

**ANNUAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2016**

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CHAIRMAN: MR. D. CHANDRAMOHAN

VICE-CHAIRMAN: Y. BHG. DATO' ZAKARIA ARSHAD

2ND VICE-CHAIRMAN: MR. RAJ KUMAR SHAH

HONORARY TREASURER: MR. PRAKASH MATHAVAN

MEMBERS: Y. BHG. DATUK OTHMAN WALAT
MS. LINDA KEE SAW EAN
MR. V. CHANDRA NAIDU
MR. LIM JIT UEI (*from 20th January 2016*)
MR. TORU MORINO
MR. SANDEEP SINGH
MS. WONG LAI WAN
MR. ROBERT CHU
MR. RICHARD GOH MIN TUCK

ALTERNATE MEMBERS: MS. BEATRICE TAI
ALTERNATE TO Y. BHG. DATUK OTHMAN WALAT
MR. TAN ENG HUN
ALTERNATE TO MR. V. CHANDRA NAIDU
MR. LI CHUN
ALTERNATE TO MS. WONG LAI WAN
MR. TAKEYUKI HAMAMOTO
ALTERNATE TO MR. TORU MORINO

BOARD OF TRUSTEES: EN. WAN MOHD ZAIN WAN ISMAIL
Y.BHG. DATO' ER KOK LEONG
MR. V. CHANDRA NAIDU

CEO/SECRETARY: EN. MOHAMMAD JAAFFAR AHMAD

AUDITOR:	<p>Y.M. WONG & CO/QMS TAX SERVICES SDN BHD 11-2-4, SUITE 1, BLOCK B MEGAN SALAK PARK, JALAN 1/125G DESA PETALING 57100 KUALA LUMPUR</p>
BANKER:	<p>CIMB BANK (M) BERHAD NO. 6, JALAN TUN PERAK 50400 KUALA LUMPUR</p>
SOLICITORS:	<p>M/S SHEARN DELAMORE & CO ADVOCATES & SOLICITORS FLOOR, WISMA HAMZAH-KWONG HING LEBOH AMPANG 50704 KUALA LUMPUR</p> <p>M/S NAZRI AZIZ & WONG ADVOCATES & SOLICITORS 8.8, 8 FL. HERITAGE HOUSE, 33 JALAN YAP AH SHAK 50300 KUALA LUMPUR</p>
REGISTERED OFFICE:	<p>801C / 802A, BLOCK B EXECUTIVE SUITES, KELANA BUSINESS CENTRE 97, JALAN SS 7/2 47301 KELANA JAYA SELANGOR DARUL EHSAN</p>

A. GENERAL

The 38th Annual General Meeting (AGM) was held on 2nd June 2016 at Royale Chulan Hotel, Kuala Lumpur. Reports on financial performance and activities of the Association were presented to Members for approval.

A total of four Board meetings were held in January, April, August and November 2016. The Board meetings were convened to receive financial reports, for the Secretariat to apprise the Board on the operations of the Association and to discuss matters and issues arising under the purview of the Board.

Management Board Members	Attendance of Meetings
Mr. D. Chandramohan	4 out of 4
Y. Bhg. Dato' Zakaria Arshad	2 out of 4
Mr. Raj Kumar Shah	2 out of 4
Mr. Prakash Mathavan	3 out of 4
Y. Bhg. Datuk Othman Walat	3 out of 4
Ms. Linda Kee Saw Ean	3 out of 4
Mr. V. Chandra Naidu	4 out of 4
Mr. Sandeep Singh	3 out of 4
Mr. Toru Morino	3 out of 4
Mr. Robert Chu	1 out of 4
Ms. Wong Lai Wan	3 out of 4
Mr. Lim Jit Uei	4 out of 4
Mr. Richard Goh	3 out of 4

B. MARKET REVIEW

The year 2016 witnessed a mixed performance of the Malaysian palm oil industry vis-à-vis 2015. In terms of total palm oil export market performance, the year 2016 saw a significant decline over the previous year. There was a 8.2% decrease in volume from 25.37 million tonnes in 2015 to 23.29 million tonnes in 2016, a significant 2.08 million tonnes decrease. Despite lower export volume, the total export revenue increased significantly by 7.3% from RM 60.18 billion in 2015 to RM 64.59 billion in 2016. This was mainly due to overall higher export prices (*See Table 3, Table 4 and Table 6*).

The total oil palm planted area only increased marginally by 95,042 hectares or 1.7% to 5.74 million hectares in 2016. A total of 5.0 million hectares or 87% were under matured area. Sabah is still the largest oil palm planted state with 1.55 million hectares or 27% of the total planted area. Private estates constituted about 3.51 million hectares (61.2%), FELDA 0.71 million hectares (12.3%), organized smallholders namely RISDA/FELCRA/State Agencies with 0.58 million hectares (10.2%) while independent smallholders occupied about 0.93 million hectares or 16.3%. It was reported that there is a total of 600,000 smallholders in the country (*See Table 1*)

Crude Palm Oil (CPO) production recorded the steepest drop of 2.64 million tonnes or 13.2% to 17.32 million tonnes in 2016 compared with 19.96 million tonnes in 2015. The significant decline mainly attributed to El Nino effect which started in late 2015 and continued throughout 2016, had also reduced CPO production in the region including Indonesia. The fresh fruit bunches (FFB) yield dropped to 15.91 tonnes per hectare in 2016 compared to 18.48 tonnes per hectare in 2015. Sarawak recorded the worst FFB yield at 14.86 tonnes per hectare. The average oil extraction rate (OER) also dropped to 20.18% in 2016 compared to 20.46% in 2015. Overall there was a drop of OER in Peninsular Malaysia, Sabah and Sarawak (*See Table 2*).

