PalmSphere

JUNE 2025 VOL:10

MPOC

EUROPEAN COMMISSION ANNOUNCES SIMPLIFICATION MEASURES TO THE EUROPEAN UNION DEFORESTATION REGULATION (EUDR)

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MESSAGE FROM THE CEO

Belvinder Sron
CEO of MPOC

Dear Readers,

As we unveil this latest edition of PalmSphere, we do so at a critical juncture for the Malaysian palm oil industry. The spotlight is now firmly on the European Union's country benchmarking under the EUDR – a classification that will define how our industry is perceived and treated in an important export market. This edition emphasises that the EUDR benchmarking result is undermining the country's efforts to contain deforestation. Malaysia has been categorised as 'standard risk' by the European Union, alongside 49 other countries, despite the records of significant reductions in primary forest loss, a shrinking oil palm footprint, and the implementation of the MSPO 2.0 certification scheme.

Taking a deeper dive into the recently announced simplifications to the EUDR framework, the measures offer welcomed administrative relief to EU importers. Yet, they fall short in recognising the value of national certification systems like MSPO and in easing the compliance burden for producers. Next, we conclude the red palm oil series with a compelling piece on innovation, from emulsions to encapsulations, exploring the intersection of food science and technology. The Wild Asia and MSPO-certified farmers further experiment for a nature-positive palm oil. We also feature a clarification of the EUDR's critical elements, particularly the benchmarking methodology and the implications of different risk classifications for navigating regulatory changes and planning.

As always, I thank you for your continued engagement, support, and belief in the Malaysian palm oil industry. Together, let us remain focused on strengthening our sustainability credentials and securing our rightful place in global markets, based on science, transparency, and integrity.

MALAYSIA'S EUDR CLASSIFICATION UNDERMINES COUNTRY'S DEFORESTATION EFFORTS

Malaysian exporters now face more due diligence checks and heightened scrutiny from EU authorities when shipping their products to Europe due to its 'standard' risk classification.

ON 22 May 2025, the European Commission announced the outcome of its 'country benchmarking' assessments under the EU Deforestation Regulation (EUDR), which comes into force at the end of this year. The system categorises 194 countries as either 'low', 'standard' or 'high' risk, depending on the EU Commission's view of the risk of deforestation they pose.

These risk categorisations are not merely symbolic: they have direct economic and reputational consequences. A 'low' risk classification for Malaysia would have simplified compliance obligations for our exporters by enabling streamlined due diligence and reporting procedures. Instead, Malaysian exporters now face more due diligence checks and heightened scrutiny from EU authorities when shipping their products to Europe.

Malaysia was categorised as 'standard risk' along with 49 other countries, including Brazil and Indonesia. 140 countries were deemed 'low' risk: a broad group that includes all 27 EU Member States (unsurprisingly) and key EU trade partners, such as the United States. 'High' risk was reserved for countries that are subject to European Council or UN Security Council sanctions, namely Belarus, Myanmar, North Korea, and Russia.

Thus, it is not surprising that the EU Commission has been roundly criticised for the apparent favouritism it has shown. It has made a political decision rather than relying on the underlying science or the available empirical evidence.

