



## Press release

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# Palm oil deforestation falls in Indonesia, but price surge and growth in exporters with lower standards still putting forests at risk

**New Trase data reveals a fall in deforestation linked to Indonesian palm oil exports between 2018 and 2020. Where exporters have zero-deforestation commitments (ZDCs), their supply chains are consistently linked to less deforestation. However, the sector's success may be fragile amid price rises and an increasing market share being captured by suppliers with comparatively poor performance on forests and transparency.**

**Oxford, United Kingdom (15 September 2022)**— A new assessment of palm oil exports from Indonesia (2018-2020) shows a nation-wide decline in the deforestation linked to the sector's exports.[1]

The data, released today by Trase, the data-driven transparency initiative,[2] found exporters with zero-deforestation commitments (ZDCs) consistently sourcing with 70% of the per-tonne deforestation risk[3] of their competitors.

"This is the first clear evidence of a link between ZDCs and lower deforestation risk in palm oil supply chains," said Dr Robert Heilmayr of the University of California Santa Barbara (UCSB), who led the Trase research.

Refineries with traceability reports, which processed 87% of refined palm oil exports in 2018-2020, are also associated with lower deforestation risk. "Company transparency has now emerged as a positive factor, which has not always been the case previously," Dr Heilmayr said.

According to the data, the largest markets for Indonesian palm oil - China, India and the domestic market - tend to rely on riskier supply chains, with 2.4 times the per-tonne deforestation risk of exports to the EU. China and Indonesia are both growing as destination markets.

Market concentration among exporters is declining. The top four accounted for 68% of exports in 2015, but only 59% in 2020. "The fastest growing, smaller traders often lack strong commitments

supported by transparent disclosures,” said Dr Heilmayr. “This raises concerns that the progress we’ve seen in the sector could falter - or even reverse.”

Timer Manurung, Executive Director of Auriga,[4] said, “Indonesia’s forests are not yet out of danger - 2.4 million hectares of intact forest remain in existing palm oil concessions.[5] Forest-rich areas in Kalimantan, Papua, Aceh and Sulawesi will face pressure if production expands, especially if new mills are built in areas with fewer mills today.”

“Trase data shows Indonesia making impressive progress,” said Helen Bellfield, Deputy Director of Trase at Global Canopy. “But the story of Brazil after 2012 warns us that gains in forest protection are fragile, and easily lost. This is the time to intensify both government and private sector efforts, such as strengthening the ISPO standard and stepping up implementation of ZDCs, including more detailed traceability reporting.”

Further key findings include:

- Annual deforestation for palm oil in 2018-2020 was 45,285 hectares per year – only 18% of the average between 2008-2012, the period of peak deforestation over the last two decades.
- Borneo and Papua accounted for 77% of all palm-driven deforestation in 2018-2020. Palm oil produced in the province of Papua experienced a 24% increase in its deforestation risk, stemming from a near doubling of its palm oil production between 2018 and 2020, which expanded onto recently cleared land (between 2008-2017).
- KPN Corp, Astra Agro Lestari and Citra Borneo Indah (CBI), who are among the fastest growing traders, did not release traceability reports in 2020, despite adopting ZDCs. The average tonne of palm oil exported by these groups has a deforestation risk 1.7 times as large as the average of all other palm oil exports.

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#### **Notes for Editors**

[1] From 15 September 2022, the data will be available on the Trase website ([www.trase.earth](http://www.trase.earth)). A launch webinar will take place at 14.00 (WIB) / 09.00 (CEST) / 08.00 (BST) with presentations by Dr Robert Heilmayr and Timer Manurung. Researcher Jason Benedict and Trase Deputy Director Helen Bellfield will also be present to take questions. Moderated by Gita Syahrani of the Sustainable Districts Association in Indonesia, the webinar will be bilingual (English and Bahasa Indonesia) with simultaneous interpretation. Registration here:

[https://us02web.zoom.us/webinar/register/WN\\_jn3-V7MeTfWAAvHI\\_Jv\\_A](https://us02web.zoom.us/webinar/register/WN_jn3-V7MeTfWAAvHI_Jv_A)

[2] Founded by Global Canopy and the Stockholm Environment Institute, Trase is a data-driven transparency initiative and global partnership that maps the international trade and financing of

agricultural commodities, providing tools that enable companies, financial institutions and governments to address tropical deforestation.

[3] Deforestation risk is a metric describing past deforestation embedded in the trade of palm oil. It is calculated through a retrospective approach that aggregates past deforestation within the footprint of currently productive palm plantations. More information on the methods for calculating this is available on request.

[4] Auriga Nusantara ([www.auriga.or.id](http://www.auriga.or.id)) is an Indonesian environmental NGO and Trase's lead partner in Indonesia.

[5] Palm oil concessions are public lands allocated by governments to private companies for industrial-scale oil palm plantations.