



# **The Role of Governments & National Commitments Supporting Sustainable Palm Oil in China**

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**China Chamber of Commerce for Imp. & Exp. of  
Foodstuffs, Native Produce & Animal By-Products**

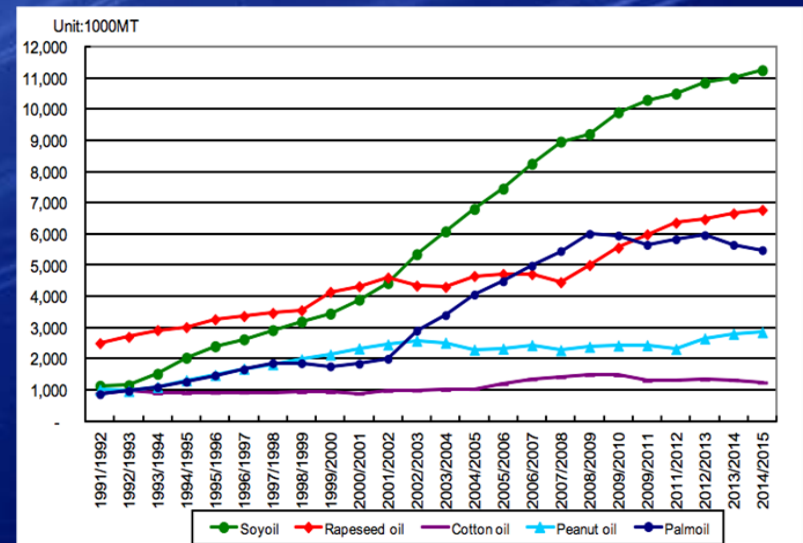


# 1. The Current Situation of Chinese Sustainable Palm Oil Industry

China is one of the major countries of edible vegetable oil with the consumption of 33 million tons per year. The conventional edible oils in China include soybean, rape seeds, peanuts, etc. In 2014, China imported 5.6 million tones of palm oil, ranking 3<sup>rd</sup> after India and EU. The imported palm oil accounted for 17% of the total vegetable oil consumption in China.

Palm Oil in China is mainly imported from Malaysia and Indonesia.

## *The consumption structure of palm oil in China*







# 1. The Current Situation of Chinese Sustainable Palm Oil Industry

## (1) The increasing awareness toward the Importance of Palm Oil Sustainability

Recently, there's an increasing awareness in China that the promoting of Palm Oil sustainability serves as an fundamental base for China's economic and social development. Palm Oil, as a highly productive product, will meet the China's domestic demand which cannot be satisfied by the supply of local oils.

Hence, the promoting of Palm Oil sustainability is vital to the stability and safety of domestic oil industry.





# 1. The Current Situation of Chinese Sustainable Palm Oil Industry

## (2) A Growing trend toward consumption of Sustainable Palm Oil

Currently, some Chinese enterprises acknowledge that the producing, importing and utilizing the sustainable palm oil will benefit them in building international image, while, they may take extra risks if they operates in an unsustainable way.

More than 44 Chinese enterprises are members of RSPO, including Julong Group, a Chinese enterprise that have their own plantation in Indonesia. At the end of 2015, it's estimated that nearly more than 500 metric tons of sustainable Palm oil had been exported to Chinese market which can be regarded as a huge improvement.

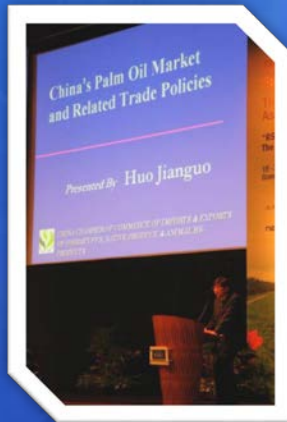
As a major market for palm oil, China, through implementation of a sustainable development strategy can play a leading role in promoting sustainable palm oil trade, investment and production.





## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Participation in RT6 and Pre-RT6 Visit to an Oil Palm Company in Indonesia



*Visit to PTPP London Sumatra Indonesia Tbk  
Plantation Mill R&D Station 2008*



## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### China International Oils & Oilseeds Industry Summit July, 2009

- ❖ Focus on sustainable production and use of SPO
- ❖ Special dialogue on sustainable palm oil in China
- ❖ Statement of Support (SOS) for promotion of Sustainable Palm Oil in China







## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Statement of Support & Establishment of Network for Promoting Sustainable Palm Oil in China

- ❖ Meetings of Signatories of SOS
  - 1st meeting on 10 July 2009
  - 2nd meeting on 27 October 2009
- ❖ Email conference Sep/Oct 2009





## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Participation in RT7 in KL 2009

- ❖ Delegation of 12 people representing
  - CFNA
  - Ministry of Commerce of PRC
  - State Forestry Bureau
  - COFCO International Ltd
  - Yihai Co
  - Jiusan Group
  - WWF China







## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Pre RT7 Study Tour

Visit to Kuala Lumpur Kepong Berhad





## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Participation in RT8 in Jakarta 2010

- ❖ Presentation by Mr Wang Hui Quan, SG of CFNA on Prospects and Challenges for Sustainable Palm Oil in China
- ❖ CFNA Stakeholder Meeting on Developing the Business Case for Sustainable Palm Oil in China







## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

### Pre RT8 Study Tour

#### Visit to PT Musim Mas plantations and mills in Sumatra





## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

Sponsored by DEFRA, DFID, supported by China Ministry of Commerce, the project “Prospects and Challenges of Sustainable Palm Oil For China” was carried out in July, 2010, and implemented by CFNA, aiming to provide suggestions in promoting the sustainable palm oil.