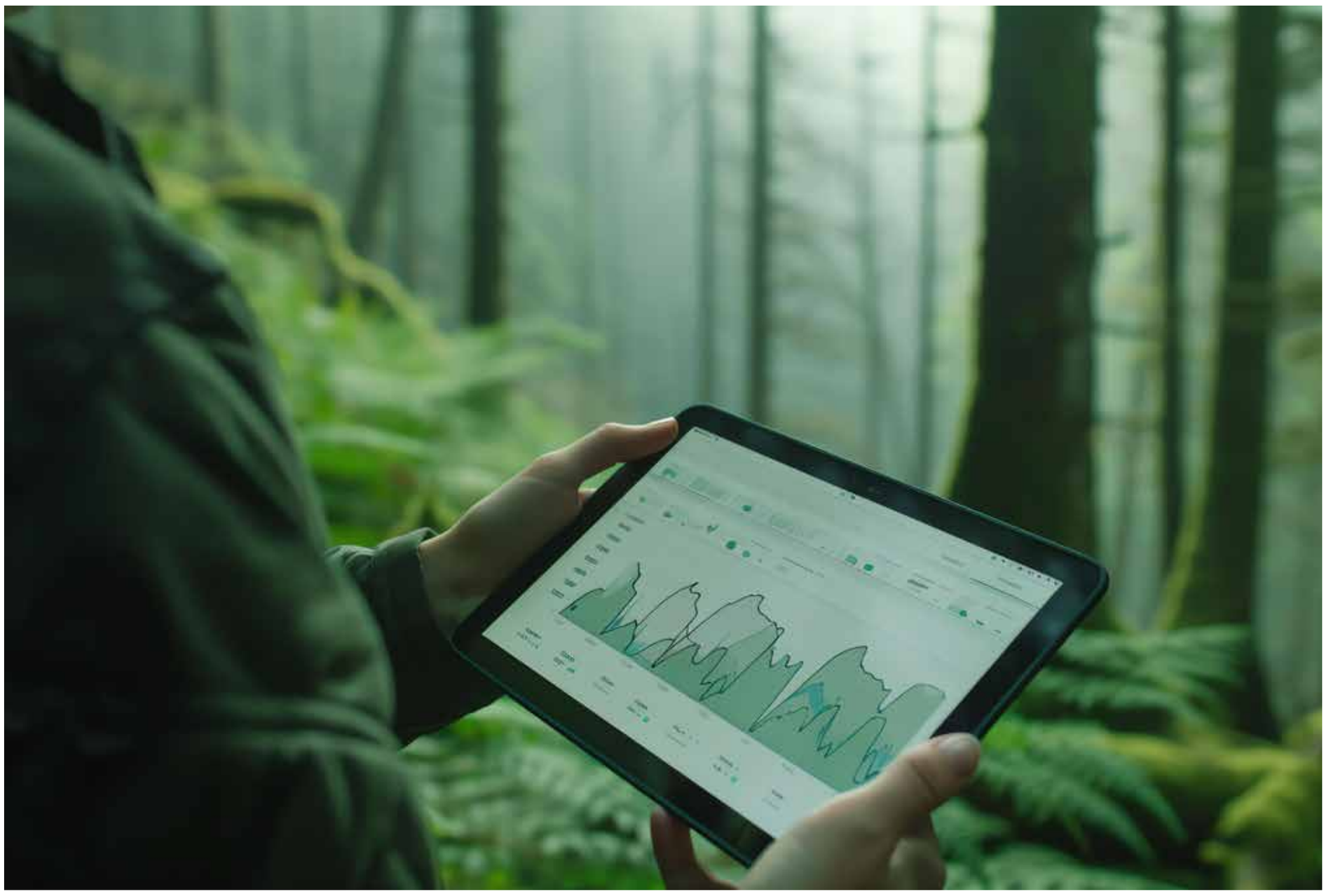
The Commission's assessment methodology was flawed in three key areas. Firstly, from a purely Malaysian perspective, the significant progress our palm oil producers have made in halting deforestation has been overlooked. The latest satellite data clearly shows which countries have been successful in protecting their untouched natural forests, yet the EU has chosen to rely on outdated data. Article 29(3) of the EUDR requires the EU Commission to use the "latest scientific evidence" in its benchmarking assessments. However, it has used data from 2015 to 2020, as reported in the FAO's 2020 Forest Resources Assessment. Given the importance of these assessments for its trade partners, the better option would have been to wait for the FAO's upcoming 2025 Forest Resources Assessment, which will be available in late October this year and features updated data for 2020-2025.

The EU's assessment relied on outdated forest data from 2015 to 2020.

Second, the EU Commission has chosen to look at the FAO's Forest Resources Assessment data on 'total forest cover' instead of 'naturally regenerating' or 'primary' forest cover in its calculations. In doing so, it has employed a methodology that favours its member states over lower-priority, third-party countries. Article 29(3)(a) of the EUDR requires that benchmarking assessments be based on "quantitative rates of deforestation and forest degradation" but FAO's 'total forest cover' dataset omits the concept of 'forest degradation'. Therefore, the benchmarking ignores one of the EUDR's central regulatory requirements.

Malaysia has suffered as a result. Our current deforestation rates are similar across both datasets. Conversely, other countries — notably certain heavily forested EU member states — score well on 'total forest' loss but poorly on 'primary forest' loss. Take Sweden, for example.

Looking at 'total forest loss' data only, Sweden records no change. Looking at the 'naturally regenerating forest' data, it shows a loss of 137,200 ha per year -- twice the amount of Malaysia.



Malaysia supports the EUDR's goals, but urges the EU Commission to wait for the updated 2025 forest data before finalising EUDR rankings.

