

**ANNUAL REPORT**  
**FOR THE YEAR ENDING**  
**DECEMBER 31, 2008**

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ANNUAL REPORT 2008

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# **PORAM MANAGEMENT BOARD 2008/2009**

**ANNUAL REPORT 2008**

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ACTING CHAIRMAN	:	Mr. Yong Chin Fatt – <i>with effect from 24 April 2008</i>
2 <sup>ND</sup> VICE-CHAIRMAN	:	Yang Bhg. Dato' Er Kok Leong
HONORARY TREASURER	:	Mr. R. Venugopal
MEMBERS	:	En. Ismail Hasan Mr. Billy Tan Too Seng Mr. Gerry Leong Keng Kok Ms. Linda Kee Mr. Richard Goh Mr. Wee Fang Peng
BOARD OF TRUSTEES	:	Encik Mohd Kassim Salleh Encik Khamis Baba Mr. Wong Chew Yin
CEO/SECRETARY	:	Mr. Frankie Wee
AUDITOR	:	Deloitte Kassim Chan/Deloitte & Touche Level 19, Uptown 1 1 Jalan SS 21/58, Damansara Uptown 47400 Petaling Jaya, Selangor
BANKERS	:	CIMB Bank (M) Berhad No. 6, Jalan Tun Perak 50400 Kuala Lumpur.
SOLICITORS	:	M/s Lee Hishamuddin Allen & Gledhill Advocates & Solicitors Level 16, Menara Asia Life No. 189, Jalan Tun Razak 50400 Kuala Lumpur
REGISTERED OFFICE	:	801C / 802A, Block B Executive Suites, Kelana Business Centre 97, Jalan SS 7/2 47301 Kelana Jaya Selangor Darul Ehsan

# **THE PORAM MANAGEMENT BOARD REPORT FOR THE YEAR ENDING DECEMBER 31, 2008**

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## **A. GENERAL**

The 30<sup>th</sup> Annual General Meeting was held on May 14, 2008, at Sheraton Subang Hotel & Towers in Subang Jaya, Selangor.

On the market front, the Malaysian oil palm industry experienced tremendous volatility last year with prices rallying to a new historic high in early March 2008 but subsequently collapsing during the third quarter of the year.

On the management front, Yang Bhg Dato' Low Mong Hua was appointed as PORAM Acting Chairman on Dec 31, 2007 following the retirement of Mr Richard Cheang from PGEO Edible Oils Sdn. Bhd.

It is with profound sadness that we record here the passing away of Yang Bhg Dato' Low Mong Hua on April 13, 2008. Following Dato' Low's demise, Mr Yong Chin Fatt was appointed as Acting Chairman on April 24, 2008, for the remaining duration of the Management Board's term.

The year 2008 also saw other changes in the PORAM Management Board. Mr Gerry Leong Keng Kok of PGEO Edible Oils Sdn Bhd and Encik Ismail Hassan from Felda Vegetable Oil Products Sdn Bhd were nominated to serve on the Board from January 31, 2008. Mr Billy Tan of Kempas Edible Oil Sdn Bhd and Ms Linda Kee of Southern Edible Oil Industries (M) Sdn Bhd were nominated to serve on the Board from April 2008.

Among the activity highlights of 2008 were the PORAM annual events - the Annual Forum, the Malaysian Palm Oil Industry Golf Challenge and the PORAM Annual Dinner held on November 7-8, 2008. These three events were well supported by PORAM members, industry members and the agencies. The Annual Dinner was attended by YB Datuk Peter Chin Fah Kui, Minister of Plantation Industries and Commodities, while the Deputy Minister, YB Senator A. Kohilan Pillay, officiated at the Annual Forum.

Emphasis was also placed on training and development to continue to develop a pool of highly trained and competent human resources for the palm oil industry. This was reflected at the inaugural Joint MPOB-PORAM Introductory Course on Marketing and Trading of Palm Oil, which was successfully carried out from May 5-8, 2008.

## **B. MARKET REVIEW**

The year was a mixed one for the palm oil refining industry of Malaysia. Despite the high prices of CPO during the first half of 2008, refining margin was good, something not seen for a long time. Ample supply of CPO and strong demand for Malaysian refined palm oil products created a favourable environment for the industry. The high export duty imposed by Indonesia created uncertainty and pushed demand towards Malaysia. However this favourable situation was short-lived as the high prices began to affect demand. In July and September, palm oil prices collapsed following a global unwinding of positions in commodities and equities triggered by the US financial crisis. The high palm oil stocks domestically also weighed heavily on the market. The credit crunch and fear of recession slowed global demand and affected exports of refined palm oil products. Deferment of shipments were common and worst of all, refiners were faced with default of their contracts.

In 2008, CPO production increased by 12.07% to 17.73 million metric tonnes from 15.82 million tonnes the previous year. The higher production was mainly attributed to a larger matured area and recovery in yields.

As at end 2008, there were 50 refineries in operation, with a total capacity of 19.198 million tonnes. Capacity utilization was recorded at a high 88.05%.

The total export of oil palm products, constituting palm oil, palm kernel oil, palm kernel cake, oleochemicals and finished products increased by 11.1% to 21.75 million tonnes in 2008 from the 19.57 million tonnes recorded in 2007. The total export earnings, however, increased by 44.3% or RM20.02 billion to RM65.19 billion, compared with RM45.16 billion in 2007.

