

**THE IMPORT OF PALM OIL AND SUSTAINABLE DEVELOPMENT IN INDIA**  
**DR.K.GOVINDARAJ,**

Assistant professor, Department of History, ThiruA.Govindasamy Government Arts College,  
Tindivanam, Tamil Nadu

**DR.S.SRIDHAR**

Assistant professor, Department of History, Arignar Anna Government Arts College, Villupuram, Tamil  
Nadu

**DR.HAMEED BASHA.B**

Assistant professor, Department of History, Arignar Anna Government Arts College, Villupuram, Tamil  
Nadu

**Abstract**

*This article deals how the palm oil interconnected with the Asian countries through sustainable development, and the role played India for the same. India is geographically situated center of Asian maritime countries, which actively participated directly or indirectly to the neighbor countries development. Being a second largest population the goods were export and imports much large for the development. The reason behind for the imports may fulfill the needs of every citizen and provide the goods cent percent. Though, India is consumed more edible oils for cooking and other purposes. India imported the palm oil from the three important Asian countries like Indonesia, Malaysia and Thailand. Palm oil is an important food ingredient for people around the world, especially in China and India. As the global population continues to grow, palm oil is expected to maintain its key role in feeding the world. The goal of sustainable development might an objective to complete environmental, economical attributes. On the process, the palm oil played great role in the sustainable development in Asian countries, which connected to the Indian economy. Being a good number of consumption in the world, India concentrated the palm oil export from the other Asian countries for fulfilling the needs of the people.*

**Keywords:** *Sustainable Development, Palm oil, Asian countries, maritime powers, commercial crop*

**Introduction**

India is geographically situated center of Asian maritime countries, which actively participated directly or indirectly to the neighbor countries development. Being a second largest population the goods were export and imports much large for the development. The reason behind for the imports may fulfill the needs of every citizen and provide the goods cent percent. Though, India is consumed more edible oils for cooking and other purposes. Perhaps, Indian people used oils like Palm oil, Mustard, Groundnut, Coconut, and Sesame. The demand of the edible oil to India around 25 million tones. <sup>1</sup>But the palm oil reached high in the list, because of the low cost and high yield. It leads India topped in the list and consumed ten percent of the global production of oil palm. Indian people have been consumed the palm oil around 8.5 million metric tons during the fiscal year of 2021. <sup>2</sup>India imported the palm oil from the three important Asian countries like Indonesia, Malaysia and Thailand. Palm oil is an important food ingredient for people around the world, especially in China and India. As the global population continues to grow, palm oil is expected to maintain its key role in feeding the world. With palm oil estates, infrastructure and facilities such as clinches give local communities easier access to healthcare. Combine with higher earning form palm oil, which allows them to get better food and nutrition. Both export and import of the palm oil in Asian countries leads to sustainable development for past few decades. This article deals how the palm oil interconnected with the Asian countries through sustainable development, and the role played India for the same.

**Palm oil**

The palm oil scientifically called as *elaeis guineensis*<sup>3</sup>, belongs to the African continent. It has grown most famous commercial crop in specially grown in tropical lowland region. The palm-crude has given more products like oil palm, kernel meal, and kernel oil. It has major components which given to produce more cosmetics products and the chemical products in factories, also main components for producing animal feed. Though, the oil palm has considered majorly as “wild crop”<sup>4</sup>. The palm formerly known as the *palmae*.<sup>5</sup> Gradually, man has adopted to the attributed the palm oil into used as much as possible, leads to breed heavily. Within stipulated period they adopted the oil as large as possible within four decades.

These days, oil palm might be important economic crop which continues to provide the employment across the world, particularly three continents like Asian, Africa and Latin America. Indeed, the small landholders allows the locals to participate to earn money and given more care to the infrastructure enhancement. Also they provide the great service like education, health fields. Over the years, the cultivation of palm oil has reached as traditional importance; perhaps it has given more income in the world. The demand of Palm oil might grow rapidly not only the Asian countries also global platform. Perhaps, the growth and yield of palm oil has given more than four times ahead of soy, mustard and sunflower. It has fulfill nutritional benefits for the society. Palm oil is also ousted in FMCG goods including detergents, cosmetics and to a small extent, biofuel. More than half of all packaged products consumed contain palm oil like lipstick, soap, detergent and ice cream.