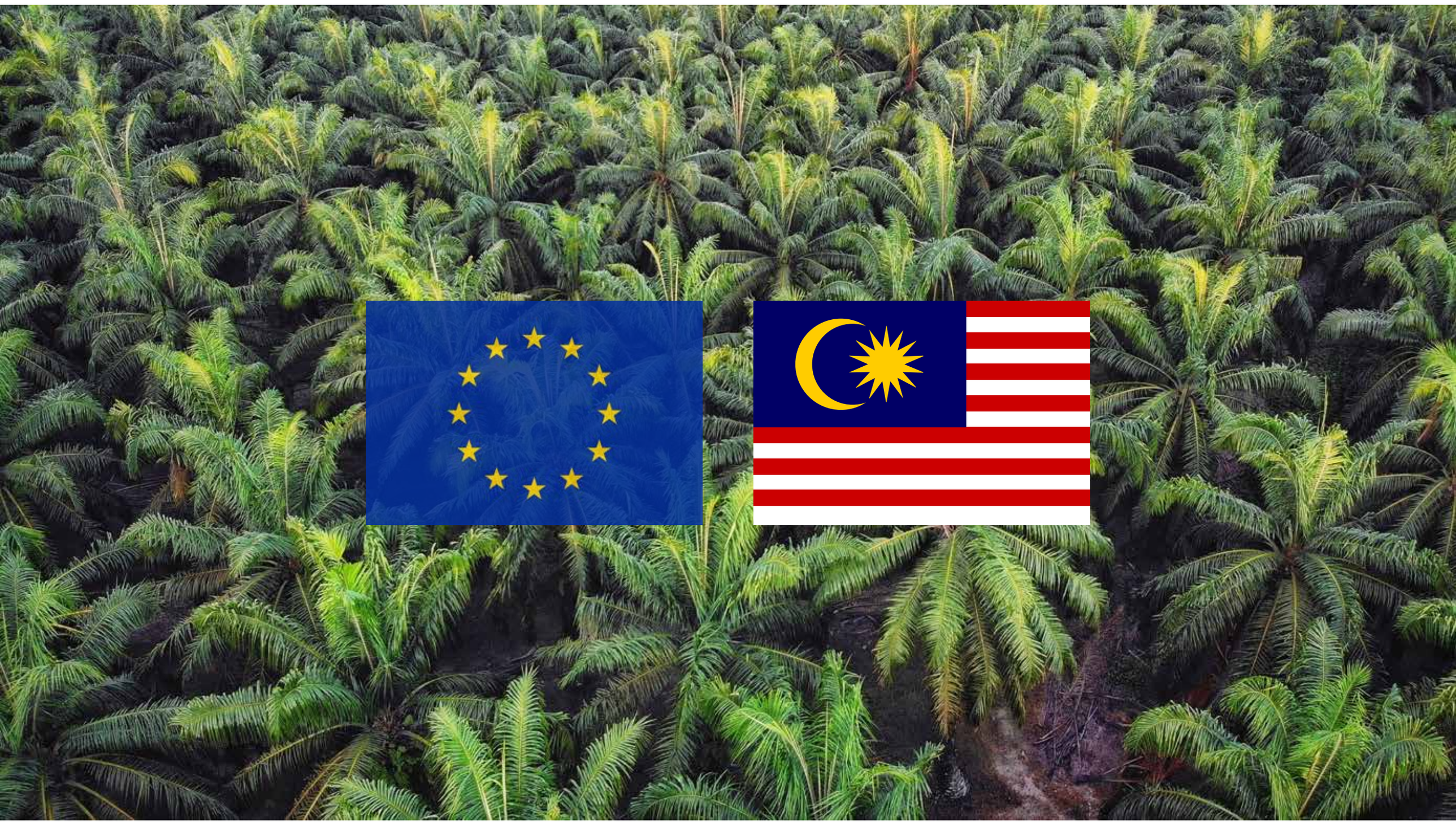
This is problematic for EUDR as a whole. Primary forests are nature's marvels - home to ecosystems of enormous complexity and with soils that are exceptional stores of carbon. They take millennia to develop, yet can be destroyed in hours. Yet, the EU has failed to take these into account in its assessments.

It also creates a suspicion of favouritism. Under the Commission's methodology, all EU countries are deemed 'low' risk despite some having weaker records on primary forest degradation.

The third flaw is the Commission's use of 'absolute' and 'relative' deforestation thresholds. Countries with a yearly deforestation rate below 0.2% and an absolute annual forest loss of less than 70,000 ha are classified as 'low' risk. Yet, the Commission has produced no scientific justification for these thresholds. For instance, the US narrowly scraped into the 'low' risk category with an absolute forest loss rate of 60,000 ha per year.

The EUDR is a laudable initiative that Malaysia strongly supports; however, methodological shortcomings raise questions about fairness, particularly for third countries that are of less immediate value to the EU. If the EU Commission wants a regulation that is effective and workable, it needs to rethink its methodologies. Failing that, countries will question its purpose.

Despite positive progress in halting deforestation, Malaysia, along with 49 other countries, is facing stricter EU checks as a 'standard' risk country.



EUROPEAN COMMISSION ANNOUNCES SIMPLIFICATION MEASURES TO THE EUROPEAN UNION DEFORESTATION REGULATION (EUDR)

For countries like Malaysia, more is at stake in how the EU sets its thresholds for achieving 'low- or standard-risk' status under this system.

ON 15 April 2025, the European Commission (EC) released a new set of simplification measures to the EUDR aimed at significantly streamlining the due diligence process for both European importers and third-country producers of affected commodities. These changes to the EUDR's published Guidance and FAQ documents are meant to reduce the administrative burden and compliance costs throughout the supply chain. It is a step in the right direction, but still a long way short of the EC's target of a 30% cost reduction for companies subject to EUDR, particularly those in the palm oil industry.

One of the key changes is a significant reduction in the number of Due Diligence Statements (DDSs) required under EUDR. Rather than submitting a form for every shipment to the European market, importers will be able to submit a single DDS on an annual basis. While this option technically existed under the previous FAQs, the adjusted wording gives assurance that a single annual DDS covering multiple batches will be permissible. Additionally, DDSs can now be passported across the supply chain, meaning downstream companies placing imported products on the European market can meet their compliance obligations by simply including the reference and verification numbers of DDSs previously submitted by their upstream business partners. No further data collection or risk assessment will be needed.