Total export of palm oil decreased by 8.1% to 16.05 million tonnes while palm kernel oil decreased by 13.5% to 0.92 million tonnes in 2016. Overall, the total exports of palm oil, palm kernel oil, palm kernel cake, oleochemicals, biodiesel, finished products and others showed a decrease of 8.2% largely driven by lower export volume of palm oil, palm kernel oil, oleochemicals and biodiesel. The drop in total exports was also attributed to an overall decline in both CPO and CPKO production in the country which are the main feedstocks for the processing activities (*See Table 3*).

India was still the largest palm oil export market in 2016, importing a total of 2.82 million tonnes or 17.6% of total palm oil exports, followed by the European Union (EU) at 2.05 million tonnes (12.8%), China PR at 1.88 million tonnes (11.7%), Pakistan at 880,455 tonnes (5.4%) and the United States (USA) at 590,030 tonnes (3.6%). These five countries imported a total of 8.23 million tonnes or one-half of total Malaysian palm oil export in 2016 of 16.04 million tonnes (*See Table 5*).

Overall there was a significant decrease in palm oil exports to many major export markets. Malaysian palm oil exports to India, China PR, the EU, USA, Ukraine, Japan, Egypt, Singapore, Benin, Nigeria, Vietnam and the Philippines showed a drastic decline. Palm oil exports to India decreased by 30.5% or 860,475 tonnes while China PR imported less than half a million tonnes from 2.38 million tonnes in 2015 to 1.88 million tonnes in 2016. This was mainly due to cost competitiveness and higher import of Indonesian palm oil to China PR. Export of palm oil to Iran improved by 8.9% or an increase of 32,291 tonnes in 2016. The silent limit imposed on palm oil imports by the Iranian authorities has been lifted which was welcomed by the industry after the issue was highlighted in 2015 (*See Table 5*).

Export of palm kernel oil decreased by 13.5% to 0.92 million tonnes in 2016 from 1.07 million tonnes in 2015. There was a big decline in import by the USA from 185,165 tonnes in 2015 to 127,850 tonnes in 2016. All major importing countries recorded a drop in import including the EU, Japan, Ukraine, India and China PR. Major importers of PKO in 2016 were the EU with 245,185 tonnes (26.5%), China PR with 132,441 tonnes (14.3%) and the USA with 127,850 tonnes (13.8%). These three countries imported a total of 505,476 tonnes of PKO or 54% of the total Malaysian palm kernel oil export in 2016. A total of 675,397 tonnes of processed palm kernel oil was exported compared with 247,700 tonnes of crude palm kernel oil (*See Table 3*).

The average CPO locally delivered price in 2016 was much higher at RM 2,653.50 per tonne compared to the average of RM 2,153.50 in 2015. As a result, the average export prices for major processed palm oils were also increased in tandem, namely RBD Palm Oil (FOB) at RM 2,710.50 per tonne RBD Palm Olein (FOB) at 2,769.50 per tonne and RBD Palm Stearin (FOB) at RM 2,650.50 per tonne. The by-product, Palm Fatty Acid Distillate (PFAD) was traded higher at RM 2,462.50 per tonne or at 93% of the price of CPO (*See Table 4 and Table 6*).

The average price for locally delivered Crude Palm Kernel Oil (CPKO) increased the most by 62.8% or RM 2,119.50 to RM 5,492.50 per tonne in 2016. It was a good year for CPKO market and price. The higher price was mainly attributed to the weaker world production and availability of coconut oil (*See Table 4*).

In 2016, palm oil opening stocks were higher at 2.63 million tonnes compared to 2.02 million tonnes in 2015. By the end of 2016, palm oil closing stocks had largely reduced by 36.7% to 1.67 million tonnes. The lower palm oil stocks were due to lower CPO production (down by 13.2%) and lower palm oil imports (down by 59.6%) (*See Table 2*).

As at December 2016, a total of 52 refineries were in operation with a total annual refining capacity of 26.26 million tonnes. A total of 3 refineries were closed down. The refining utilisation rate was lower at 59.4% compared with 63.6% in 2015. There was a huge drop of CPO export amounting to 3.82 million tonnes in 2016 largely because of the low production of CPO compared to 5.28 million tonnes exported in 2015. There was a small amount of 93,486 tonnes of CPO imported to supply the domestic market. Import of processed palm oil also saw a drop by 40.6% from 542,251 tonnes in 2015 to 321,928 tonnes in 2016. In total, there was almost a 60% drop in total palm oil import in 2016 from 1.02 million tonnes in 2015 to 415,414 tonnes in 2016 (*See Table 7, Table 8 and Table 9*).

The refining industry continues to be under pressure with low refining utilisation rate, lower CPO production and intense market competition from Indonesia due to the export differential duties throughout the year.

C. LIAISON AND CONSULTATION WITH THE GOVERNMENT

PORAM continues to have an excellent rapport and cooperation with the Ministry of Plantation Industries and Commodities (MPIC) and other Government agencies. PORAM and its Members supported and participated in various meetings and activities conducted by MPIC, Ministry of International Trade and Industry (MITI), Ministry of Finance (MoF), Royal Malaysian Customs Department (RMCD), Malaysian Palm Oil Board (MPOB), Malaysian Palm Oil Council (MPOC) and the newly formed Malaysian Palm Oil Certification Council (MPOCC).

I. Ministry of Plantation Industries and Commodities (MPIC)

MPIC had been supportive of PORAM's interests. Throughout the year, PORAM had participated in several meetings conducted by MPIC on:

- Malaysia-EFTA Economic Partnership Agreement
- Trans-Pacific Partnership Agreement (TPPA)
- Competitiveness of Malaysian Palm Oil Export
- RBD Palm Kernel Export Tax Structure
- Goods and Services Tax (GST)
- Council of Palm Oil Producing Countries (CPOPC)
- Malaysian Standard on Sustainable Palm Oil (MSPO) Certification

II. Malaysian Palm Oil Board (MPOB)

PORAM had been supportive of MPOB in various programmes organized throughout the year namely the Palm Oil Familiarization Programme (POFP); MPOB TAS Interaction Session with the Malaysian Palm Oil Industry; MPOB Transfer of Technology; MPOB Oil Palm Products Surveying Course and National Seminar on Palm Oil Milling, Refining, Technology, Quality and Environment (POMREQ). PORAM contribution was in terms of members' participation, in organising committees and presentation of papers at some of the events.

