

Safeguarding Access to Southeast Asia's Palm Oil Big Market

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NOV9.2022



I would like to share with you some information and views from three major aspects :



1、 Palm oil market situation in China



2、 Opportunities and Challenges on China's palm oil international trade for producing countries, especially Indonesia and Malaysia



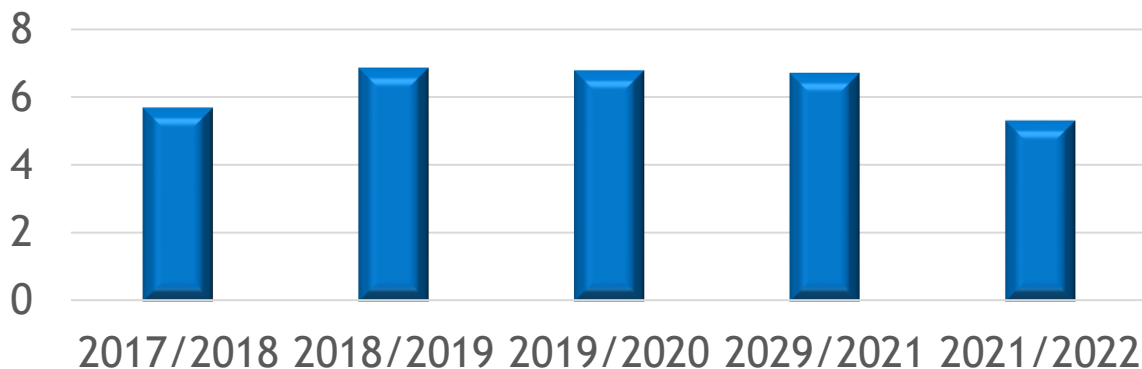
3、 Recommendation



一、 Palm oil market situation in China

China is the second largest palm oil importer and third consumer in the world. Annual imports are 6-7 million tons. Five million tons are used for food, China's annual consumption of edible vegetable oil stands at 34 million tons. Palm oil accounts for about 15 percent of edible vegetable oils in China. More than a million tons of palm oil are used in the oil chemical industry. The use of palm oil in food has remained unchanged for the past decade at more than 5 million tons. On the contrary, palm oil used in oil chemical industry grew faster.

China's Palm Oil Imports in the past 5 Years



一、 Palm oil market situation in China

Palm oil is used in a wide variety of food products



烘焙
Bakery



煎炸
Frying



冰激凌
Ice cream



Catering



Frozen food



巧克力
Chocolate



料
Beverage



Confectionery



代乳脂
Non-Dairy

一、Palm oil market situation in China

In recent years, We promote the nutritional benefits of palm oil in China. More and more people realize that palm oil is a nutritious and versatile oil variety.