The EC aims to achieve a 30% reduction in costs for companies subjected to EUDR, especially in the palm oil industry.

What is more, the EU companies will now also be able to nominate 'authorised representatives' to submit DDSs on their behalf, and the commencement date for annual reporting has been pushed back for large companies beyond 30 December 2026.

However, there are potential hurdles. Being able to submit one DDS a year may sound good on paper, but the data size limit for submissions to the EC's IT reporting platform (25MB) could make it tricky in practice. Importers may also need to consider whether an annual DDS submission covering multiple batches could increase complexity, potentially to the point where non-compliance becomes a risk. As a result, importers may choose to mitigate the risk by collecting and reporting data on a more regular basis, thereby nullifying the benefits of the simplifications.

The simplification measures are welcomed and good as far as they go. But they do little to change the underlying dynamics of EUDR itself. These simplifications may not fully benefit producing countries, as they are still required to meet the EUDR's rigorous due diligence requirements, which takes up significant financial resources, especially for the smallholders. Furthermore, for countries like Malaysia, being designated 'standard-risk' meant considerably higher due diligence requirements and compliance costs.

Equally, the simplification measures fail to recognise the equivalence of national certification schemes, such as the Malaysian Sustainable Palm Oil (MSPO). This is a missed opportunity: Acknowledging the value of schemes like MSPO would go a long way towards reducing duplication and compliance burdens in the palm oil industry globally.

If the EC is serious about achieving a 30% reduction in costs, it will have to consider further modifications. Recognising national certification schemes and broadening the designation of low-risk status to encourage wider compliance would be an excellent start.

BEYOND THE BASICS: ADVANCES IN RED PALM OIL FOR FUNCTIONAL FOOD AND NUTRACEUTICALS

By Dr Nina Naquiah Ahmad Nizar, Assoc. Prof. Dr Eddie Tan Ti Tjih and Nur Alia Aqilah Mohd Rizal

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The inherent characteristics of red palm oil, including its reddish hue and distinct nutty flavour, have limited its adoption among consumers, who typically prefer cooking oils with a mild taste and a clear, light-yellow colour. However, the advancements in food technology has begun to position red palm oil as a versatile ingredient. One emerging application of red palm oil is in the development of emulsions.

An emulsion is a dispersed system consisting of two immiscible liquids, typically oil and water, where one liquid (the dispersed phase) is finely dispersed as small droplets throughout the other liquid (the continuous phase), with the aid of an emulsifying agent (McClements, 2015; Mushtaq, 2023).

The utilisation of emulsification technology is a prevalent practice within the food industry, facilitating the creation of a diverse array of emulsified products (Tan and McClements, 2021). These products encompass a broad spectrum of food items, including beverages, milk, creams, dips, sauces, desserts, dressings, mayonnaise, margarine, and butter. The versatility of emulsions stems from their capacity to confer distinct functional attributes upon food products, notably desirable textures, mouthfeel, and flavour profiles (De Oca-Avalus, 2017).

Furthermore, emulsions serve as an effective vehicle for encapsulating and delivering bioactive compounds, such as vitamins and nutraceuticals. This capability not only enhances the nutritional value of food products but also enables more precise control over the release and absorption of these beneficial agents by the human body (Wang et al., 2023).

Wang et al. (2023) and Tan and McClements (2021) have reported various novel strategies for the development of innovative emulsions, including nanoemulsions, high internal phase emulsions (HIPEs), Pickering emulsions, multilayer emulsions, solid lipid nanoparticles (SLNs), multiple emulsions, and emulgels, which are suitable for food applications.