The Association was also represented in various committees and/or working groups in MPOB on:

- MPOB Committee on Oils and Fats Standards
- MPOB Main Steering Committee for Oil Palm Products Surveying Course
- MPOB Surveyor's Examination Panel
- Jawatankuasa Sistem Pemantauan Sawit MPOB Bersama Industri
- National Committee on Malaysian Standard on Sustainable Palm Oil (MSPO)
- Technical Committee on Malaysian Standard on Sustainable Palm Oil (MSPO)
- MPOB Technical Committee on Palm Oil Milling, Refining, Environment & Quality (POMREQ).

III. Malaysian Palm Oil Council (MPOC)

Over the years, both MPOC and PORAM have been forging regular cooperation and interaction with one another especially on market development and promotional activities. Members had been kept informed about palm oil market development through various publications disseminated by MPOC. The Council was a sponsor at PORAM's Annual Dinner 2016 and provided assistance to PORAM in organizing the Malaysian Palm Oil Industry Golf Challenge 2016.

PORAM Members participated in various MPOC programmes including:

- Reach & Remind Friends of the Industry: Challenges and Opportunities (REACH)
- Palm Oil Industry Leadership Award (PILA).
- Malaysian Palm Oil Trade Fair & Seminar (POTS)
- Palm Oil Internet Seminar (POINTERS)
- Palm Oil Trade Awareness Programme (POTAP)

IV. Malaysian Palm Oil Certification Council (MPOCC)

MPOCC was incorporated in December 2014 as an independent organization and is now responsible for the development and operation of the MSPO Certification Scheme in Peninsular Malaysia, Sabah and Sarawak. The initial phase in the implementation of the MSPO Certification Scheme was facilitated by MPOB as the Secretariat of the Technical Working Committee for MSPO until the setting up and operation of MPOCC in 2016.

PORAM had been invited to be represented in the MPOCC on 19th February 2016. PORAM Representative had attended the Council Meeting of MPOCC to contribute to the successful implementation of MSPO Certification Scheme as the national scheme for oil palm plantations, independent and organized smallholdings, and palm oil processing facilities including refineries to be certified against the requirements of MSPO Standards.

V. Ministry of International Trade and Industry (MITI)

PORAM was actively consulted by MITI and had attended several meetings/dialogues on:

- Trans-Pacific Partnership Agreement (TPPA)
- Free Trade Areas Agreement (FTAs)
- ASEAN Trade in Goods Agreement (ATIGA)

VI. Ministry of Finance (MoF) and Royal Malaysian Customs Department (RMCD)

The Goods and Services Tax (GST) was implemented on 1st April 2015. Throughout 2016, PORAM had conducted several meetings, consultations and discussions with both MoF and RMCD on the implementation of GST treatments on palm oil products. PORAM Task Force on GST was established in 2015 and continued to identify, outline and provide advice on areas of concern which may affect the overall performance of the palm oil trade when implementing GST as well as providing solutions to overcome these concerns with RMCD.

D. LIAISON WITH INTERNATIONAL AND LOCAL ORGANIZATIONS

In order to be kept abreast with the developments within the vegetable oils and fats industry, PORAM had maintained a close working relationship with several organizations both domestically and internationally.

PORAM was actively involved in the activities of the Federation of Oils, Seeds and Fats Associations Limited (FOSFA International). The Association continues to engage with FOSFA to improve on the jointly issued contract for Palm Oil Products in Bulk (CIF) or more widely known as the FISFA 81 contract.

PORAM continues to maintain a close working relationship with the Palm Oil Millers Association of Malaysia (POMA), Malaysian Edible Oil Manufacturers Association (MEOMA), Malaysian Palm Oil Association (MPOA), Malaysian Estate Owners' Association (MEOA), East Malaysia Planters' Association (EMPA), Malaysian Oleochemical Manufacturers Group (MOMG), Malaysian Biodiesel Association (MBA) and Malaysian Oils and Fats Technologists Association (MOSTA).

For the seventh year running, Bursa Malaysia Derivatives (BMD) was the Titanium Sponsor for the PORAM Annual Dinner and a contributing supporter of the PORAM Annual Forum 2016. For the fifth time, Exim Bank remained the Gold Sponsor of PORAM Annual Forum 2016 and presented a paper on "Powering Malaysian Palm Oil Cross Border Ventures". Another Gold Sponsor for PORAM Annual Forum was TransGraph Consulting Pvt. Ltd. India which presented a paper on "Mapping the Market Thought of Oil and Oilseed Markets". Both the dinner and forum were well attended.

During the year, PORAM presented the following paper;

1. "The Commercial Aspects of Palm Oil Trade" at MPOC Malaysian Palm Oil Trade Fair & Seminar (POTS) in Kuala Lumpur on 11th October 2016.
2. "Palm Oil Surveying In Relation to Trade and Shipping Practices" at MPOB Oil Palm Products Surveying Course in Butterworth, Penang on 28th November 2016.

PORAM views were also sought and published in local newspaper and newswire agencies such as NSTP, The Star, Thomson Reuters and Bloomberg throughout the year.

E. COMMITTEES

I. COMMERCIAL AND TECHNICAL COMMITTEE

A total of four scheduled Commercial and Technical Committee (C&T) meetings were held during the year in January, April, August and November 2016. Representatives from the Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) attended these meetings regularly on the invitation of the Committee. Their respective participations were important particularly to update the Committee on new research developments, regulatory, environmental, market promotions and market issues. At the same time, both MPOB and MPOC were briefed on issues of concern affecting the progress of the industry that could be taken up and addressed by their respective agencies.

Minutes of each meeting were distributed to all Members of the Committee and matters of importance were referred to the Management Board.