### **Objectives:**

- (1) Give proper advices to Chinese government in promoting sustainable palm oil in China
- (2) Encourage the Chinese Government to take the suggestions into consideration
- (3) Popularize the case in developing sustainable palm oil





## 2. The measures **CFNA took** in promoting Chinese sustainable Palm Oil

7 suggestions were proposed.

On 4th March, 2011, “The Forum on Prospects and Challenges of Sustainable Palm Oil For China” was held in Beijing, China, nearly 50 persons attend the Forum.

On 20th March, 2012, “The Forum on Prospects and Challenges of Sustainable Palm Oil For China” was held in Beijing, China, nearly 50 persons attend the Forum.

On July, 2012, “International Forum on China sustainable Palm Oil Supply Chain” was held in Tianjin, China. Jointly organized by CFNA, WWF, RSPO and CGF, the forum mainly focused on the entire supply chain, and introduced the endeavor of Chinese government in pushing forward the development of the producing and consuming of Sustainable Palm Oil.



### 3. Actions we take Now

DFID and MOFCOM signed a memorandum in November, 2013 on the China-UK Collaboration on International Forest Investment and Trade Programme (InFIT).

The Sustainable Overseas Investment and Managing Guide of Palm Oil for Chinese Enterprises is part of the InFIT programme.

The InFIT palm oil project was commenced in April 2014 and China Chamber of Commerce of Import and Export of Foodstuffs, Native Produce and Animal By-Products (CFNA) leads the implementation.





### 3. Actions we take Now

The main outputs of the palm oil component of the InFIT programme are 2 guidance documents:

- Guide for Overseas Investment and Production of Sustainable Palm Oil by Chinese Enterprises
- Guide for Promoting Trade and Consumption of Sustainable Palm Oil in China

I am pleased to inform that the Guide for production of sustainable palm oil by Chinese enterprises was discussed at the Preparatory Cluster yesterday.



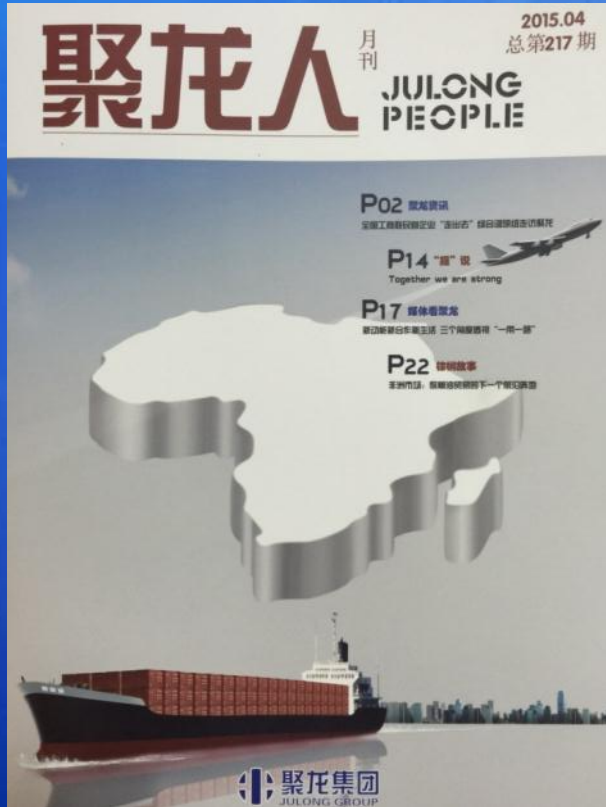
### 3. Actions we take Now







### 3. Actions we take Now





### 3. Actions we take Now

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# 中国企业境外棕榈油可持续投资与种植指南

## 中英林业投资贸易国际合作项目

#### ① 栏目导航

- 项目介绍
- 设计背景
- 项目逻辑
- 结果管理
- 假设风险
- 管理结构



收割棕榈果

<http://palm.cccfna.org.cn/>





### 3. Actions we take Now

## What We are About To Do

### Problems and bottlenecks we face now

- ❖ Insufficient recognition of Palm Oil
- ❖ Irrational Utilization of Palm Oil, (poor technologies in Palm Oil fractional Extraction which will lead to higher production cost.)
- ❖ Few domestic policies were favorable to the developing of sustainable Palm Oil.



### **3. Actions we take Now**

#### **A. Localize and Publish the documents of RSPO**

Working closely with related NGOs domestically and internationally, CFNA will conduct the localization and publish of RSPO documents (principles, standards, case and etc.) for the reference of Chinese enterprises and further improve the recognition of government and enterprises toward sustainable palm oil.

#### **B. Increase the Media Coverage, further improve the recognition of Palm Oil**

Enhance consumer awareness by further improving the popularization of Palm Oil. Build an “Healthy image” for Palm Oil by the pushing forward transparency of the entire supply chain, and carrying out a series of promoting strategies.





### 3. Actions we take Now

#### C. Working hand in hand

Take proper measures to stimulate the purchasing of sustainable Palm Oil, including lower import tariff and VAT for Palm Oils and its products; provide subsidy for enterprises. Advise the banks and other banking institutes to offer “green-credit” to those enterprises. CFNA will provide a platform for enterprises and government to further strengthen their cooperation and communication and share the most updated news to the industry.

I am so honored to be here today, and I believe I could learn so much from you. I will continue my efforts in promoting the sustainability of palm Oil in China.



# Thank You !

[www.cccfna.org.cn](http://www.cccfna.org.cn)