生育酚/生育三烯酚

600-1000ppm
抗氧化、抗炎等



类胡萝卜素

500-1000ppm
对抗维生素A缺乏症、提高
免疫力



磷脂

20-100ppm
保护心脑血管、健脑



角鲨烯

250-800ppm
保护心脑血管、抗癌



辅酶Q10

10-80ppm
保护心脑血管



植物甾醇

300-600ppm
降低人体对胆固醇的吸收



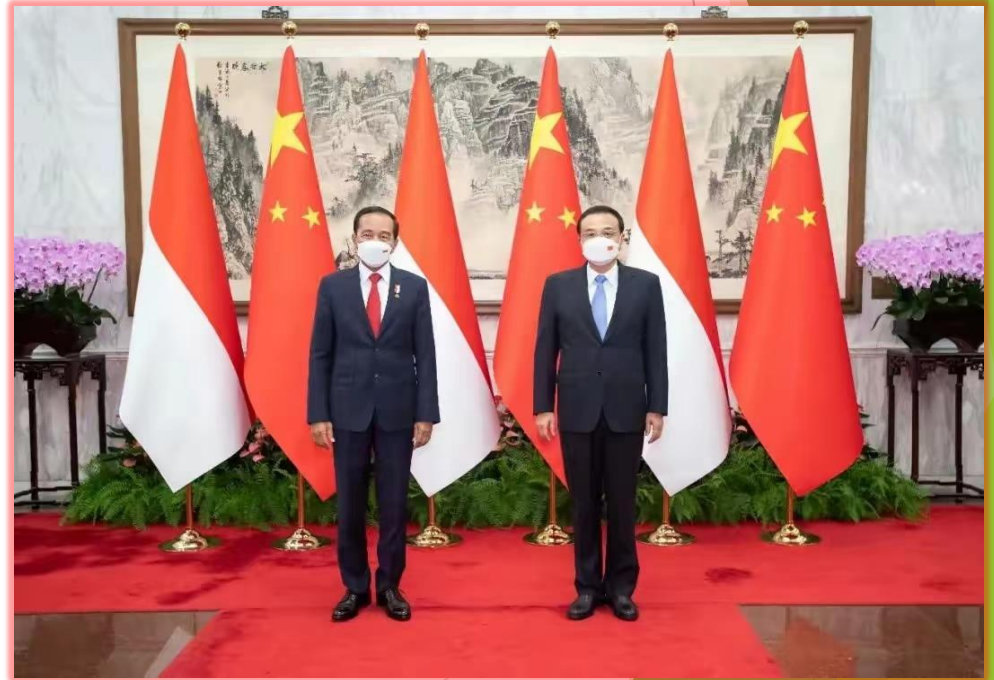
—、Palm oil market situation in China

- 1、 Because palm oil is not a traditional edible oil in China, ordinary people do not know about palm oil. They don't even know how much palm oil is being consumed.
- 2、 As a result, consumers are less informed about sustainable and unsustainable palm oil. Only those in the palm oil industry know about it.
3. More sustainable palm oil is imported and used in the field of oil chemical industry in China.



—、 Palm oil market situation in China

On July 25th of this year, your President Zoko visited China, further deepening the friendly relations between our two countries. Chinese Premier Li Keqiang also announced that China will import one million tons of palm oil, which will be held on November 11th. The Chinese government has no restrictions on the import of palm oil, and always actively encourages enterprises to conduct fair trade with other countries on the basis of equality and mutual benefit.



CFNA promotes the development of sustainable palm oil in China

China Chamber of Commerce of Import & Export of Foodstuffs, Native Produce & Animal By-Products (CFNA) was established in September 1988. Taking Coordination, Guidance, Promotion, Consultation and Service as its obligations, CFNA promotes the development of the industries and works with the government to settle trade disputes. The membership of CFNA has exceeded 5000 companies, covering all parts of China, is composed of the largest and most representative companies and a large number of small and medium sized enterprises.



What do we do

Website and E-commerce

Information and Consultancy Service

Trade Fair and Exhibition Service

Training and Seminar

Legal Service

Strive for World Free Trade

Building Food Safety System

Promoting Export-oriented Agriculture

Bridge the Industry and the Government

Global Cooperation and Trade Promotion

Brand Strategy

Serving SMEs

Support Sustainability

As the biggest agricultural organization of international trade in China, CFNA supports the promotion of sustainable palm oil in China. We helps with the establishment of a sustainable palm oil supply chain in China, by organizing field trips, developing industry guidance, holding meetings and exchanges, and educating the consumers.

Our Partners

Government

- Ministry of Commerce (MOFCOM)
- National Development and Reform Commission (NDRC)
- Ministry of Finance (MOF)
- Ministry of Agriculture and Rural Affairs (MOA)
- Ministry of Ecology and Environment (MEE)
- General Administration of Customs of China (GACC)
- Chinese Academy of Sciences (CAS)

Organization



Enterprise

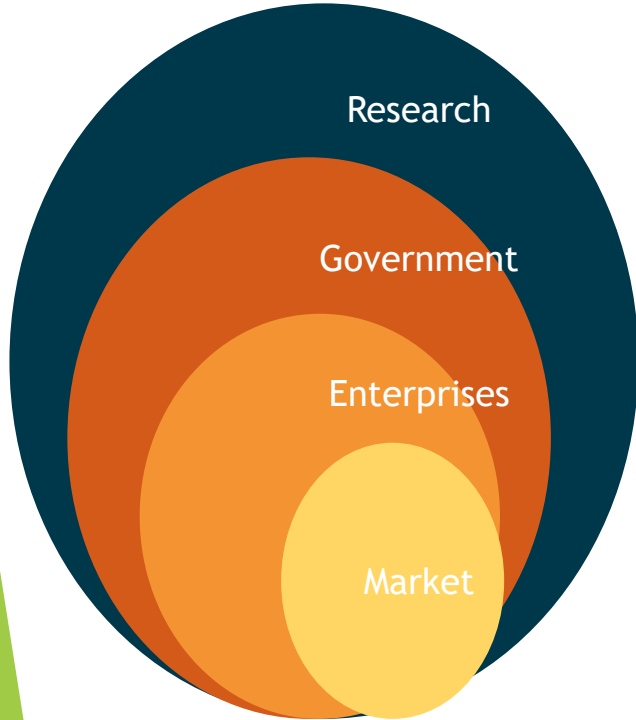


Policy development

- Overseas: The two major suppliers, Indonesia and Malaysia, has both implemented their own national certification on the growth, production and supply of sustainable palm oil.
- Domestic: China's committment on carbon peaking and carbon neutrality, as well as the committments made on COP15, shows China's willingness to take more responsibilities as a developing country.



