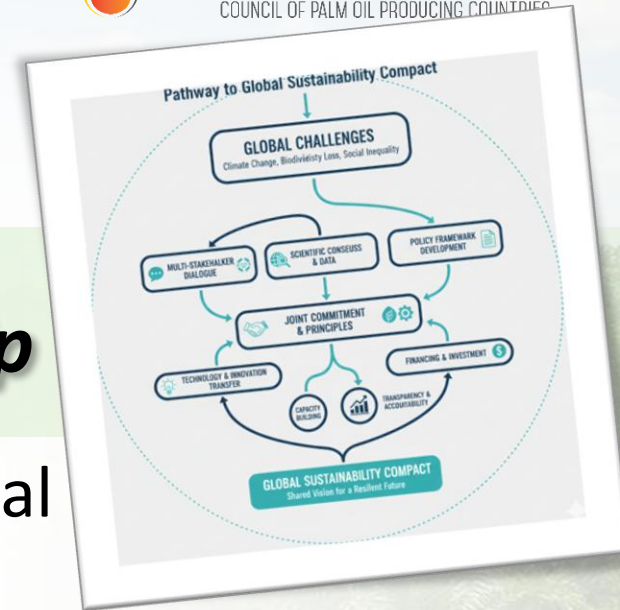




10. Towards Mutual Recognition and Shared Governance

✓ *From Compliance Pressure to Policy Partnership*

1. Advocating **recognition** and **alignment** of national standards.
2. Supporting **ASEAN coordination** through advocacy facilitation.
3. Encouraging **inclusive engagement** — fostering dialogue.
4. Promoting **collaboration** over compliance.



“Mutual recognition is not about lowering standards — it’s about balancing responsibility.”



11. Policy Pathway – What Mutual Recognition Looks Like

✓ *Trade Fairness. Sustainability Equity. Shared Prosperity.*

1. Dialogue before regulation
2. Evidence before judgment
3. Partnership before penalty

“Fair trade begins with fair dialogue.”

Pathway to Fair & Effective Practices





12. A Vision for Inclusive Growth

✓ *Trade Fairness. Sustainability Equity. Shared Prosperity.*

- Strengthen **producer cooperation** in green transition
- Palm oil as a model for **South-South** cooperation

“Inclusive growth means shared responsibility — between producers and consumers alike.”





13. Closing Reflections & Policy Message

✓ *Trust. Fairness. Partnership.*

- **Mutual trust** is essential for mutual recognition
- CPOPC champions:
 - **Science-based** sustainability
 - **Market access** for all producers
 - **Sustainability that uplifts**, not excludes



“If palm oil is a global commodity, then sustainability must be a global dialogue — not a unilateral decree.”






Sustainability with Inclusion.
Trade with Fairness.
Growth with Equity.

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