Exports of palm oil were higher by 12.12% to 15.41 million tonnes from the level of 13.75 million tonnes recorded during 2007. China maintained its lead position as the largest export market for Malaysian palm oil for the seventh consecutive year, with a take-up of 3.79 million tonnes or 24.62% of Malaysia's total palm oil exports, followed by the European Union at 2.05 million tonnes (13.31%), Pakistan 1.25 million tonnes (8.16%), the United States 1.04 million tonnes (6.8%), India 0.97 million tonnes (6.3%) and Japan 0.54 million tonnes (3.5%).

Together, these top six importers accounted for 9.67 million tonnes or 62.7% of Malaysia's palm oil exports in 2008.

Exports of finished products increased significantly, by almost 91% to 670,612 tonnes from 351,183 tonnes in 2007. The major markets for finished palm oil products in 2008 were Iraq, which accounted for 20% of these exports, Kuwait (14%), Russia (8%) and UAE (7%). The major products exported were vegetable ghee/vanaspati, accounting for 302,298 tonnes or 45% of total finished product exports, followed by shortening at 192,735 tonnes or 29%.

The average CPO price rose marginally by 9.8% or RM247 to RM2,778 in 2008. The average export price for processed palm oil products also increased, with RBD Palm Oil going up by US\$34 or 4.47% to US\$806; RBD Palm Olein by US\$169 or 22.44% to US\$922 per tonne and RBD Palm Stearin by 5.59% to US\$775 per tonne.

## C. LIAISON AND CONSULTATION WITH THE GOVERNMENT

### I. Ministry of Plantation Industries and Commodities (KPPK)

Close consultations with the Government continued throughout the year under review. PORAM representatives participated in the Ministry's visits to EU and India (POTS). These visits were led by YB Datuk Peter Chin Fah Kui, Minister of Plantation Industries and Commodities (KPPK).

Several meetings were held to address the shortage of cooking oil in the domestic market, including the Cabinet Committee meeting on Competitiveness of Palm Oil (CCPO) chaired by YAB Prime Minister.

Dialogues were also held with YB KPPK Minister in November to discuss the then high palm oil stocks and prevailing market situations.

PORAM also took part in meetings convened by KPPK on:

- Development of Palm Oil Industrial Cluster (POIC) in Bintulu (Sarawak) and in Tanjung Langsat (Johor).
- National Coordinating Committee for Trilateral partnership on Market Access under the Malaysia/Indonesia/Netherlands Partnership.
- EC Biofuel Policy and Anti-palm oil campaign and the issue of sustainability.
- Cooking Oil Price Stabilisation Scheme (COSS)
- EC Registration, Evaluation, Authorisation of Chemicals (REACH) Regulation.
- Retreat: *Roadmap for the Malaysian Palm Oil Industry "Towards International Oil Palm Hub in 2020"*
- Strategic Package on Demand Intervention for Palm Oil
- KPPK Dialogue on Steps to Strengthen Palm Oil Prices

## II. Malaysian Palm Oil Board (MPOB)

PORAM continued to support MPOB in its annual/biannual programmes such as the MPOB Palm Oil Familiarisation Programme, Advisory Committee Public Seminar, PORAM/MPOBTAS interaction, the Transfer of Technology Seminar and the MPOB Oil Palm Products Surveying Course, and National Seminar on Palm Oil Milling, Refining Technology, Quality and Environment.

The Association was also represented in various committees/working groups formed by MPOB to address related issues:

- National Codex Sub-Committee on Fats and Oils
- MPOB Sub-Working Group on Palm Oil (Malaysia-Indonesia Bilateral Cooperation)
- MPOB Working Group on Cooking Oil Price Stabilisation Scheme (COSS)
- Malaysia-Indonesia Bilateral Meeting on Sustainability Criteria for Biofuels in EU Directives
- MPOB Committee on Oils and Fats Standards
- MPOB Sub-Committee on Carotene
- National Coordinating Committee on Palm Oil (Trilateral Malaysia/Indonesia/Netherlands Partnership)
- MPOB National Committee on LCA Studies for Palm Oil Industry

A MPOB/PORAM committee was also established to organise the first-ever joint training programme for traders and marketers. The *Introductory Course on Trading and Marketing of Palm Oil* was held from May 5 to 8 last year at MPOB Bangi. PORAM was also invited to sit on the technical committee of the Global Economics & Marketing Palm Oil of PIPOC 2009.



### **III. Malaysian Palm Oil Council (MPOC)**

PORAM continued to maintain regular dialogue and contacts with MPOC and its officials. MPOC also regularly provided PORAM with its informative publications and kept the Association abreast on current issues.

PORAM members also took part in various MPOC programmes, including the Palm Oil Trade Fair and Seminar (POTS) 2008 held in India, Palm Oil Trade Awareness Programme (POTAP) 2008, International Palm Oil Sustainability Conference 2008 in Kota Kinabalu, and the Malaysian Palm Oil Leadership Dinner (PILA) 2008, where the inaugural palm oil leadership award was presented to the former Minister of Primary Industries, YB Tun Dr Lim Keng Yaik.