#### **Palm oil demand for India**

India a largest consumer in the palm oil in Global platform significantly extended the consumption of the nation. However, it produced much smaller volume around 0.7% MMT of oil palm ever year, but it imports around 7.4 MMT.<sup>6</sup> For the purpose of food and other needs, the highest demand of palm oil in India. Though, India needs more than 25 million tons of oil palm annually. But India's production is not satisfactory. However, India may not avoid the palm oil and imported from the neighboring countries. Perhaps, every year the consumption volume has been increased. Due to COVID-19 may fall the consumption and import the palm oil from other countries. The high quality of oil palm only used in developing countries. Both oil seeds and oilseed products traded global markets.<sup>7</sup> India imported loose and unbranded category of palm oil, which are largest segment. The path self-reliant the Government of India announced the schemes to produce own for the huge demands in India, in Andaman and Nicobar islands. Recently National Edible Oil mission-Oil palm (NEMO-OP) to make India self-reliant in edible oils. For the huge demand, India has reduced the import tax 10 percent to 2.5 percent.<sup>8</sup> India imported the palm oil mainly from top producers like Indonesia and Malaysia, while other oils like soy and sunflower from Argentina, Brazil, Ukraine and Russia.

#### **Reason behind the import of palm oil**

From 1980, palm oil production has increased gradually and reached 17 million hectares of mature palm oil plantations across the equator.<sup>9</sup> Oil palm has been cultivated with humid tropical areas. Both Malaysia and Indonesia are leading on the forefront of the cultivation. Moreover, Malaysia has been responsible for the production of oil demands covered 87 percent of the supplies. The palm oil provides highest yield every hectare of oil crops in modern era. The fruit of the palm is the central hard-shelled nut surrounded by an outer pulp which contains the normal palm oil of commerce. India probably encouraged by very large imports because the climate does not favorable yields are still quite low.<sup>10</sup> India is a large consumer of snacks and savories, with the market valued at 4.4 billion in 2018 and expected to reach around 7.8 billion by 2022. Palm oil is now the world's largest vegetable oil by volume. With proven nutritional benefits in addition to the presence of nutrimental components, such as tocotrienols and carotenoids, palm oil is consumed in over 150 countries worldwide.<sup>11</sup> It plays a pivotal role in the socio-economic development in Asian, Latin American, and African regions. The palm oil tree offers a far greater yield at a lower cost production in comparison to other vegetable oils.

#### **Sustainable goals**

In 2015, countries from the world around 197 gathered and attributed 17 Sustainable development goals (SDGs). These are covered the fields like economical, environmental, and social. They have the own goals like poverty, Zero Hunger, Good health and well-being, Clean water and sanitation, affordable and clean energy, decent work and economic growth, responsible consumption and production, climate action, and life on land. In these process vegetable oils placed major role for the achieving these SDGs. Indeed, the role of policy makers to made several policies to the development and more sustainable. The matrix covers the three pillars of sustainable development like social, economical and environment. The matrix voters are the top produced vegetable oils such as rapeseed, sunflower, soy, and palm oil.

#### **Role of India make palm of Industry more sustainable**

India has a great success in the palm oil lies in its relatively low price and production costs. When palm oil began to pour into India after it opened up its import markets in the mid after 1990s, the government may have been wise to consider greater innovative policy and support the oils which healthier and fatty acid phenomenon. India imports about 9.3 million metric tons, which is 19% of global palm oil imports. India spends nearly US\$ 5.5 billion to import palm oil. The Tamil Nadu State Government also provides his family with a liter every month rate of INR 25 (US\$ 0.34). The Government has provided palm oil and rice for more than 19.72 million people.

#### **Oil palm production**

Plantations are spreading across Asia, Africa, and Latin America. Oil Palm plantations are now spreading rapidly across Asia, Africa and Latin America. India produced the palm oil around 0.20 percent out of global

production around 76.01. The major exporters of palm oil are in the world namely Indonesia, Malaysia, and Netherland. India has imported majority of the palm oil from the three Asian countries namely Indonesia, Malaysia and Thailand. Indeed, the India, china and Pakistan are the major importers of palm oil in the world. <sup>12</sup>Besides, Indonesia and Malaysia are major palm oil producers in the world. Being a largest producer of palm oil both Indonesia and Malaysia compete themselves in the palm oil market globally.

**Oil palm production/oil palm crop protection is measure in tones**

<b>World</b>	<b>71.45 million tones</b>
Indonesia	40.57 million tones
Malaysia	19.52 million tones
Thailand	2.78 million tones
Colombia	1.63 million tones
Nigeria	1.05 million tones
Guatemala	875,000 tones
Papua New Guinea	630,000 tones
Ecuador	560,000 tones

**Source: UN Food and Agriculture Organization (FAO)<sup>13</sup>**

India has been ranked top in the importing palm oil. The other countries followed; namely China, Pakistan and Netherland.