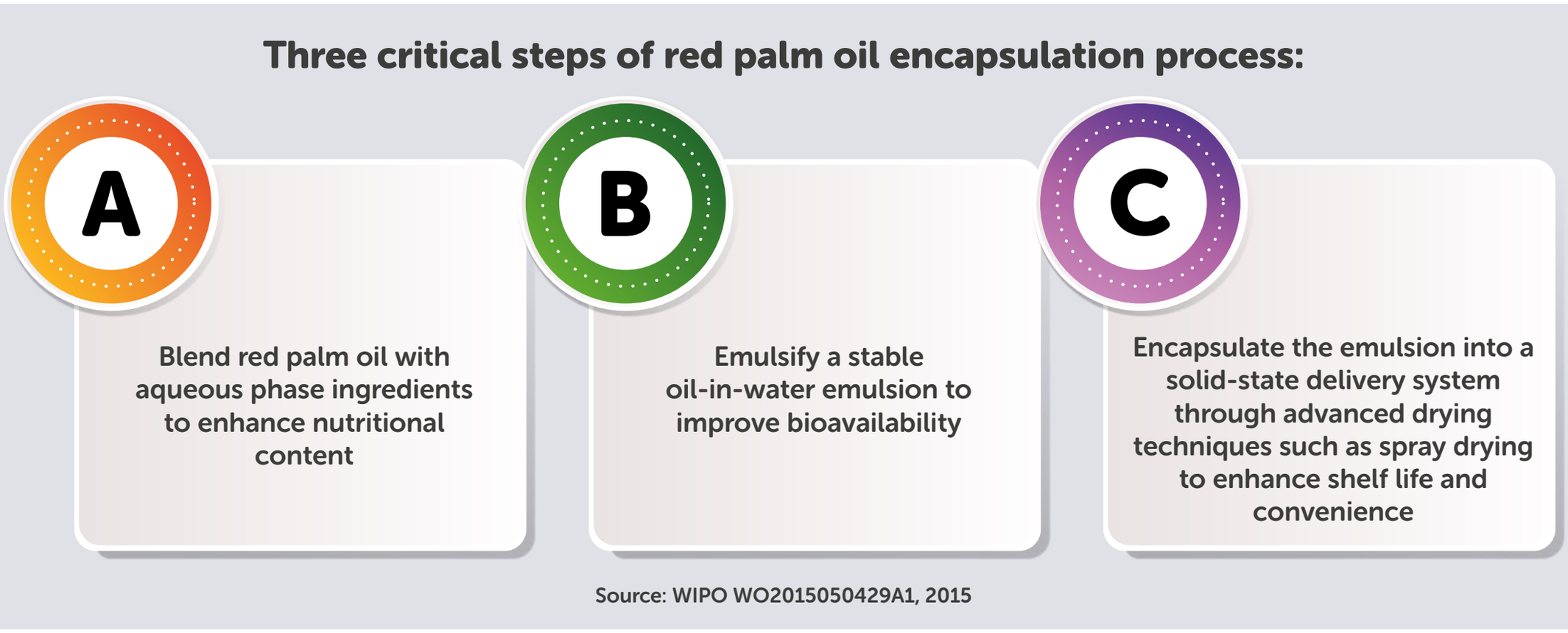
These improvements have opened new avenues for incorporating red palm oil into diverse emulsion-based systems.

Red palm oil has numerous health benefits, and researchers are actively developing innovative products through emulsification.

Application of Red Palm Oil Emulsion

Among them are improved meat gels with plant-based protein and red palm oil as a fat replacer (Zhao et al., 2025; Amalia et al., 2025; Afdhaliah et al., 2024), aerated emulsions with improved nutritional values and desired whipping capabilities (Gao et al., 2023), and chocolate spreads with better emulsion stability (Kumar et al., 2016). The use of red palm oil emulsions in meat gels offers a healthier alternative to traditional fats and enhances the nutritional value due to its high content of carotenes and other bioactive compounds. Furthermore, aerated emulsions and chocolate spreads incorporating red palm oil have demonstrated improved stability and enhanced nutritional profiles, making them ideal for applications that require both functionality and health benefits.

Additionally, efforts have been made to encapsulate the emulsified red palm oil and turn it into a highly usable ingredient. Encapsulation would alleviate the chances of eliminating or reducing the degradation of the phytonutrients within the emulsified red palm oil.



Conclusively, emulsion technology presents a promising approach for incorporating red palm oil into a diverse range of food products, catering to consumer preferences while enhancing nutritional value. Furthermore, encapsulation techniques applied to emulsified red palm oil can help mitigate challenges associated with its colour and flavour, increasing its broader acceptance and utilisation. By leveraging emulsion science, the food industry can contribute to alleviating vitamin A deficiency in society and promoting public health through innovative, nutritious, and palatable products.

INNOVATIONS IN PRACTICE: REGENERATIVE AGRICULTURE IN OIL PALM

Using the 'living lab' approach, Wild Asia introduces tried-and-tested farming techniques to oil palm farmers, thereby boosting productivity and resilience and improving ecosystem health.

Agroforestry in Oil Palm

In 2023, Wild Asia introduced the Laran tree *(Neolamarckia cadamba)* as an integrated crop within an oil palm block to BIO farmers, following observations of other farmers in Sabah who had already implemented it. In Sabah, this indigenous, fast-growing commercial timber species has been introduced as a substitute for light hardwood dipterocarps, such as Seraya *(Shorea curtisii)*, since the 1990s.

A study by the Sabah Forestry Department reveals that intercropping Laran and Binuang *(Octomeles sumatrana)* with oil palm is highly feasible. When grown in the early stages with oil palm, the trees capitalise on the unutilised sunlight before the palm canopy closure, which occurs at the age of eight to 10 years. Thus, the fresh fruit bunch (FFB) yields will not be affected by the presence of timber trees; they will decrease slightly when the palm trees are 12 years old or older, according to a 2005 study.

Innovations in Practice is a series to showcase MSPO (Malaysian Sustainable Palm Oil) - certified farmers who adopt sustainable land management practices and carbon removals, via nature-based and low-tech solutions, as the pathway to nature-positive palm oil.

"Laran can be harvested within 8 to 10 years. It's self-pruning - the lower branches fall off independently, making the trees low-maintenance. Of course, when the leaves fall, they make good mulch on the ground and add organic matter to the soil," says Wild Asia Director and Advisor, Peter Chang.

Although the farmers can fertilise the palm trees as usual, Wild Asia is trying to get farmers to apply BIO practices in this agroforestry system, Chang added. The trees have high commercial value and are used for the manufacture of plywood and other furniture products.