CFNA's work on sustainable palm oil



Background Research

Background study and field trips to understand China's position in the sustainable supply chain.

Government Involvement

Involve governmental department into the discussion.

Improve Enterprise Practice

- Develop tools to guide enterprises on sustainable investment and trade.
- Discussion and exchanges to find a better approach.

Marketing

- Campaign among end users.
- Consumer education.

CFNA's work on sustainable palm oil

1. Background Research

Background study and field trips on the following areas to understand China's position in the global supply chain, and learn from their experiences:

- Overseas investment
- Regulations and management in European market
- Emerging producer
- Progress on China palm oil breeding study



Field trip in plantation in Indonesia



Meeting on the progress of China palm oil breeding study



CFNA's work on sustainable palm oil

2. Government Involvement

Invite representatives from related governmental department to join the field trips and discussions on sustainable palm oil. Help them understand the challenges and opportunities.



Field trip with experts from Chinese government to visit palm plantation and plant in Indonesia.



Speech from Ministry of Ecology and Environment on 2021 China Sustainable Palm Oil Forum

CFNA's work on sustainable palm oil

3. Improve Enterprise Practice

- **Develop Tools** to guide enterprises on sustainable investment and trade. Encourage them to make commitment on sustainable purchase and help them to improve supply chain management.
- **Hold and join discussions and exchanges** to find a better solution to the challenges during the promotion and practice of sustainable palm oil purchasing in China.



Expert team meeting on Chinese Enterprises Consumption Guide



Sustainable Palm oil Meeting with Amsterdam Declaration Signatory Countries



CFNA's work on sustainable palm oil

4. Marketing

- **Campaign** on the usage and advantage of sustainable palm oil among end users.
- **Consumer education** activities to increase the acceptance of sustainable palm oil in Chinese market.



Exhibition booth planned on the 106 China Food and Drink Fair



Road show to promote SPO to consumers in a shopping mall in Beijing, China

Changes in 8 Years

Practice of sustainable palm oil production and trade improved

- Malaysia and Indonesia improved the implementation on MSPO and ISPO.

- WWF, RSPO and CFNA formed China Sustainable Palm Oil Alliance (CSPOA) in 2018 to help Chinese enterprises improve their management on sustainable supply.

Number of members: **15**

- With the help of CFNA, more enterprises joined RSPO and the purchase of CSPO increased.

RSPO members in Greater China by the end of 2021:

8 → 268

The accumulated consumption of certified sustainable palm oil by 2021:

400,000 tons

Changes in 8 Years

InFIT Support/Engagement

Two guides are developed specifically for Chinese enterprises to encourage and guide the sustainable investment and trade on palm oil.

- *Guide for Overseas Investment and Production of Sustainable Palm Oil by Chinese Enterprises*