Members/Alternate	Attendance of meetings
Mr. Tan Eng Hun PGEO Edible Oils Sdn. Bhd. (Chairman)	4 out of 4
Sime Darby Global Trading & Marketing Sdn. Bhd. – Dr. Doreen Lee (Vice Chairman)	2 out of 4
Cargill Palm Products Sdn Bhd – Ms. Ushalanee	2 out of 4
Carotino Sdn. Bhd. – Mr. Mario Johan	2 out of 4
Felda Vegetable Oil Products Sdn Bhd – En. Zakaria Salam	4 out of 4
Fuji Oil Co. Ltd / Palmaju Edible Oils Sdn. Bhd. – Mr. Arima Atsuhiro	2 out of 4
Golden Agri International (M) Sdn. Bhd. - Mr. Eric Nah	3 out of 4
EFKO Food Ingredients - Mr. Alex Tan Hooi Huan	1 out of 4
IOI Edible Oils Sdn Bhd - Mr. Siew Ching Wai	4 out of 4
Intercontinental Specialty Fats Sdn. Bhd. - Ms. Khoo Yoke Lian	4 out of 4
Kirana Palm Oil Refinery Sdn Bhd – Mr. Alvin Lau / Ms. Carol Lim	1 out of 4
KL-Kepong Edible Oils S/B – Ms. Kelly Foong	1 out of 4
Keck Seng (M) Bhd – Mr. Woh Siew Leong / Mdm Ho See See	0 out of 4

Lam Soon Edible Oils Sdn. Bhd. –Mr. AK Lim / Mr. Siew Yuen Heng	1 out of 4
Ngo Chew Hong Oils & Fats Sdn Bhd –Ms. Leong Lai Khuan	4 out of 4
Palmaju Edible Oils Sdn. Bhd. / Itochu Singapore Pte. Ltd. – Mr. Hoshino Takafumi	2 out of 4
Premium Oils & Fats Sdn. Bhd. - Mr. Francis Ng Kah Chin	4 out of 4
Southern Edible Oils Sdn Bhd – Ms. Linda Kee / Mr. Them Zher Wyn	1 out of 4
Unitata Bhd. – Mr. Allan Loh	0 out of 4
Virgoz Oils & Fats Sdn. Bhd. – Mr. Francis Xavier	2 out of 4

Following were some of the important subject matters deliberated by the Committee during the year:

a. RBD Palm Kernel Oil Export Tax Structure

MPIC has yet to decide on the removal of 5% export tax on RBD Palm Kernel Oil as requested by PORAM. According to MPIC, the Malaysian Oleochemical Manufacturers Group (MOMG) continued to object for the removal of the export tax on RBD Palm Kernel Oil.

b. Goods and Services Tax (GST)

The Government had agreed that the GST exemption on String Transaction is also extended to ‘Circle’, ‘Washout’ and ‘Document By-Pass’ for palm oil transactions. RMCD had also decided that the exemption would render the string transactions as exempt supply and make everyone in the industry as a mixed supplier and not incidental.

c. Task Force on Improving Competitiveness of Malaysian Palm Oil Industry

MPOB had presented a study on the impact of the proposed CPO export duty restructuring on smallholders income, a prelude to improving the competitiveness of Malaysian palm oil industry. The study made an assumption that the CPO export tax was transferred to the oil palm growers. In such a case, the FFB dealers and millers have included export tax into their FFB pricing calculations which caused the smallholders to bear the cost although they were not exporting the CPO. PORAM was in the view that the study was flawed and has been wrongly blamed by the smallholders in this matter when in fact all this while the smallholders have been short-changed by the FFB dealers and millers. PORAM had requested MPOB to clarify the study with the smallholders associations.

d. Malaysian Sustainable Palm Oil (MSPO) Requirements for Palm Oil Refineries

PORAM was informed that the Malaysian Palm Oil Certification Council (MPOCC) had been given the mandate by MPIC to take over the management and developments of MSPO Standards used currently under the MSPO Certification Scheme from MPOB. The MSPO National Committee will now be chaired by MPIC while the MSPO Technical Working Committee will be chaired by MPOCC. With these changes in effect, the task of developing and reviewing certification standards and scheme documents are now under the purview and responsibility of MPOCC. MPOB role will only be confined to smallholders scheme.

e. New Fee Rate for Services under Food Safety and Quality (FSQ) Programme of the Ministry of Health

The FSQ Division of Ministry of Health wanted to raise the fee rate for the issuance of a Health Certificate. PORAM objected to the fee increase as it would adversely affect the export competitiveness and significantly increase the cost of doing business for Malaysian processed palm oil. PORAM interest was duly noted and FSQ Division had agreed to reduce and imposed a fee of RM 100 per copy for each health certificate issued effective from 1st September 2016. The RM 100 fee applied is for the export of bulk shipment including export of palm oil in packed form by exporters with HACCP certification. Companies who exported palm oil in packed form but does not have HACCP certification must pay RM 200.

f. 3-MCPD Esters and Glycidyl Esters (GE)

The Government was very concerned about the impact of 3-MCPDE/GE on the acceptance of Malaysian palm oil and had requested for an industry feedback on mandating/legislating acceptable limits for both of these contaminants. PORAM Task Force was established to provide input and guidance on how to mitigate these issues. The Task Force was firmly against the idea of mandating/legislating the level of 3-MCPDE/GE across the board. It was agreed that the market should adjust and self-regulate itself should the EU proceed to impose an acceptable level of 3-MCPDE/GE. The Task Force also requested for funds to be made available by the Government to the industry by way of a grant for some refineries to carry out extensive R&D to mitigate and reduce the presence of 3-MCPDE/GE.

g. Re-Gazetting of South Port as Free Trade Zone (FTZ) and Effects on CPO Tendered on MDEX

PORAM had engaged with MoF regarding the requirement to pay export duty for those who bulk CPO into the bulking installations with FTZ at Port Klang even though it was for the purpose of tendering at Bursa Malaysia. The CPO was not destined for export but to be collected by local buyer on the presentation of a Negotiable Sales Receipt (NSR). The same goes for CPO bulked for temporary storage. PORAM had conducted several meetings with MoF and proposed several proposals to overcome the issue. MoF is still evaluating and considering PORAM proposals and counter proposals. No decision had been made yet.