"For each hectare, you can plant about 100 Laran trees with about 140 oil palm trees. In today's market price, each tree can fetch from RM600 to RM1000, so you can get RM60,000 to RM100,000," says Chang.

In a paper titled *The Carbon Stock and Sequestration Potential of an Agroforestry System in Sabah, Malaysia,* the researchers concluded that "converting a monoculture plantation into an agroforestry system can contribute to increased carbon storage and sequestration, although the total carbon stock depends on vegetation, tree ages, and soil management practices."

So, not only do farmers earn extra income, but they can also contribute to climate change solutions.

The Laran tree, scientifically known as *Neolamarckia cadamba*, is a self-pruning tree that can be harvested within 8 to 10 years.

Wild Asia has distributed 200 Laran seedlings, cultivated at the Sandakan office nursery, to the farmers. However, not everyone is in favour of intercropping Laran.

In 2013, the Kinabatangan-based small grower Kesungguhan Sumur (KS) intercropped approximately 1,500 Laran trees on 20 hectares of oil palm out of a total of 75.38 hectares. The survival rate for the Laran saplings was 70%.

"Compared to the other plot, the FFB yield is much lower for the oil palm intercropped with the Laran as they compete for nutrients with each other," says KS owner Chin Kok Lin, who plans to harvest the Laran to cover the oil palm replanting cost when the time comes. Also, as a WAGS BIO member, KS has 3 BIO plots totalling 1.2 hectares.

"However, we only fertilised the palm trees, not the Laran ones. I'd suggest that other farmers plant Laran at the borders of the palm blocks or in a different area."

Biochar and Carbon Removal

In 2020, Wild Asia launched a trial project to convert oil palm waste into biochar to regenerate soils, sequester carbon, and create new revenue streams for farmers. A form of charcoal produced in low-oxygen environments, biochar 'fixes' the carbon in plant matter into a long-term, stable form stored in soils. As a low-fertility soil amendment, biochar improves water and nutrient retention, reduces soil acidity, encourages soil microbiota, and improves crop yields.

A review of 352 articles on the impact of biochar on soil health and soil carbon reveals an average crop yield increase ranging from 11% to 66% (depending on crop type), with the greatest impact observed in acidic and degraded soils. Other factors that shape the effects of biochar include soil attributes, the rate and frequency of application, types of biomass, and biochar production techniques. Different types of biomass make biochar with different properties, and matching the soil to the 'right' biochar helps improve its value (D. Rehrah et al., 2014).

“We’ve always known about biochar because of the *terra preta* - dark soils, found in indigenous Amazonian culture dating back thousands of years. When I was introduced to Hans-Peter (Schmidt) of the Ithaka Institute, it opened our eyes to biochar’s potential as a carbon removal activity. Ithaka’s work is also integral in ensuring smallholders and artisans can credibly demonstrate carbon removal through C-sink certification.”

Wild Asia Founder and Executive Director, Dr Reza Azmi

Ithaka developed the guidelines for the Global Artisan C-Sink standards, which are endorsed by Carbon Standards International (CSI). The C-Sink certification guarantees that the biomass is sustainably and artisanally produced with Kon-Tiki-type kilns and reduces emissions in the process. C-sink credits can be sold via trading platforms to generate additional income for farmers.

For the first trial, the BIO team applied biochar to four rows of palm trees on Muharram Sompo’s farm.

“We started the first trial on Muharram’s farm as he’s our very first BIO farmer and always the first to agree to try new, ‘crazy’ ideas!” Reza adds.

Midribs of palm fronds and organic waste, such as banana leaves, are burned in a steel cone-shaped kiln, and the resulting biochar is enriched with aerated compost tea before being added to the soil.

Unlike commercial biochar equipment, the Kon-Tiki kiln prototype is a low-cost option, making it accessible to smallholders with limited resources. Wild Asia also loans the kilns to farmers who are keen to produce biochar on their farms.

Baseline monitoring was performed from 2020 to 2024 to track earthworm population density, tree health and soil infiltration on Muharram's farm. The result shows the earthworm population has tripled to 107 earthworms per m² in 2024 from 32 earthworms per m² in 2020. His earthworm community is larger than a tropical rainforest's earthworm population, which averages 68 earthworms per m². His *soil infiltration rate has increased threefold.

"Preliminary findings from a University of Tokyo study, which looks at carbon impact, show that biochar application combined with chemical-free production can reduce palm oil's carbon footprint by as much as 30%. This info opens the way to how we can drive for lower emissions, and ultimately show how agricultural lands could be longer-term carbon sinks in the future," says Reza.

Facts and Figures

To scale up WAGS BIO beyond the smallholder network, Wild Asia has been engaging small growers and plantations to join the regenerative farming movement.

The Artisanal Biochar project has 13 farmers on board, with a projected annual growth of 60 to 80 new farmers.

Biochar, a form of charcoal produced in low-oxygen environments, fixes the carbon in plant matter into a long-term, stable form stored in soils.

*Infiltration rates measure how well water flows to crop roots, and these measurements are used to predict erosion and assess soil health.

