The Objective of this study is to analyze Structure, Conduct and Performance analysis of Malaysian palm oil industry and its implication for the development of Indonesian palm oil industry. SCP Analysis is a comprehensive descriptive model uses Martin’s modification model and hierarchies comparative model and uses secondary data of time series from 1960 until 2008. According to the structure-conduct-performance approach, an industry’s performance (the success of an industry in producing benefits consumers) depends on both of conduct (behavior) of its firms, which, in turn, and structure (factors that determine the competitiveness of the market) and which the strategic plan depend on the good government’s empowering in this model. Then, both of the structure and conduct of an industry depends on basic conditions where technology and demand stand up vis-a-vis, and update. The strategic joint between both of two paradigm "supply create own demand and demand create own supply".

Results showed that Research institutional, Malaysian palm oil industry is set in a professional and have a clear focus that the commodity is a commodity of commercial palm full (full commercial). To be able to compete in international markets is the principle of effectiveness, efficiency and profitability very carefully considered, even the oil industry market structure and product of palm oil in Malaysia is a country strong oligopoly (High oligopoly) with CR4 concentration approaching 90%. The rapid development of oil palm industry can be seen from the growth of the total production of Malaysian palm oil an average of 7.32% per year in the period 1960-2008. In 1995 palm oil production was only 7.22 million tons up to 10.8 million tons in 2000 and rose to 14.96 million tons in 2005 and rose again to 17.73 million tons in 2008.

Given the intensification of the production sector strategy, marketing in Malaysia since the country started to face many constraints such as limited land, limited manpower, limited expertise, limited market capacity, the Malaysian government and the private sector needs to lobby, a more intensive consolidation with the government and foreign businessmen abundant land and labor as in Indonesia, Brazil and Vietnam, even in some places need to be a collaborative effort, a joint venture in production, marketing, research and processing. For the Indonesian government established it is suggested that the Indonesian Palm oil Board and the Indonesian Palm Oil Promotion Center which has a clear program, more focused and professionally manage the oil industry since Indonesia has abundance of land and labor and the development of more agro related industries in the oil palm plantations, intensification biotechnology research, production and marketing processes, and the need for representatives from associations of companies or exporters of palm oil in Indonesia.

Key Words: SCP-MPOI; the strategic plan by (MPOB), palm oil industry.