II. ASSOCIATE MEMBERS COMMITTEE (AMC)

The Associate Members Committee (AMC) held a joint luncheon meeting with the Price Settlement Committee (PSC) on 27th July 2016. The meeting was chaired by Mr. Richard Goh. Both Committees were briefed about the current developments and activities being undertaken by PORAM. There was no immediate issue raised by both Committees. It was agreed that PORAM should continue to engage Associate Members for feedback and to consistently update them on PORAM activities and market developments.

III. PRICE SETTLEMENT COMMITTEE (PSC)

The Price Settlement Committee (PSC) held a joint luncheon meeting together with the Associate Members Committee (AMC) on 27th July 2016. The Committee will continue to provide the settlement price requests from the trade as well as from arbitrators for the purpose of settlement of trade disputes.

F. TRAINING AND EDUCATION

Following were courses organized by PORAM and coordinated with others:

i. Contract and Arbitration Workshop

The workshop was conducted on 25th and 26th April 2016 at Grand Dorsett Subang Hotel, Selangor Darul Ehsan. It was attended by 80 participants from Malaysia, Singapore and Indonesia. The objective of the workshop was to improve the understanding of the contract terms and dispute resolution process. The workshop also provided an opportunity for participants to seek clarifications and discuss important clauses in the PORAM contracts and rules.

ii. MPOB Oil Palm Products Surveying Course

The annual event of MPOB Oil Palm Products Surveying Course was held from 28th November to 1st December 2016 at Butterworth, Penang. PORAM was represented in both the Steering Committee and Technical Sub-Committee set up by MPOB to assist in organising the MPOB Oil Palm Products Surveying Course. PORAM representative was also involved in presenting a paper, setting question papers, supervising the exam and marking the papers.

iii. PORAM Annual Forum

The Forum was held on 21st October 2016 at One World Hotel, Bandar Utama, Selangor Darul Ehsan. A total of 150 participants attended the event. A total of five papers were presented by speakers from CIMB Investment Bank Berhad, TransGraph Consulting Pvt. Ltd., EXIM Bank, MPOB and Desmet Ballestra.

G. ARBITRATION AND APPEAL

A total of 12 new arbitration cases were filed with the PORAM Secretariat between January and December 2016. The total number of cases pending as of December 2016 was 24 including 8 in abeyance.

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H. PORAM WEBSITE AND FACEBOOK

PORAM website (www.poram.org.my) continues to serve as a major channel for disseminating market information and activities undertaken by PORAM. The website was also being promoted as a branded tool to inform the Members and public about the roles and activities of PORAM.

PORAM Facebook is an extension of on-line communication channel with Members and the public. As of 31st December 2016, the Facebook had a total of 407 registered members who were pre-screened for membership acceptance.

I. MEMBERSHIP

The Association is pleased to welcome the following companies under the category of Associate Members.

Associate Members

1. Alfa Laval Malaysia Sdn. Bhd.
2. Palm Top Services Sdn. Bhd.
3. Sunfield Global Pte. Ltd.

In 2016, PORAM accepted the withdrawal of the following members;

Associate Members

1. Pacific Rim Plantation Services Sdn. Bhd.
2. Universal Maritime Carrier Sdn. Bhd.
3. Pakistan Edible Oil Refiners Association
4. Sidhu Brothers Transport Sdn. Bhd.
5. Unilever Asia Pte. Ltd.
6. Arab Supplier Fabrication and Retail Sdn. Bhd.
7. Sawindo Agri Pte. Ltd.
8. Idani Global GmbH

As of 31st December 2016, there were a total of 26 Full Members, 91 Associate Members and 2 Supplementary Members.

J. VISITORS

The Secretariat continued to receive local and overseas visitors seeking information on the Malaysian palm oil industry, palm oil products and Malaysian palm oil exporters.

K. SECRETARIAT

The Secretariat is headed by En. Mohammad Jaaffar Ahmad, the Chief Executive Officer. It strives to provide efficient secretarial support to the Board, the Committees, Working Groups and for the day-to-day management of the Association.

The Secretariat is manned by seven personnel. The CEO is being assisted by Mr. Teoh Beng Chuan, the Deputy Chief Executive Officer since 1st January 2015.

L. ACKNOWLEDGEMENT

The Management Board wishes to thank all Members, the Malaysian Palm Oil Industry, Government Ministries and Agencies for their continuous support, contributions and participation in the activities organised by PORAM throughout the year.

Last but not least, the Board would also like to thank the Secretariat staff for their hard work and commitment towards PORAM and the Malaysian Palm Oil Industry.

MANAGEMENT BOARD PORAM

Date: 8th May 2017

Place: Kelana Jaya, Selangor Darul Ehsan.

NAME OF COMPANY	DATE OF JOINING
1. SIME DARBY PLANTATION SDN. BHD. (<i>Merging of Kempas Edible Oil Sdn Bhd, Jomalina Sdn. Bhd and Austral Sdn. Bhd</i>)	15.06.2015
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. LAM SOON EDIBLE OIL SDN. BHD.	06.06.1979
6. PGEO EDIBLE OILS SDN. BHD	26.06.1980
7. KL-KEPONG EDIBLE OILS SDN. BHD	01.06.1981
8. CARGILL PALM PRODUCTS SDN. BHD.	20.01.1982
9. NGO CHEW HONG OILS AND FATS (M) SDN. BHD	28.06.1989
10. KECK SENG (M) BERHAD	29.10.1991
11. WILMAR EDIBLE OILS SDN. BHD	03.09.1999
12. IOI EDIBLE OILS SDN. BHD./ IOI LODERS CROKLAAN OILS SDN. BHD PAN-CENTURY EDIBLE OILS SDN. BHD.	17.02.2000
	30.08.1979
	12.01.1978
13. PACIFIC OILS AND FATS INDUSTRIES SDN. BHD.	28.11.2002
14. ASSAR REFINERY SERVICES SDN. BHD.	26.01.2007
15. GLOBAL BIODIESEL SDN. BHD.	01.09.2007
16. KIRANA PALM OIL REFINERY SDN. BHD.	01.11.2008
17. KWANTAS OIL SDN. BHD.	01.01.2009
18. KUNAK REFINERY SDN.BHD.	01.01.2009
19. PALMAJU EDIBLE OIL SDN. BHD.	01.01.2010
20. PREMIUM VEGETABLE OILS BERHAD	01.01.2010
21. FELDA IFFCO SDN. BHD.	24.10.2010
22. SOP EDIBLE OILS SDN. BHD.	24.10.2010
23. GREEN EDIBLE OILS SDN. BHD.	14.09.2012
24. AGRI ASIA REFINERY SDN. BHD.	01.03.2013
25. INTERCONTINENTAL SPECIALTY FATS SDN. BHD.	08.05.2013
26. MUSIM MASTIKA OILS & FATS (M) SDN. BHD.	01.06.2014