Since 2020, Wild Asia has been collaborating with Kim Loong Resources Berhad's Sabah-based mill and plantation. Kim Loong carved out four BIO plots totalling 5.25 hectares and one 'control' (conventional) plot in their Telupid estate. So far, they have adopted Stage 2 BIO methods, which include cut-and-drop, decanter cake, EFB (empty fruit bunch), and enzyme fertiliser applications.

Among the key findings from the WAGS BIO 2023 Annual Report, the Kim Loong estate BIO trial results showed potential yield increases of up to 21% within two years compared to the conventional plot.

Five case studies on the pioneer smallholder farms indicated healthier palm trees, reduced nutrient deficiencies and pest attacks, quicker soil infiltration rates, improved soil condition and notable increases in earthworm population densities within two years.

Despite the likelihood of higher manpower costs, analysis suggests a potential 7% increase in gross profit with WAGS BIO practices compared to conventional farming. Collaborative research between Wild Asia and the UK's University of York involving 40 WAGS farms in Sabah shows that sustainable management practices do not reduce oil palm yields on smallholder farms.

Towards the New Normal

"Fundamentally, these 'innovative' practices and case studies show us what palm oil could be: traceable, inclusive and nature-positive," says Reza.

Wild Asia is adopting a mill-based approach to build partnerships and financial models to scale the programmes. In 2024, Wild Asia secured a pilot collaboration with a mill in Sabah, paving the way to support 14,000 hectares of BIO plots under a 3 to 5-year programme.

"By working closely with mills, smallholders, and traders, we ensure that sustainability is not just an ideal but a practical, achievable reality that benefits both people and the environment."

The Kon-Tiki kiln is a steel cone-shaped kiln accessible to smallholders with limited resources through Wild Asia.

Sowing the Seeds

As for the smallholders, more farmers are becoming familiar with the concept of regenerative farming practices. In recent years, the BIO outreach programmes have been attracting huge interest. But the stumbling blocks remain.

"Some farmers are still resistant to change and to the labour-intensive practices with no instant financial gains," says Chang. "And climate change issues are not a priority for older farmers."

Not many farmers are like Muharram, who is willing to take a chance on something unconventional and stick with it for the long haul, Chang added. However, the success stories coming from pioneer farmers like Muharram and Mat Jailani are attracting more new farmers to the fold. As role models, Muharram and Mat Jailani are leading the change within the farmer networks.

"The work is relentless, but I've found my rhythm," Muharram admits. "But I hope there will be more schemes to finance regeneration in order to attract more farmers. In the meantime, the work continues."

Slowly but steadily, the seeds of change are taking root.

FAQ: EUDR'S COUNTRY BENCHMARKING SYSTEM AND ITS IMPACT ON THE MALAYSIAN PALM OIL INDUSTRY

Your go-to guide to understanding the EUDR implementation in the Malaysian palm oil industry.

QUESTION:

What is the objective of EUDR country benchmarking?

THE objective of the benchmarking is to support the implementation of the EUDR by classifying countries into a low-risk, standard-risk, or high-risk classifications for deforestation and forest degradation. This classification:

- Helps EU operators assess the risk of deforestation and forest degradation associated with the seven commodities affected in a source country.
- Enables more targeted and efficient due diligence procedures.
- Encourages producer countries to strengthen forest governance and sustainable practices.
- Incentivises countries to reduce deforestation to have better EU market access.

QUESTION:

What is the methodology, and how is a country's risk classification determined?

The European Commission used a set of criteria and data-driven indicators to assess countries as outlined in EUDR's Article 29 (3) and Article 29 (4), covering:

Article 29 (3)

a **Rate of annual deforestation and forest degradation**
Quantifies annual tree-cover loss and percentage of total forest loss primarily based on FAO FRA data.

b **Rate of expansion of agricultural land for relevant commodities**
Measures yearly hectare-by-hectare increases in crop-specific farmland, revealing how commodity cultivation encroaches on remaining forest areas.

c **Production trends of relevant commodities and products**
Tracks changes in output volumes over time to highlight market demand dynamics that may incentivise land use change and deforestation risk.

Article 29 (4)

a **Climate Commitments (AFOLU Coverage in NDCs)**
The extent to which the country includes emissions and removals from agriculture, forestry and land use (AFOLU) in its Nationally Determined Contributions (NDCs) under the UNFCCC.