**Oil palm importer in the world**

<b>Country</b>	<b>Million tones</b>
India	9.18
China	5.08
Pakistan	2.77
Netherland	2.60
Spain	1.90

**Source: Comrade<sup>14</sup>**

**Key players in the palm oil business**

The large quantity of palm oil cultivated majorly in Malaysia, Indonesia and Thailand at Asia. India is almost imported all the three countries, but volume of the quantity differs from the each country. Malaysia and Indonesia together account for over 80 percent of global production and Europe is one of their biggest markets. Palm oil is the one of the valuable agricultural crop which contributed fourth largest contributor to the country's economy covered 8% of GNI per capita, and it exported around 27 billion in 2011. Perhaps, the Malaysian companies owned 25% of the oil palm plantations in Indonesia. Indonesian export Crude Palm Oil (CPO) and its derivatives to more than 45 countries worldwide. Around nine countries listed under CPO namely; China, Malaysia, China, India, Singapore, EU, Egypt, Bangladesh, United States and Pakistan. India and china accounted for 52 percent of global imports. Palm oil can be used for 30% in cooking, and 60% food Industry in Indonesia. More than 60 percent of palm oil exported from Indonesia. The Indonesia has a vision to market the Indonesian palm oil to the countries from the world like India, Netherland, China, Malaysia, USA, China, Singapore, Italy, Egypt, Bangladesh, Singapore, Saudi Arabia and Pakistan.<sup>15</sup>

**Constrains**

In some cases, land has been developed by palm oil plantations without consultation or compensation of the indigenous people occupying the land, and appropriation of this land has led to massive community displacement. Palm plantations are very labor intensive and employ millions across the world. Often in the form of undocumented migrant labor, labor issues can range from below market wages, occupational health and safety issues to basic healthcare, sanitation and discriminatory practices. Smoke inhalation causes a range of health effects, especially smoke from improper combustion of carbon rich matter. Local communities often face respiratory diseases and complication. Countries like Singapore are severely affected by the haze due to burning of forests and peat land and clearing of palm oil plantations. Large-scale conversion of tropical forests to monoculture oil palm plantations has a devastating impact huge number of plant and animal species. The production of oil palm would lead the human wildlife constrains; the large animals were isolated and restricted to the natural habitat. The habitats destroyed contain rare and endangered species or serve as wildlife corridors between areas of genetic diversity. The practice of draining and converting tropical peat forests in South East Asia and West Africa is particularly damaging, as these "carbon sinks" store more carbon per unit area than other ecosystem in the world.

The climate also affected due to clear the lands as cultivable for palm oil, and using fire method which affected the land and nature. The burning of forests for clearing vegetation releases smoke and carbon dioxide into

the atmosphere, polluting the air and contributing to climate change. Fires in peat areas are ablaze for long periods with the haze causing long term health and environmental consequences across South East Asia. The direct release of palm oil effluent can cause freshwater pollution with major downstream impacts. Land erosion occurs due to the land attainment for planting the palm tree. This erosion would cause the flood and affected rivers and ports.

### **Sustainable in Indian market**

The links between Indian companies' palm oil procurement, deforestation, climate change, business continuity and long-term profit have not been computed. A commonly held view is that deforestation and biodiversity impacts in producer countries are the responsibility of their domestic governments rather than buyers or consumers in India. India's edible oil market is faced with the challenge to provide affordable food to a rapidly growing population of 1.4 billion with limited productive land-food security and access to nutrition continue to be major challenge in the development of this market. Policy priorities need to focus on achieving a balance between reasonable food prices, nutritional access and security, reduced import dependence as well as support for domestic production and downstream actors like importers, refiners, processors and traders.

Tariff structures and price continue to influence consumption pattern among the different vegetable oil options. Socio-economic aspects such as income, cultural preferences, an increased focus on personal health and regional factors also play an important role in purchasing decisions of individual's households. This is a highly competitive and cost-sensitive market. The Indian consumer has limited access and a negligible understanding of economy. There is a lack of clear sustainability commitment from companies trading, processing and selling palm oil in India.

### **Conclusion**

The goal of sustainable development might be an objective to complete environmental, economical attributes. On the process, the palm oil played great role in the sustainable development in Asian countries, which connected to the Indian economy. Being a good number of consumption in the world, India concentrated the palm oil export from the other Asian countries for fulfilling the needs of the people. Perhaps, the lack of production in Palm oil, India always targeted to accord the palm oil potential countries like Indonesia and Malaysia. Besides, India also concentrated self reliant to produce the palm oil for fulfill the same. However the climate does not allowed to the much yield to other countries. Both import and export has given more prominent in the sustainable development in Asia continent, especially India.

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