MPOC joined hands with PORAM in hosting the Palm Oil Industry Annual Golf Game and also participated as a special sponsor in the PORAM Annual Forum.

PORAM played a role of “Supporting Partner” at MPOC’s Second International Palm Oil Trade Fair & Seminar, held in Kuala Lumpur.

### **IV. Ministry of International Trade and Industry (MITI)**

During the period under review, PORAM was invited to attend several meetings convened by MITI to discuss:

- Operational certification procedure on the issuance of Certificate of Origin (COO) under the Malaysia-Pakistan Closer Economic Partnership Agreement (MPCEPA).
- Review of the Industrial Master Plan 3 – Manufacturing Sector Working Group (Oil Palm-based Industry)
- PORAM also sought the assistance of MITI to include Malaysia into the list of notified countries by India under its enforcement of arbitral awards legislation.

## **D. LIAISON WITH INTERNATIONAL AND LOCAL ORGANISATIONS**

Close contact, consultation and meetings were also held with the following organisations:

### **I. INTERNATIONAL ORGANISATIONS**

#### **i. Federation of Oils, Seeds & Fats Associations Limited (FOSFA International)**

FOSFA proposed that the transmission of contractual notices via email be allowed and that Contract 81 be amended accordingly to facilitate this provision. Correspondence was held on issues relating to security and reliability that needed to be addressed before PORAM's agreement to the proposal.

#### **ii National Institute of Oilseed Products (NIOP)**

Periodical circulars were received from the NIOP.

#### **iii. ASEAN Vegetable Oils Club (AVOC)**

PORAM representatives participated in the 13<sup>th</sup> AGM of AVOC on May 24 last year, held in Jakarta, Indonesia. At that meeting, AVOC recorded its acknowledgement and appreciation of PORAM for serving dutifully as the AVOC Secretariat since its inception in 1994.

#### **iv Roundtable on Sustainable Palm Oil (RSPO)**

PORAM representatives attended the Roundtable RT6 meeting held from November 17 to 21 in Bali, Indonesia, as well as in other meetings/public seminars convened by RSPO and MPOA throughout the year.

## **II. LOCAL ORGANISATIONS**

### **i. Malayan Edible Oil Manufacturers' Association (MEOMA)**

PORAM maintained close rapport with MEOMA in tackling issues related to palm oil. Both associations were also regularly represented in various committees and working groups, and have been discussing and addressing issues related to palm oil through meetings with relevant government ministries and agencies.

### **ii. Malaysian Palm Oil Association (MPOA)**

We maintained a close rapport with MPOA, especially on common issues affecting the industry, such RSPO developments, trade contracts and the Malaysia-Indonesia Bilateral Cooperation.

### **iii. Bursa Malaysia**

PORAM representatives participated in discussions with Bursa Malaysia on market practices for determining the good merchantable quality of palm oil.

### **iv. MOSTA**

PORAM accepted MOSTA's invitation as partner of the Oils and Fats International Congress (OFIC), which was held from October 21 to 23. PORAM provided assistance in circulating promotion materials and supported the event with the participation of our members.

## **E. COMMITTEES**

### **I. Commercial and Technical Committee**

Chairman: Yang Bhg Dato' Er Kok Leong

The Committee met four times during the period under review. It established three Working Groups – Technical, Markets and Contracts, which meet on a need-to basis or conduct exchanges of views on issues via electronic correspondence.

These are some of the subjects deliberated by the Commercial and Technical Committee:

#### **a. Domestic Cooking Oil Price Stabilisation Scheme (COSS)**

Several meetings were held to deliberate the supply of subsidised cooking oil in the market, which have become a national issue following extensive media coverage. Discussions were also held to review the COSS scheme on the adjustment of threshold and ceiling price levels. The COSS scheme was implemented on June 1, 2007, and due to the escalation in palm oil prices, a review was warranted.

Last year, the government replaced the cooking oil cess with a “windfall levy”, effective July 1. The “windfall” is levied at 15% for Peninsular Malaysia and 7.5% in Sabah and Sarawak when the price of CPO/CPKO exceeds RM2,000 per tonne.

#### **b. Proposed PORAM Palm Shortening Specifications for China Market**

PORAM submitted proposed Palm Shortening specifications for the China market under the framework of the ASEAN-China FTA.

Under this agreement, there should be no import duty on imported palm shortening, while an 8% duty is chargeable under the mixed vegetable oil category. However, some difficulties were encountered by the Chinese authorities in differentiating

palm shortening from other palm oil products. The Ministry of Plantation Industries and Commodities has therefore requested PORAM to propose this specification.

**c. Revised FOB Contracts**

The revised FOB contracts and Arbitration Rules were enforced on January 1, 2008.

Contract No. 3 - PORAM Domestic Contract for Malaysian Processed Palm Oil in Bulk (For Delivery/Collection within Malaysia, including Singapore)

Contract No. 4 - PORAM FOB Contract for Processed Palm Oil Products in Drums

Contract No. 5 - PORAM CIF Contract for Processed Palm Oil Products in Drums

The amendments to the String Clause and Notice Clause in the PORAM/MEOMA FOB Contract were also discussed during the year under review, and revised versions took effect on January 1, 2009.