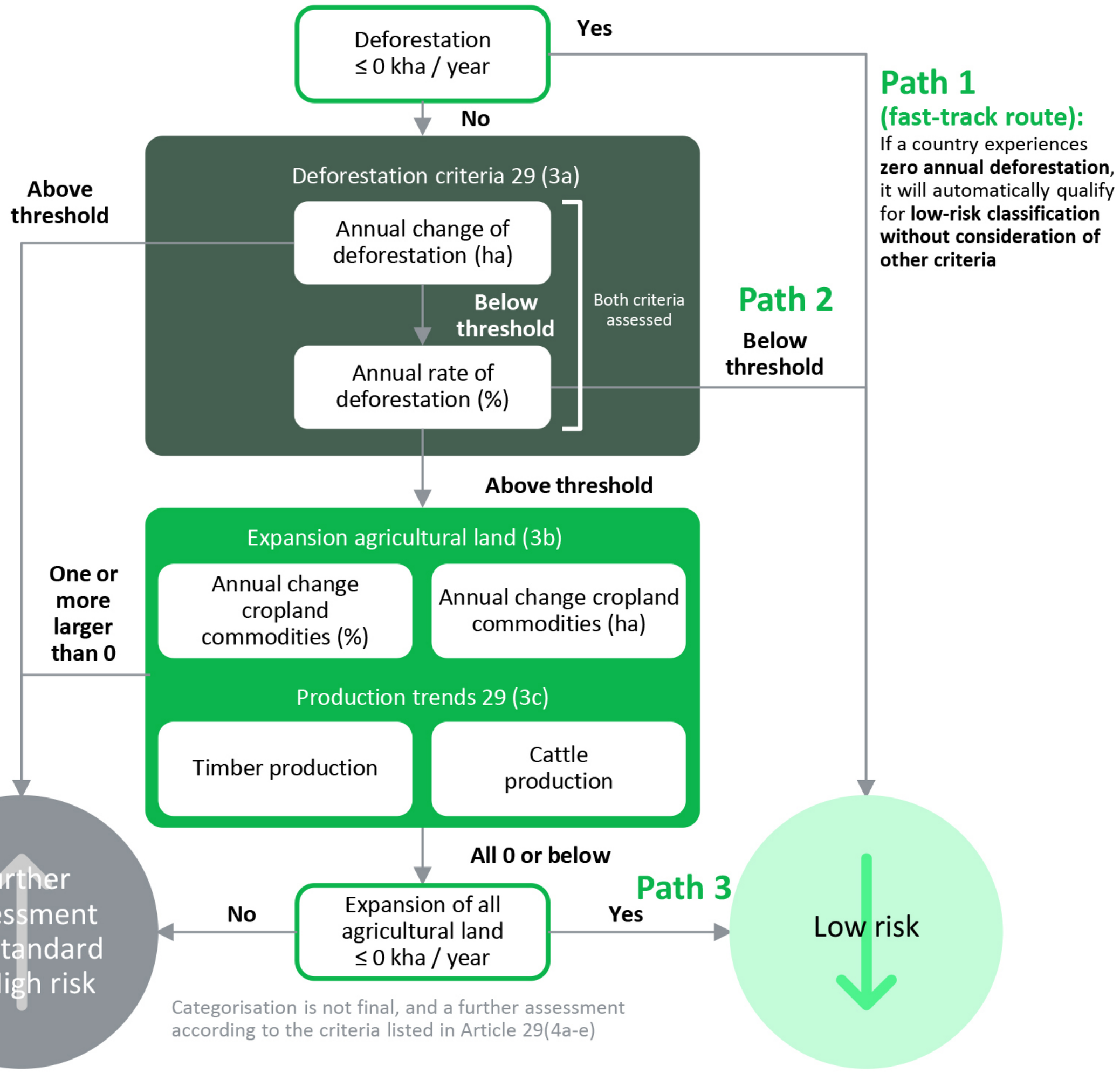
b **Agreements with the EU**
Existence of bilateral or multilateral agreements or instruments with the EU or its Member States that specifically address deforestation and forest degradation and support effective compliance with EUDR Article 3

c **Domestic legal framework and enforcement**
Presence and enforcement of national or subnational laws aimed at tackling deforestation and forest degradation, including alignment with Article 5 of the Paris Agreement and application of sufficiently substantial penalties to deter illegal deforestation.

d **Transparency & human rights protection**
Availability and transparency of relevant data, and the existence, enforcement, or compliance with laws protecting human rights, including those of indigenous peoples, local communities and customary land rights holders.

e **International sanctions**
Any sanctions imposed by the UN Security Council or the EU Council on imports or exports of relevant commodities or products from the country.

The EUDR risk classification system evaluates countries as 'low', 'standard' or 'high' risk based primarily on quantitative criteria like deforestation rates, agricultural land expansion, and production trends of relevant commodities. Countries close to the thresholds will undergo a qualitative assessment that complement the quantitative analysis to change to a lower risk category.



QUESTION:

What does it mean for countries to be 'standard-risk'?

Being listed as 'standard-risk' means:

- Full due diligence obligations for all EU operators sourcing from Malaysia. Companies must verify that their products are:
  - → deforestation-free (i.e., not produced on deforested land after 2020),
  - → legal under specific countries' law, and
  - → fully traceable to their origins (via geolocation data)
- No simplification in compliance procedures compared to ‘low-risk’ countries.
- Greater scrutiny by EU competent authorities: subject to 3% annual compliance checks, compared to 1% for ‘low-risk’ countries.

QUESTION:

What are the advantages of being classified as a ‘low-risk’ country?

If countries are upgraded to ‘low-risk’, the benefits are:

- Simplified due diligence for EU operators sourcing from Malaysia
- Increased attractiveness to EU importers due to lower compliance requirements (1% annual compliance checks)
- Boost in trade competitiveness
- Enhanced international reputation

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