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	25.02.1986
5.	EASTPORT MARITIME PTE. LTD.	08.04.1986
6.	CARGILL INTERNATIONAL TRADING PTE. LTD.	08.04.1987
7.	INSPECTORATE (MALAYSIA) SDN. BHD.	19.02.1987
8.	MITSUMI & CO. (ASIA PACIFIC) P/L	19.05.1987
9.	MISC BERHAD	19.05.1987
10.	RITCHIE & BISSET SDN. BHD.	12.10.1988
11.	LOUIS DREYFUS COMPANY ASIA PTE. LTD.	03.08.1988
12.	JOSOVINA COMMODITIES SDN. BHD.	09.08.1988
13.	STOLT-NIELSEN SINGAPORE PTE. LTD	17.08.1991
14.	AAK MALAYSIA	27.08.1991
15.	JAWALA CORPORATION SDN. BHD.	01.12.1992
16.	TROPICAL OIL ACI PTE. LTD	01.04.1993
17.	WILMAR TRADING PTE. LTD.	17.09.1993
18.	ICOF (Malaysia) Sdn Bhd (<i>Formerly known as Musim Mastika Sdn Bhd</i>)	24.08.1995
19.	LADANG PETRI TENGGARA SDN. BHD.	12.07.1996
20.	GMS LINE CO. LTD. TOKYO	25.03.1997
21.	PACIFIC INTER-LINK SDN. BHD	20.11.1997
22.	SCHUTTER (MALAYSIA) SDN. BHD	04.09.1998
23.	AAA OILS & FATS LTD.	11.01.2001
24.	GOLDEN AGRI INTERNATIONAL PTE. LTD.	11.01.2001
25.	FELCRA BERHAD	05.10.2001
26.	KL-MARITIME (M) SDN. BHD.	05.10.2001
27.	FELDA-JOHORE BULKERS SDN. BHD.	30.05.2002
28.	SINARAN PALM SERVICES SDN. BHD.	09.10.2002
29.	COFCO RESOURCES PTE. LTD. (<i>Formerly known as Noble Resources Pte. Ltd.</i>)	18.03.2004
30.	BIPORT BULKERS SDN. BHD.	03.05.2005
31.	WAWASAN AGROLIPIDS SDN. BHD.	01.01.2006
32.	TOKYO MARINE ASIA PTE. LTD.	01.01.2006
33.	BONASABA SDN. BHD.	25.05.2006

34.	ADMIRAL TESTING SERVICES (M) SDN. BHD.	01.09.2006
35.	INDELAB SDN. BHD.	01.12.2006
36.	MJ VECEOILS SERVICES (S) PTE. LTD.	02.04.2007
37.	OMEGA CHARTERING PTE. LTD.	01.09.2007
38.	BURSA MALAYSIA DERIVATIVES BERHAD	30.04.2008
39.	IFFCO (S.E.A) SDN. BHD.	30.04.2008
40.	KL PALM SERVICES SDN. BHD.	30.06.2008
41.	SYARIKAT TIWAS SDN. BHD.	30.06.2008
42.	MALINDO PALM BROKERAGE SDN. BHD	01.07.2008
43.	ALLEGRO COMMODITY MANAGEMENT ASIA PTE. LTD. <i>(Formerly known as Just Commodity Software Solution Pte. Ltd.)</i>	01.07.2008
44.	ECOOILS LIMITED	18.07.2008
45.	CAROTINO SDN BHD	01.01.2009
46.	TAN SANG HUAT SDN BHD	01.01.2009
47.	VIRGOZ OILS & FATS PTE LTD	01.05.2009
48.	BELL CORPORATION BHD.	30.07.2009
49.	NESTE SINGAPORE PTE LTD	30.07.2009
50.	BUNGE ASIA PTE LTD	24.10.2009
51.	NGO CHEW HONG EDIBLE OIL PTE LTD	24.10.2009
52.	TIMURAN ENTERPRISE SDN. BHD.	01.01.2010
53.	ITOCHU SINGAPORE PTE. LTD.	24.05.2010
54.	ABLE PERFECT SDN. BHD.	02.08.2010
55.	BERG & SCHMIDT (M) SDN. BHD	01.01.2011
56.	EFKO FOOD INGREDIENTS LLC	01.01.2011
57.	GLORY SHIP MANAGEMENT PTE. LTD.	01.01.2011
58.	J. ARON & COMPANY (SINGAPORE) PTE.	01.04.2011
59.	DITALI SDN. BHD.	09.05.2011
60.	FELDA MARKETING SERVICES SDN. BHD.	01.01.2012
61.	INNO-WANGSA OILS AND FATS SDN. BHD.	01.01.2012
62.	SAVOLA FOODS COMPANY	01.01.2012
63.	SINGAPORE JULONG INTERNATIONAL INVESTMENT PTE. LTD.	23.03.2012
64.	SPRINT EXIM PTE. LTD.	23.03.2012
65.	CONTINENTAL RESOURCES SDN. BHD.	02.05.2012
66.	EEZDEE INTRADE SDN. BHD.	02.05.2012
67.	EXPORT-IMPORT BANK OF MALAYSIA BERHAD	02.05.2012
68.	FIMA BULKING SERVICES BERHAD	02.05.2012
69.	FIRST RESOURCES TRADING PTE. LTD.	15.05.2012
70.	AGRI PALM FAR EAST SDN. BHD.	11.07.2012