**d. FOSFA 81 CIF Contract**

FOSFA proposed that the transmission of contractual notices via email be allowed and that Contract 81 be amended accordingly to facilitate this provision. While PORAM acknowledged that transmission via email has been widely adopted by businesses, and supported FOSFA's proposal, PORAM recommended that issues relating to security and reliability need to be addressed before the FOSFA proposal can be accepted.

**e. WTO/FTA/Market Developments**

The WTO DOHA Round of Negotiations has not seen much progress during 2008.

The FTA negotiations involving ASEAN-India and India-Malaysia are continuing, while the ASEAN-EU FTA is in the preliminary stage of negotiations.

**f. RSPO**

PORAM participated in the Malaysia National Interpretation Working Group meeting convened by MPOA on March 18 to finalise the documents to establish the RSPO Principles and Criteria. The final document of the Working Group was sent to the RSPO Executive Board for endorsement.

The RSPO Trade and Traceability Working Group has also come up with a draft on “RSPO Supply Chain Certification Requirements”. Comments and views of members were collated for submission to RSPO, and a briefing session with industry stakeholders on the draft document was recommended.

**g. EU REACH**

The European Union Council on December 18, 2006, adopted the Registration, Evaluation and Authorisation of Chemicals Regulation (REACH). This regulation came into force on June 1, 2007, and covers all substances whether manufactured, imported, used as intermediates or put in the market, either on their own or in articles. This regulation requires manufacturers and importers of substances to be registered with the European Chemicals Agency (ECHA). In 2007, Malaysia appealed to the EU to have palm oil, palm kernel oil and some of the derivatives, including methyl esters, to be exempted from the regulation. Finally, the Commission Regulation (EC) in October 2008 had exempted vegetable oils and fats from the REACH Regulation.

## **II. PRICE SETTLEMENT COMMITTEE (PSC)**

Chairman: Mr Chua Seow Yang

The Price Settlement Committee held a joint meeting with the Associate Members Committee on July 3, 2008. The meeting, chaired by the PORAM Chief Executive Officer, was to update members on recent developments pertaining to the palm oil industry, besides to foster closer ties between members of both committees.

The Committee continued to provide settlement prices requests from the trade as well as arbitrators for the purpose of settlement of disputes.

## **III. ASSOCIATE MEMBERS COMMITTEE (AMC)**

Chairman: Mr Richard Goh

The Committee held a joint luncheon meeting with the Price Settlement Committee in Subang Jaya on July 3.

Among the matters discussed at the meeting were:

- FOB Contract – on the issue of origin of palm oil
- FOSFA Contract – on the recognition of the legality of email transmissions under Contract No. 81
- EU REACH
- FTA – Briefing of members on the status of the WTO and FTA negotiations
- MPOC POTS 2008
- PORAM Annual Events – Forum, Golf and Dinner

## **F. TRAINING AND EDUCATION**

During the year under review, the following activities were organised:

### **i. Joint MPOB-PORAM Course May 5 to 8, 2008**

The inaugural Joint MPOB-PORAM Introductory Course on Marketing and Trading of Palm Oil was successfully carried out from May 5 to 8,

2008. The main objective of this course is to continue develop a pool of highly trained human resources and ensure well-trained marketing and operational personnel at all levels of the palm oil industry.

The response to this 4-day course was overwhelming and attracted twice the number anticipated. The feedback obtained from participants indicated that such courses are very welcome, particularly for new entrants to the industry and as a refresher for those who are already in the industry.

**ii. PORAM/MPOB Palm Oil Familiarisation Programme (POFP), August 13, 2008**

The annual Joint PORAM/MPOB Interaction Session was held at the Prince Hotel & Residence, Kuala Lumpur, on August 13, 2008. This event attended by 70 people provided a networking platform between PORAM members and the foreign participants.

PORAM briefed the foreign participants on the roles and responsibilities of the Association, while PORAM members benefited from presentations on the prospects of palm oil in USA, Turkey, Uzbekistan, Egypt and Djibouti by representatives from these countries.

**G. ARBITRATION & APPEAL (JAN - DEC 2008)**

A total of 11 new arbitration cases and 3 appeal cases were filed with the PORAM Secretariat between January and December 2008.

The administrative fees stipulated under the PORAM Rules of Arbitration and Appeal was revised to RM5,000 and RM10,000 for PORAM members and non-members, respectively, while the basic fee for String Arbitration was revised to RM10,000 and RM20,000 for PORAM member and non-members, respectively. An additional fee of RM500 per contract is levied for each additional contract incorporated under the same arbitration proceeding. The new fees take effect on January 1, 2009.



## **H. MEMBERSHIP**

We are pleased to welcome the following companies under these categories:

### **Full Members**

1. Austral Edible Oil Sdn Bhd
2. Kirana Palm Oil Refinery Sdn Bhd

### **Associate Members**

1. Johan Shipping Sdn Bhd
2. Axis Grade Sdn Bhd
3. Iffco (SEA) Sdn Bhd
4. Bursa Malaysia Derivatives Bhd
5. Syarikat Tiwas Sdn Bhd
6. KL Palm Services Sdn Bhd
7. Malindo Palm Brokerage Sdn Bhd
8. Just Commodity Software Solutions Pte Ltd
9. Eco Processors International Ltd
10. Universal Maritime Carrier Sdn Bhd
11. Daewoo International (Singapore) Pt. Ltd

As at December 31, 2008, there are a total of 19 Full Members and 73 Associate Members. During 2008, PORAM accepted the withdrawal of two members, while some were terminated following non-settlement of their membership dues.

