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Malaysian Oil Palm Industry - Environmental Concerns and Present Scenario: Part 1: Environment Crossroad

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From an environment point of view, the global oil palm industry is at a crossroad. Organisations in the industry are finding it increasingly difficult to meet the new criteria introduced by the Roundtable on Sustainable Palm Oil (RSPO), in addition to the high cost of implementation of RSPO and certification and the low premium for certified oil. Malaysia and Indonesia have established and implemented, or in the process of establishing, their own domestic version of sustainable palm oil, i.e. Malaysian Sustainable Palm Oil (MSPO) and Indonesian Sustainable Palm Oil (ISPO). This is in line with their own national objective of controlling the destiny of their national oil palm industry rather than being subjected to external control which may clash with their national social responsibilities. Part 1 of this two part article outlines the majority of organisations implementing environment sustainability schemes that may impact the oil palm industry. The impacts are dictated by the concerns of overseas consumers and buyers of palm oil products, which in turn, are dependent on their national requirements and the influence of regional non-government organisations (NGOs). The impacts of MSPO and ISPO are explored in slightly greater depths as these are implemented on a national scale by their respective national organisations on their indigenous oil palm industry. The impasse faced by RSPO is also highlighted.

Keywords: Oil palm, environment schemes, MSPO, RSPO, ISPO, ISCC, POIC, environment impasse.

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