71.	ALEX STEWART (M) SDN. BHD.	01.03.2013
72.	TRISTAR GLOBAL SDN. BHD.	01.03.2013
73.	MAC WORLD INDUSTRIES SDN. BHD.	08.04.2013
74.	LIPIDS TERMINAL SDN. BHD.	08.04.2013
75.	AYINA GLOBAL SDN. BHD.	03.07.2013
76.	SARAFIAH NATURAL RESOURCES SDN. BHD.	08.05.2013
77.	TWIN WEALTH OILS AND FATS SDN. BHD.	08.05.2013
78.	GULF ASIA OILS AND FATS SDN. BHD.	24.08.2013
79.	FELDA IFFCO OIL PRODUCTS SDN. BHD.	25.09.2013
80.	AG SOURCE (S) PTE. LTD.	01.09.2014
81.	PROMAC ENTERPRISES SDN. BHD.	01.09.2014
82.	SEPANG DYNAMICS SDN. BHD.	01.08.2014
83.	SINGAPORE COMMODITIES GROUP CO., PTE. LTD.	01.06.2014
84.	FGV TRADING SDN. BHD.	16.03.2015
85.	RG CHARTERING PTE. LTD.	16.03.2015
86.	OLAM INTERNATIONAL LTD.	21.04.2015
87.	KALMART SYSTEMS (M) SDN. BHD.	25.05.2015.
88.	KENANGA DEUTSCHE FUTURES SDN. BHD.	1.09.2015
89.	PALM TOP SERVICES SDN. BHD.	15.02.2016
90.	ALFA LAVAL MALAYSIA SDN. BHD.	9.08.2016
91.	SUNFIELD GLOBAL PTE. LTD.	15.08.2016

**PORAM REPRESENTATIVE AT VARIOUS BOARDS
AND WORKING COMMITTEES IN 2016**

ANNUAL REPORT 2016

1.	MALAYSIAN PALM OIL BOARD (MPOB)	Mr. D. Chandramohan Alt: Y. Bhg. Dato' Zakaria Arshad
2.	MALAYSIAN PALM OIL COUNCIL (MPOC)	Y. Bhg. Dato' Zakaria Arshad
3.	MALAYSIAN PALM OIL CERTIFICATION COUNCIL (MPOCC)	Mr. Simon Siburat
4.	NATIONAL COUNCIL ON COUNCIL OF PALM OIL PRODUCING COUNTRIES (CPOPC)	Mr. D. Chandramohan Alt: En. Mohammad Jaaffar Ahmad
5.	KUMPULAN FOKUS SEKTOR EKSPORT UTAMA	Mr. D. Chandramohan Alt: En. Mohammad Jaaffar Ahmad
6.	JAWATANKUASA PENDAFTARAN DAN PERLESENAN MPOB	Mr. D. Chandramohan Alt: Y. Bhg. Dato' Zakaria Arshad
7.	MPOB MAIN STEERING COMMITTEE FOR OIL PALM PRODUCTS SURVEYING COURSE	Mr. Siow Seng Toh Alt: En. Mohammad Jaaffar Ahmad
8.	MPOB SURVEYOR'S EXAMINATION PANEL	En. Md. Saiful Md. Husin En. Kamaraddin Selamat
9.	MPOB TECHNICAL COMMITTEE ON PALM OIL MILLING, REFINING, ENVIRONMENT & QUALITY (POMREQ)	En. Mohammad Jaaffar Ahmad Alt: En. Md Saiful Md Hussin
10.	ASEAN VEGETABLE OILS CLUB (AVOC)	Mr. D. Chandramohan Alt: En. Mohammad Jaaffar Ahmad
11.	NATIONAL CODEX COMMITTEE ON FATS AND OILS	En. Mohammad Jaaffar Ahmad

12.	NATIONAL COMMITTEE ON MALAYSIAN STANDARD SUSTAINABLE PALM OIL (MSPO)	ON ON	En. Mohammad Jaaffar Ahmad
13.	TECHNICAL COMMITTEE ON MALAYSIAN STANDARD SUSTAINABLE PALM OIL (MSPO)	ON	Mr. Teoh Beng Chuan Alt: En. Md. Saiful Md. Husin
14.	JAWATANKUASA SISTEM PEMANTAUAN SAWIT MPOB BERSAMA INDUSTRI		En. Mohammad Jaaffar Ahmad
15.	KUMPULAN KERJA TEKNIKAL (TWG) – MALAYSIAN SUSTAINABLE PALM OIL (MSPO) CERTIFICATION SCHEME		En. Mohammad Jaaffar Ahmad Alt: En. Md. Saiful Md. Husin
16.	JAWATANKUASA TEKNIKAL MINYAK MAKAN DAN LEMAK (TC/U/29)		Dr. Doreen Lee Alt: Mr. Teoh Beng Chuan

ASSOCIATE MEMBERS COMMITTEE (AMC)		
1.	Mr. Richard Goh Min Tuck (<i>Chairman</i>)	KL-Maritime (M) Sdn Bhd
2.	Capt. JB Chiang	Admiral Testing Services Sdn Bhd
3.	En. Jamil Haron	Agri Asia Refinery Sdn. Bhd.
4.	Mr. Khoo Soon Tee	ITS Testing Services (M) Sdn Bhd
5.	Mr. Liew Kok Wei	ICOF (Malaysia) Sdn Bhd (<i>Formerly known as Musim Mastika Sdn. Bhd.</i>)