### **Memberships Terminated/Withdrawn**

1. Senawang Edible Oils Sdn Bhd
2. Savola Mapoil Sdn Bhd
3. Singapore Exchange Derivatives Trading Pte Ltd
4. Saybolt (M) Sdn Bhd
5. Ling Chihsien Sdn Bhd
6. MK Ventures Sdn Bhd

## **I. VISITORS**

The Secretariat continued to receive local and overseas visitors seeking more information on the Malaysian Palm Oil Industry. The Secretariat extended assistance on various aspects related to the industry.

## **J. SECRETARIAT**

The Secretariat, headed by its CEO Mr Frankie Wee continued to provide an efficient secretarial support to the Board, the Committee and Working Groups and the daily operations of the Association. The Secretariat is manned by eight personnel as at the end of 3008 and this number is adequate to meet current operational needs.

## **K. ACKNOWLEDGEMENT**

The Management Board wishes to thank all members, the Malaysian Palm Oil Industry and Government Ministries and Agencies for continuous support, contributions and participation in the activities organized by PORAM.

The Board would like to thank the Secretariat staff for their hard work and commitment towards PORAM.

**MANAGEMENT BOARD  
PORAM**

Date: June 2009

Place: Kelana Jaya, Selangor Darul Ehsan

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# LIST OF PORAM MEMBERS

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NAME OF COMPANY	DATE OF JOINING
1. KEMPAS EDIBLE OIL SDN. BHD.	10.09.1975
2. SOUTHERN EDIBLE OIL INDUSTRIES (M) SDN. BHD.	10.09.1975
3. UNITATA BERHAD	10.09.1975
4. FELDA VEGETABLE OIL PRODUCTS SDN. BHD.	29.07.1976
5. GOLDEN JOMALINA FOOD INDUSTRIES SDN. BHD.	03.09.1976
6. LAM SOON EDIBLE OIL SDN. BHD. / INTERCONTINENTAL SPECIALTY FATS SDN. BHD.	06.06.1979 26.07.2001
7. PGEO EDIBLE OILS SDN. BHD.	26.06.1980
8. KL-KEPONG EDIBLE OILS SDN. BHD.	01.06.1981
9. CARGILL PALM PRODUCTS SDN. BHD.	20.01.1982
10. NGO CHEW HONG OILS AND FATS (M) SDN. BHD.	28.06.1989
11. KECK SENG (M) BERHAD	29.10.1991
12. WILMAR EDIBLE OILS SDN. BHD.	03.09.1999
13. IOI EDIBLE OILS SDN. BHD./ IOI LODERS CROCKLAN OILS SDN. BHD./ PAN-CENTURY EDIBLE OILS SDN. BHD.	17.02.2000 30.08.1979 12.01.1978
14. PACIFIC OILS AND FATS INDUSTRIES SDN. BHD.	28.11.2002
15. MALAYSIA VEGETABLE OIL REFINERY SDN. BHD.	01.01.2006
16. ASSAR REFINERY SERVICES SDN. BHD.	26.01.2007
17. GLOBAL BIODIESEL SDN. BHD.	01.09.2007

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| 18. | AUSTRAL EDIBLE OIL SDN. BHD.       | 22.07.2008 |
| 19. | KIRANA PALM OIL REFINERY SDN. BHD. | 01.11.2008 |

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# LIST OF PORAM ASSOCIATE MEMBERS

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NAME OF COMPANY	DATE OF JOINING
1. MATTHES AND PORTON (M) SDN. BHD.	28.01.1986
2. ITS TESTING SERVICES (M) SDN. BHD.	25.02.1986
3. SGS (M) SDN. BHD.	25.02.1986
4. MITSUBISHI CORPORATION LED	25.02.1986
5. EASTPORT MARITIME PTE. LTD.	08.04.1986
6. TRANSGRAIN (M) SDN. BHD.	08.04.1986
7. CARGILL INTERNATIONAL TRADING PTE. LTD.	08.04.1987
8. INSPECTORATE (MALAYSIA) SDN. BHD.	19.02.1987
9. MITSUI & CO. LTD.	19.05.1987
10. MISC BERHAD	19.05.1987
11. ED & F MAN SDN. BHD.	19.05.1987
12. RITCHIE & BISSET SDN. BHD.	12.10.1988
13. CONSOLIDATED LABORATORY (M) SDN. BHD.	23.02.1988
14. MARPRO OILS AND GRAINS SDN. BHD.	24.05.1988
15. LOUIS DREYFUS ASIA PTE. LTD.	03.08.1988
16. JOSOVINA COMMODITIES SDN. BHD.	09.08.1988
17. STOLT-NIELSEN TRANSPORTATION GROUP PTE. LTD.	17.08.1991
18. AARHUSKARLSHAMN (M) SDN. BHD.	27.08.1991
19. JAWALA CORPORATION SDN. BHD.	01.12.1992
20. TROPICAL OIL PRODUCTS BROKERAGE PTE. LTD.	01.04.1993
21. LINK SURVEY (M) SDN. BHD.	01.06.1993
22. WILMAR TRADING PTE. LTD.	17.09.1993
23. AURORA TANKERS MANAGEMENT PTE. LTD.	29.03.1995
24. MUSIM MASTIKA MARKETING SDN. BHD.	24.08.1995
25. LADANG PETRI TENGGARA SDN. BHD.	12.07.1996
26. GMS LINE CO. LTD. TOKYO	25.03.1997
27. PACIFIC INTER-LINK SDN. BHD.	20.11.1997
28. SCHUTTER (MALAYSIA) SDN. BHD.	04.09.1998
29. NEDERKOORN SHIPBROKING PTE. LTD.	20.11.1998
30. PACIFIC RIM PLANTATION SERVICES PTE. LTD.	03.09.1999
31. GREEN AND NATURAL SDN. BHD.	17.02.2000
32. AAA OILS & FATS LTD.	11.01.2001
33. GOLDEN AGRI INTERNATIONAL PTE. LTD.	11.01.2001
34. PREMIUM VEGETABLE OILS BERHAD	11.01.2001

