

# Addressing challenges in palm wood classification and certification



*Doors made with palm wood*

The potential global market for carbon sequestering palm wood is promising as industries seek sustainable alternatives to traditional timbers. However, the path to certification and compliance with international regulations is fraught with challenges. These challenges are critical not only for ensuring market access but also for reinforcing sustainable practices within the industry.

## **CURRENT ISSUES**

**Unclear certification bodies and standards:** The fledgling palm wood sector faces a challenge in determining which bodies are responsible for its certification. Timber certification organisations such as the

Forestry Stewardship Council (FSC), the Programme for the Endorsement of Forest Certification (PEFC), and the Malaysian Timber Certification Council (MTCC) do not extend their certification to palm wood or materials derived from oil palms.

Consequently, the Malaysian Sustainable Palm Oil (MSPO) scheme emerges as a potential alternative. Yet, it is not explicitly designed for palm wood products. This ambiguity leaves stakeholders uncertain about how to obtain the necessary product and legality certification.

**Regulatory compliance challenges:** The European Union Deforestation

Regulation (EUDR) and similar international regulations necessitate stringent verification processes. Palm wood, being a relatively new material, is not adequately addressed by existing regulatory frameworks. The lack of specific Harmonized System (HS) codes for palm wood exacerbates this issue.

Currently, stakeholders are advised to use timber codes such as those for blockboard and plywood. This classification as timber brings two primary concerns: First, by being classified under timber codes, palm wood products are subject to compliance with international regulations like the EUDR, Lacey Act, and European Union Timber Regulation (EUTR). These regulations require comprehensive third-party verification to ensure legality and sustainability, which can be challenging given the nascent status of palm wood certification.

Second, the classification as timber also entails liability for timber export cess. This is a concern for businesses pioneering the use of oil palm trunk as raw material as they face additional financial burdens despite their contributions to sustainability.

**Definitions and the dilemma faced by palm wood material:** There are no established definitions nor standards for palm wood currently. What we can clearly claim is that 'palm wood' is not timber, and is derived from the repurposing of biomass generated by normal oil palm cultivation. Therefore, as a biomass material it does not fall under the jurisdiction of the EUDR nor of other timber regulations. The dilemma is

how to define this material both for domestic consumption and for export. The introduction of a comprehensive system is vital for ensuring consistency in how this sustainable material is defined. Without such standards, both manufacturers and consumers face uncertainty regarding the 'bragging rights' of using palm wood – as a sustainable, green, and climate-positive material.

**WHAT CAN BE DONE**

The current scenario underscores a pressing need for greater clarity and stakeholder engagement. Key actions include:

**Establishing and clarifying certification pathways for palm wood:** This includes identifying appropriate certification bodies and adapting existing standards, or creating new ones that address the unique aspects of palm wood. Engagement with organisations like MSPD to explore possible adaptations or collaborations is crucial.

**Defining HS codes:** The development of specific HS codes for palm wood products

would simplify the regulatory and compliance landscape. This would help in distinguishing palm wood from traditional timber, thus streamlining the process of adhering to relevant regulations and avoiding unnecessary export cess.

**Coming together for solutions:** It is imperative for industry stakeholders, regulatory bodies, and certification organisations to collaborate in addressing these issues. Such collaboration could lead to tailored solutions that recognise the unique nature of palm wood while ensuring compliance with sustainability and legality requirements.

**CONCLUSION**

The palm wood sector stands at a crossroads, with opportunities tempered by regulatory and certification challenges. Addressing these issues requires coordinated efforts from all stakeholders involved. By clarifying certification pathways, defining appropriate HS codes, and fostering collaboration, the industry can pave the way for the successful

integration of palm wood into the global market, ensuring sustainability, mitigation of climate change and confidence in regulatory compliance. **P**



Inspiring the next "material revolution" by creating sustainable and high-performance materials from oil palm waste, **Peter Fitch**, together with IOI, have set up IOI Palm Wood to commercialise this untapped potential.

The advertisement features a central circular diagram with the CMC TEXPAN logo in the middle. The logo consists of a stylized blue 'S' shape above the text 'CMC TEXPAN' and 'Machinery and Technology'. Surrounding the logo are several concentric green rings. The outermost ring contains the following text segments: 'Analysis - Sharing of ideas', 'Erection & Commissioning', 'Engineering - Tailor-made solutions', 'Fine Tuning', 'Post sales support', 'Machinery & Plant manufacture', and 'Spare parts'. The inner rings contain the text 'Technological assistance and intervention'. The background of the advertisement is dark green and brown, with images of palm wood chips and shavings. At the bottom, the text reads 'YOUR PARTNER ALL OVER THE WORLD' and 'WWW.CMC-TEXPAN.COM - INFO@CMC-TEXPAN.COM - CMC TEXPAN - A COMPANY OF THE SIEMPELKAMP GROUP'.