COMPETERE

Policies for Sustainable Development

REPORT

PALM OIL IMPORTS TO ITALY

An overview of trends between 2015 and 2021

Focus on edible palm oil

INTRODUCTION

What follows is an overview of the trends in palm oil imports in Italy between 2015 and 2021. The scope of the analysis includes Italy's top six supplier countries (Indonesia, Malaysia, Guatemala, Colombia, Honduras, and Nigeria) selected based on trade volume and/or outlook for future development. As some of the world's main producers and Italy's key trading partners, the countries of Indonesia, Malaysia, Colombia, and Guatemala are analyzed in greater depth.

The objective is to provide a snapshot of the trade dynamics and trends, with particular attention paid to the anti-palm oil campaign of the mid-2010s, COVID-19 pandemic years (2020-2021), and the imports of edible oil through time.

Future reports will build on the current paper to analyze the month-by-month variation in imports to Italy in the spring of 2022 compared to the spring of 2021, with the aim of investigating the impact of the Russian-Ukrainian war, and the relative shortage of sunflower oil, on the trade of total and edible palm oil.

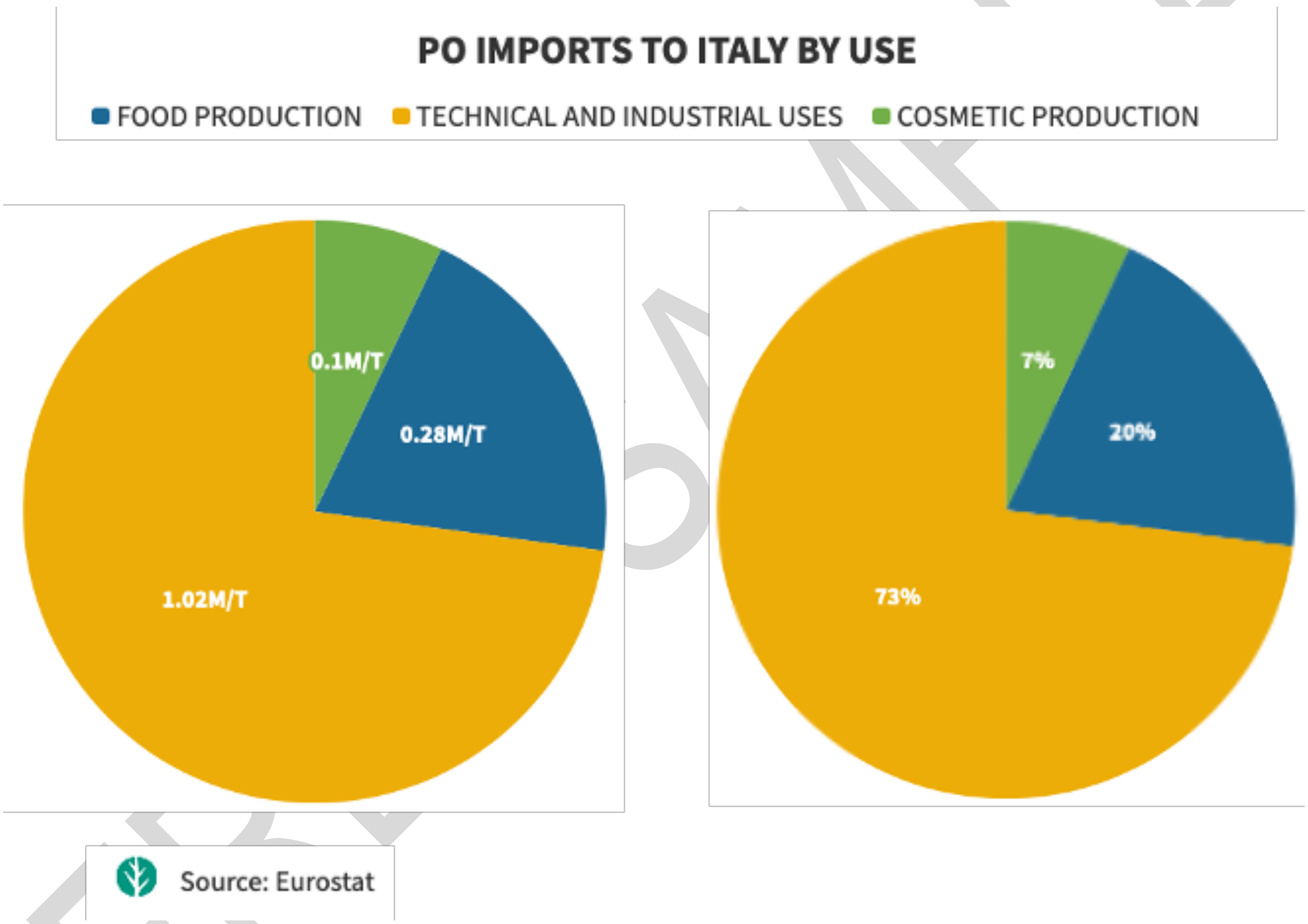
KEY FINDINGS

- Indonesia, Malaysia, Guatemala, and Colombia are the top four exporters of palm oil to Italy.
- Italy's mix of suppliers has been diversifying as the Latin American partners have increased exports.
- Guatemala, Honduras, and Nigeria are the only countries to have seen their exports to Italy increase from 2020 to 2021, despite the crisis brought on by the COVID-19 pandemic.
- Overall exports of edible palm oil from the top four exporters combined have decreased since 2015.
- In 2020, Guatemala and Colombia overtook Indonesia as the second and third largest supplier of edible palm oil after Malaysia.

FOCUS ON: EDIBLE PALM OIL

Out of the 1.4M/T of palm oil imported in Italy, 1.02M/T for technical and industrial uses (categories 15.11.10.10 and 15.11.90.91), 0.28M/T was used for food production (categories 15.11.10.90 and 15.11.90.99), and 0.10M/T for cosmetic production (category 15.11.90.19). In percentage terms, those figures translate to **72.9%**, **20.4%**, and **6.7%** of total imports respectively (Figure 7).

Figure 7



Out of the top four suppliers, **Indonesia**'s palm oil has been almost exclusively used for technical and industrial purposes (categories 15.11.10.10 and 15.11.90.91). By contrast, **Colombian** palm oil has been used almost exclusively for food production (categories 15.11.10.90 and 15.11.90.99). The employment of Malaysian and Guatemalan oil has been more mixed, with the latter having a larger share used for technical and industrial

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