35.	FELCRA BERHAD	05.10.2001
36.	KL-MARITIME (M) SDN. BHD.	05.10.2001
37.	UNILEVER (MALAYSIA) HOLDINGS SDN. BHD.	05.10.2001
38.	FELDA-JOHORE BULKERS SDN. BHD.	30.05.2002
39.	SPRINT EXIM PTE. LTD.	25.07.2002
40.	PT BINA KARYA PRIMA	25.07.2002
41.	SINARAN PALM SERVICES PTE. LTD.	09.10.2002
42.	AGMAS TRADING PTE. LTD.	23.01.2003
43.	AGRI COMMODITIES INTERNATIONAL PTE. LTD.	31.07.2003
44.	NOBLE RESOURCES PTE. LTD.	18.03.2004
45.	MM VITAOILS SDN. BHD.	01.06.2004
46.	ALAMI VEGETABLES OIL PRODUCTS SDN. BHD.	01.06.2004
47.	AARHUSKARLSHAMN ASIA-PACIFIC SDN. BHD.	12.08.2004
48.	BIPORT BULKERS SDN. BHD.	03.05.2005
49.	WAWASAN TEBRAU SDN. BHD.	01.01.2006
50.	TOKYO MARINE CO. LTD.	01.01.2006
51.	BONASABA SDN. BHD.	25.05.2006
52.	ADMIRAL TESTING SERVICES SDN. BHD.	01.09.2006
53.	INDELAB SDN. BHD.	01.12.2006
54.	OGL ASIA PACIFIC SDN. BHD.	01.12.2006
55.	AGR PETROSURIA SDN. BHD.	01.12.2006
56.	VERTICAL ASIA PTE. LTD.	26.01.2007
57.	SINGAPORE EXCHANGE DERIVATIVES TRADING PTE.LTD.	26.01.2007
58.	MAREX COMMODITIES	02.04.2007
59.	MJ VECEOILS SERVICES SDN. BHD.	02.04.2007
60.	JOSEPH AND PARTNERS	01.09.2007
61.	THE NISSHIN OILLIO GROUP, LTD.	01.09.2007
62.	OMEGA CHARTERING PTE. LTD.	01.09.2007
63.	JOHAN SHIPPING SDN. BHD.	31.01.2008
64.	AXIS GRADE SDN. BHD.	31.01.2008
65.	BURSA MALAYSIA DERIVATIVES BERHAD	30.04.2008
66.	IFFCO (S.E.A) SDN. BHD.	30.04.2008
67.	UNIVERSAL MARITIME CARRIER SDN. BHD.	30.06.2008
68.	KL PALM SERVICES SDN. BHD.	30.06.2008
69.	SYARIKAT TIWAS SDN. BHD.	30.06.2008
70.	MALINDO PALM BROKER AGE SDN. BHD.	01.07.2008
71.	JUST COMMODITY SOFTWARE SOLUTION PTE. LTD.	01.07.2008
72.	DAEWOO INTERNATIONAL (SINGAPORE) PTE. LTD.	01.07.2008
73.	ECO PROCESSORS INTERNATIONAL LTD.	18.07.2008

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**PORAM REPRESENTATION ON  
THE VARIOUS BOARDS AND  
WORKING COMMITTEES**

**ANNUAL REPORT 2008**

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**MALAYSIAN PALM OIL BOARD (MPOB)**

- YBhg. Dato' Er Kok Leong

**MALAYSIAN PALM OIL COUNCIL (MPOC)**

- YBhg. Dato' Er Kok Leong

**MALAYSIAN PALM OIL ASSOCIATION (MPOA) – RSPO CRITERIA  
WORKING GROUP**

- Mr. R. Venugopal (Alternate – Mr. Frankie Wee)

**MPOB SURVEYOR'S EXAMINATION PANEL**

- Mr. Wong Ung Kwong
- En. Kamaraddin Bin Selamat

**MPOB WORKING GROUP ON COOKING OIL PRICE STABILISATION  
SCHEME (COSS)**

- Mr. R. Venugopal (Alternate – Mr. Muhammad Mohan Kittu)
- Mr. Frankie Wee (Alternate – Mr. Krishna Raj)