- *Chinese Enterprises Sustainable Palm Oil Consumption Guide*

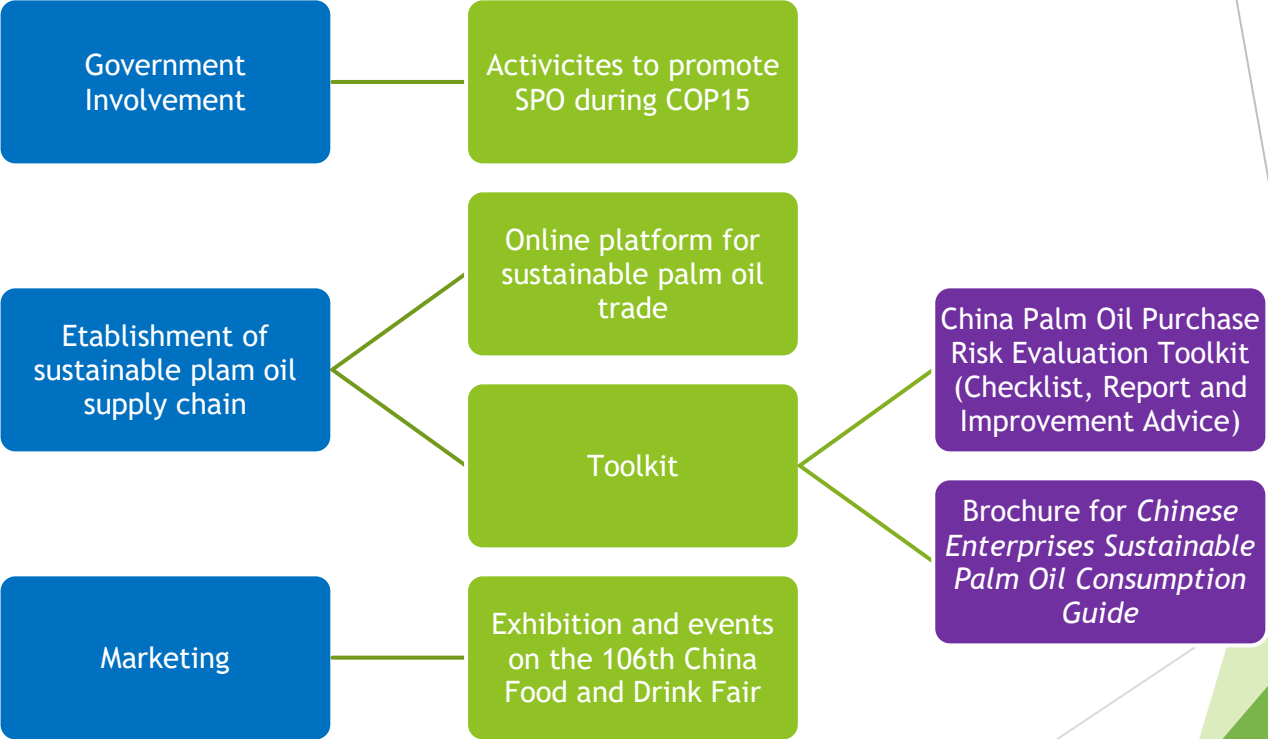
One annual platform to discuss sustainability among government, NGOs and Enterprises

- China Sustainable Palm Oil Forum, co-organized with RSPO and WWF.



The fifth China Sustainable Palm Oil Forum, October 2021 in Chongqing, China

Next Step



Recommendation

首先，棕榈油在中国的消费量仍将持续增长，特别是油脂化工、二代生物燃油和生物航煤中间的应用，增长迅速，所以你们对棕榈油的前景要有信心。

First of all, the consumption of palm oil in China will continue to grow, especially in oil and grease chemicals, second generation biofuels and bio-jet fuel, so you should be confident about the prospects of palm oil.

其次，进一步在印尼和马来西亚推广可持续棕榈油，中国必会积极支持你们的这一措施，因为这是当前中国经济发展趋势的必然选择，也是全球人类的美好期许。

Second, to further promote sustainable palm oil in Indonesia and Malaysia, China will actively support your measures, because this is the inevitable choice of China's current economic development trend, and also the beautiful hope of the global people.

Recommendation

第三、你们可以制定在中国推广可持续棕榈油发展的行动计：

Third, you can develop action plans for sustainable palm oil development in China:

1. 在中国出版并发行RSPO、ISPO、MSPO等可持续棕榈油的相关文件，让中国进口企业更加了解可持续棕榈油的与他们的相关性。
2. In China, the relevant documents on sustainable palm oil, such as rspo, ispo, mspo, are published in China, allowing Chinese importers to know more about the relevance of sustainable palm oil to them.
3. 加强宣传，提高中国民众对可持续棕榈油认识及绿色消费意识
4. Strengthening publicity to improve Chinese people's awareness of sustainable palm oil and green consumption

Recommendation

1. 在中印尼、中马双边高层互访及合作中，推动和制定可持续棕榈油合作项目。
2. In the bilateral high-level visits and cooperation between China and Nepal, China and Malaysia have promoted and developed sustainable palm oil cooperation projects.
3. 降低可持续棕榈油出口税费，使可持续的棕榈油比不可持续的棕榈油价格更优惠，至少不能更贵。
4. Can you consider reducing the export tax on sustainable palm oil, making sustainable palm oil more favorable than unsustainable palm oil prices, at least not more expensive.

让更多的国际金融机构和公司加入到可持续棕榈油事业中来，支持生产、加工、采购和使用可持续的棕榈油。

More international financial institutions and companies have been added to sustainable palm oil, supporting production, processing, procurement and sustainable palm oil.



▶ Thank You!

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