Spearheading Development & Promotion on Sustainable Palm Oil in China

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To-date, more than 5.7 million tonnes of certified sustainable palm oil (CSPO) is available in the global market place, of which about 48% have been purchased. The uptake is mainly from buyers in Europe and their consumption is expected increase significantly as companies move towards meeting their self-declared targets of sourcing only CSPO by 2015. However, in order to achieve market transformation whereby CSPO becomes a main stream commodity, demand for CSPO has to spread from Europe to other major consuming countries. At RT8, Oxfam International suggested that emerging economies, particularly India, China and Indonesia have a key role in driving the critical volumes or 'tipping points' for market transformation. In building their ambitious scenario, Oxfam opined that China could make the most significant contribution and projected that the proportion of CSPO in relation to the total demand for palm oil by China could be 10% in 2013, 20% by 2015, rising to 40% in 2019.

While RSPO and various stakeholders have high expectations of the potential role China could play in driving the global demand for CSPO, the question is whether China is aware of this expectation imposed on them. Considering that the palm oil imported by China is mainly used for domestic consumption by the food sector and given the absence of a convincing business case for using CSPO, would the Chinese enterprises as well as the national government be willing to assume the responsibility for promoting CSPO? This paper discusses the major challenges in promoting the uptake of CSPO in China and shares some thoughts on how they could be addressed.