**MPOB MAIN STEERING COMMITTEE FOR OIL PALM PRODUCTS  
SURVEYING COURSE**

- Mr. Frankie Wee

**MPOB FOOD SAFETY COMMITTEE – CODE OF PRACTICES**

- Mr. Frankie Wee

**ASEAN VEGETABLE OILS CLUB (AVOC)  
Member/ Board of Directors**

- YBhg. Dato' Er Kok Leong (Alternate – Mr. Frankie Wee)

**THE TRILATERAL PARTNERSHIP ON MARKET ACCESS OF PALM OIL –  
INDONESIA/NETHERLANDS/MALAYSIA**

- Mr. Frankie Wee

**THE MALAYSIA-INDONESIA BILATERAL COOPERATION – SUB-WORKING  
GROUP ON PALM OIL (SWGPO)**

- Mr. Frankie Wee

**THE NATIONAL CODEX COMMITTEE ON FATS AND OILS (CCFO)**

- Mr. Frankie Wee



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# LIST OF COMMITTEE

**MEMBERS : 2008 / 2009**

**ANNUAL REPORT 2008**

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**1. COMMERCIAL AND TECHNICAL COMMITTEE MEMBERS (2008/2009)**

**CHAIRMAN**

YBhg. Dato' Er Kok Leong

**MEMBERS**

- |                           |                                   |
|---------------------------|-----------------------------------|
| 1. Ms. Linda Kee          | 10. Mr. Sandeep Singh             |
| 2. Mr. Jayachandran Menon | 11. Mr. B. Subramany              |
| 3. Mr. Poon Kin Lok       | 12. Madam Ho See See              |
| 4. Mr. Chen Kin Woo       | 13. Dr. Lee Poh Hoon              |
| 5. Ms. Kelly Foong        | 14. En. Muahammad Ruzaidi Yahya   |
| 6. Mr. JS Dhillon         | 15. Mr. Christopher Chai          |
| 7. Mr. Jonathan Lau       | 16. En. Wira Adam (MPOC)          |
| 8. Mr. Gerry Leong        | 17. Dr. N. Kalanithi (MPOB)       |
| 9. Mr. Peter Lim          | 18. Tuan Haji Adzmi Hassan (MPOB) |

**2. ASSOCIATE MEMBERS COMMITTEE (2008/ 2009)**

**CHAIRMAN**

Mr. Richard Goh

**MEMBERS**

1. Mr. Satoru Mukudai
2. Mr. Tan Ah Hooi/Mr. N Mahendran
3. En. Jamil Haron
4. Mr. Yap Eng Kwee
5. Capt. Goh Siew Chong
6. Capt. JB Chiang
7. Ms. Izma Kuzaima
8. Mr. Uchiyama

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# LIST OF COMMITTEE

**MEMBERS : 2007 / 2008**

**ANNUAL REPORT 2008**

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**3. ARBITRATION RULES EXECUTION COMMITTEE (AREC) 2008 / 2009**

**CHAIRMAN**

Mr. Yong Chin Fatt

**MEMBERS**

1. Mr. Raj Kumar Shah
2. Mr. David Khoo
3. En. Mohamed Abd. Majed

**4. PRICE SETTLEMENT COMMITTEE MEMBERS (2008 / 2009)**

**CHAIRMAN**

Mr. Chua Seow Yang

**DEPUTY CHAIRMAN**

En. Zubir Abd. Aziz

**MEMBERS**

1. Ms. Lee Yoke Hui
2. Mr. Subramany
3. Madam Ho See See
4. En. Zubir Abd Aziz
5. Mr. Ling Chen Eng
6. Mr. Peter Wong Tat Kwai
7. Mr. Alvin Lau Lee Jen
8. Mr. Christopher Chai

**TABLE 1****MALAYSIA: EXPORTS OF PALM OIL TO SELECTED DESTINATIONS  
2007 & 2008 (TONNES)**

COUNTRY	2007		2008		DIFFERENCE	
	TONNES	%	TONNES	%	TONNES	%
China, P.R	3,840,389	27.94%	3,794,494	24.62%	(45,895)	(0.03)
European Union	2,063,226	15.01%	2,052,771	13.32%	(10,455)	(0.02)
Pakistan	1,070,067	7.78%	1,257,396	8.16%	187,329	0.00
USA	794,920	5.78%	1,047,668	6.80%	252,748	0.01
India	511,167	3.72%	970,734	6.30%	459,567	0.03
Japan	527,344	3.84%	547,468	3.55%	20,124	(0.00)
Singapore	379,708	2.76%	355,216	2.30%	(24,492)	(0.00)
UAE	360,509	2.62%	357,949	2.32%	(2,560)	(0.00)
Egypt	184,588	1.34%	347,558	2.26%	162,970	0.01
Bangladesh	154,494	1.12%	271,265	1.76%	116,771	0.01
Iran	231,071	1.68%	259,511	1.68%	28,440	0.00
Vietnam	251,524	1.83%	202,354	1.31%	(49,170)	(0.01)
South Africa	246,807	1.80%	156,950	1.02%	(89,857)	(0.01)
Turkey	201,247	1.46%	129,396	0.84%	(71,851)	(0.01)
Russia	182,578	1.33%	122,530	0.80%	(60,048)	(0.01)
South Korea	222,007	1.61%	196,470	1.27%	(25,537)	(0.00)
Philippines	128,062	0.93%	161,453	1.05%	33,391	0.00
Sri Lanka	94,157	0.68%	61,576	0.40%	(32,581)	(0.00)
Benin	251,596	1.83%	343,359	2.23%	91,763	0.00
Jordan	6,014	0.04%	376,771	2.44%	370,757	0.02
Taiwan	136,117	0.99%	132,150	0.86%	(3,967)	(0.00)
Myanmar	60,179	0.44%	130,916	0.85%	70,737	0.00
Australia	120,934	0.88%	119,271	0.77%	(1,663)	(0.00)
Tanzania	146,491	1.07%	133,789	0.87%	(12,702)	(0.00)
Togo	101,944	0.74%	106,242	0.69%	4,298	(0.00)
Kenya	95,254	0.69%	54,332	0.35%	(40,922)	(0.00)
Yemen	109,316	0.80%	63,119	0.41%	(46,197)	(0.00)
Ukraine	164,458	1.20%	486,451	3.16%	321,993	0.02
Hong Kong	99,108	0.72%	97,948	0.64%	(1,160)	(0.00)
Others	3,074,773	22.37%	3,128,176	20.30%	53,403	(0.02)
	<b>13,746,823</b>	<b>100.00%</b>	<b>15,412,512</b>	<b>100.00%</b>	<b>1,665,689</b>	<b>(0.02)</b>

Source: MPOB

**TABLE II****SOME IMPORTANT STATISTICS ON MALAYSIAN PALM OIL INDUSTRY**

YEAR	OIL PALM PLANTED (HECTARES)	PRODUCTION OF CRUDE PALM OIL (MTS)	EXPORT OF PALM OIL (TONNES)		
			CRUDE PALM OIL	PROCESSED PALM OIL	TOTAL
1960	54,634	91,793	97,568	NIL	97,568
1965	96,947	150,411	141,477	NIL	141,477
1970	291,263	431,069	401,930	NIL	401,930
1975	641,797	1,257,573	937,411	215,151	1,152,562
1980	1,023,306	2,573,173	197,659	2,073,563	2,271,222
1985	1,482,399	4,134,463	13,051	3,420,974	3,434,025
1986	1,599,311	4,542,249	117,485	4,441,321	4,558,806
1987	1,672,875	4,531,960	170,670	4,047,674	4,218,344
1988	1,805,923	5,027,496	21,463	4,320,547	4,342,010
1989	1,946,559	6,056,504	19,239	5,172,872	5,192,111
1990	2,029,464	6,200,000	93,949	5,633,502	5,727,451
1991	2,094,028	6,141,353	89,879	5,483,344	5,573,223
1992	2,197,660	6,373,461	71,624	5,493,408	5,565,032
1993	2,305,925	7,403,498	58,674	6,058,498	6,117,172
1994	2,411,999	7,220,631	55,114	6,695,124	6,750,238
1995	2,515,842	7,810,546	17,274	6,495,682	6,512,956
1996	2,692,286	8,385,886	68,999	7,142,910	7,211,909
1997	2,819,316	9,068,728	31,303	7,458,667	7,489,970
1998	3,078,116	8,319,682	41,418	7,423,507	7,464,925
1999	3,313,393	10,553,918	262,123	8,650,272	8,912,395
2000	3,376,664	10,842,095	398,352	8,683,201	9,081,553
2001	3,499,012	11,803,788	1,275,732	9,349,098	10,624,830
2002	3,670,243	11,909,298	1,165,881	9,720,378	10,886,259
2003	3,790,636	13,354,769	1,239,578	11,026,486	12,266,064
2004	3,875,327	13,976,182	1,324,479	11,257,313	12,581,792
2005	4,051,374	14,961,658	1,611,621	11,833,890	13,445,511
2006	4,165,215	15,880,487	2,376,542	12,046,626	14,423,168
2007	4,304,914	15,823,368	1,935,927	11,801,965	13,737,892
2008	4,487,957	17,734,439	2,336,577	13,075,935	15,412,512

Source: MPOB

**TABLE III**

**SELECTED PRICES OF PROCESSED PALM OIL 2007 & 2008  
USD/TONNE**

MONTH	RBD PALM OIL		RBD PALM OLEIN		RBD PALM STEARIN		PFAD	
	2007	2008	2007	2008	2007	2008	2007	2008
JANUARY	567	1,030	575	1,037	517	973	414	730
FEBRUARY	567	1,131	578	1,123	526	1,032	415	703
MARCH	585	1,326	588	1,326	544	1,148	413	716
APRIL	648	1,255	676	1,257	624	1,040	456	569
MAY	748	1,219	752	1,243	721	998	506	528
JUNE	792	1,184	796	1,234	777	977	591	668
JULY	787	1,153	795	1,183	764	950	616	686
AGUST	771	878	791	916	743	715	611	530
SEPTEMBER	773	743	794	768	735	598	610	491
OCTOBER	834	538	853	580	796	422	624	379
NOVEMBER	925	478	937	517	875	349	692	328
DECEMBER	922	489	933	526	874	331	684	302
AVERAGE	772	806	753	922	734	775	563	501

Source: Compiled from MPOB Monthly Price Statistics