PRICE SETTLEMENT COMMITTEE (PSC)		
1.	Mr. Ling Chen Eng (<i>Chairman</i>)	KL Palm Services Sdn. Bhd.
2.	Mr. Ahmad Kamel Alami	Agri Asia Refinery Sdn. Bhd.
3.	En. Ahmad Salman Omar	Felda Marketing Services Sdn. Bhd.
4.	Mr. Liew Kok Wei	ICOF (Malaysia) Sdn Bhd
5.	Mr. Rachel Wong	IOI Edible Oils Sdn. Bhd.
6.	Mr. S.K. Mohta	Intra Oils & Fats Sdn. Bhd.
7.	Mr. Alvin Lau Lee Jen	Kirana Palm Oil Refinery Sdn. Bhd.
8.	Mr. Christopher Chai	Kwantas Oil Sdn. Bhd.
9.	Mr. Peter Wong Tat Kwai	Malindo Palm Brokerage Sdn. Bhd.
10.	Mr. Francis Xavier	Virgoz Oils & Fats Pte. Ltd.
11.	Madam. Ho See See	Keck Seng (M) Berhad

ARBITRATION RULES EXECUTION COMMITTEE (AREC)		
1.	Mr. D. Chandramohan	
2.	Mr. Raj Kumar Shah	
3.	Mr. Mohamed Abd. Majed	
4.	Mr. Lim Liew King	
5.	Mr. Yap Eng Kwee	

CONTRACT WORKING GROUP (CWG)		
1.	Mr. P.R. Thakore (<i>Chairman</i>)	IFFCO (S.E.A.) Sdn. Bhd.
2.	Mr. Raj Kumar Shah	Josovina Commodities Sdn Bhd
3.	Ms. Florence Wong	AAA Oils & Fats Pte. Ltd.
4.	Mr. Joe Lim	
5.	Mr. S. Sitambaram	Malindo Palm Brokerage Sdn Bhd
6.	Mr. Siow Seng Toh	ITS Testing & Control (M) Sdn. Bhd.
7.	Mr. Francis Xavier	Virgoz Oils & Fats Sdn. Bhd.
8.	Mr. Lim Liew King	
9.	En. Mohamed Abd Majed	
10.	Mr. Yap Eng Kwee	

TECHNICAL & EDUCATIONAL WORKING GROUP (TEWG)		
1.	Dr. Doreen Lee	Sime Darby Plantation Sdn. Bhd.
2.	Mr. Ang Chee Loong	PGEO Edible Oils Sdn. Bhd.
3.	Capt. Cyril Kenneth	Ritchie Bisset Sdn. Bhd.
4.	En. Shamsudin Idris	Indelab Sdn. Bhd.
5.	Mr. Law Chin Yee	Palmoleo Sdn. Bhd.
6.	Dr. Nuzul Amri	MPOB

USEFUL STATISTICS ON MALAYSIAN PALM OIL INDUSTRY

TABLE 1 - MALAYSIA: PLANTED AREA, PRODUCTION AND EXPORTS

YEAR	Oil Palm Planted Area (hectares)	Production of Crude Palm Oil (tonnes)	Exports of Palm Oil (tonnes)		
			CPO	PPO	Total
1960	54,634	91,793	97,568	-	97,568
1965	96,947	150,411	141,477	-	141,477
1970	291,263	431,069	401,930	-	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
1990	2,029,464	6,200,000	93,949	5,633,502	5,727,451
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
2009	4,691,160	17,564,937	2,537,423	13,343,311	15,880,744
2010	4,853,766	16,993,717	2,739,786	13,924,282	16,664,068
2011	5,000,109	18,911,520	3,477,599	14,515,666	17,993,265
2012	5,076,929	18,785,030	4,642,171	12,933,316	17,575,487
2013	5,229,739	19,216,459	3,985,910	14,170,913	18,156,823
2014	5,392,235	19,667,016	4,700,603	12,605,644	17,306,247
2015	5,642,943	19,961,581	5,275,036	12,179,177	17,454,213
2016	5,737,985	17,319,177	3,822,569	12,223,388	16,045,957

Source: MPOB 2017

USEFUL STATISTICS ON MALAYSIAN PALM OIL INDUSTRY

Table 1: Malaysia - Planted Area, Production and Exports

YEAR	Oil Palm Planted Area (hectares)	Production of Crude Palm Oil (tonnes)	Exports of Palm Oil (tonnes)		
			CPO	PPO	Total
1960	54,634	91,793	97,568	-	97,568
1965	96,947	150,411	141,477	-	141,477
1970	291,263	431,069	401,930	-	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
1990	2,029,464	6,200,000	93,949	5,633,502	5,727,451
1995	2,515,842	7,810,546	17,274	6,495,682	6,512,956
2000	3,376,664	10,842,095	398,352	8,683,201	9,081,553
2005	4,051,374	14,961,658	1,611,621	11,833,890	13,445,511
2010	4,853,766	16,993,717	2,739,786	13,924,282	16,664,068
2015	5,642,943	19,961,581	5,275,036	12,179,177	17,454,213
2016	5,737,985	17,319,177	3,822,569	12,223,388	16,045,957

Source: MPOB 2017

Table 2: Performance of the Malaysian Oil Palm Industry, 2016

INDICATOR	2016	2015	DIFF (%)
PLANTED AREA (MIL. HECTARES)	5.74	5.64	1.7
CPO PRODUCTION (MIL. TONNES)			
PENINSULAR MALAYSIA	8.89	10.54	(15.7)
SABAH	4.85	5.72	(15.3)
SARAWAK	3.59	3.70	(3.2)
MALAYSIA	17.32	19.96	(13.2)
FFB YIELD (TONNES/HECTARE)			
PENINSULAR MALAYSIA	15.77	18.77	(16.0)
SABAH	17.10	19.99	(14.5)
SARAWAK	14.86	16.21	(8.3)
MALAYSIA	15.91	18.48	(13.9)
OER (%)			
PENINSULAR MALAYSIA	19.76	20.01	(1.2)
SABAH	21.11	21.57	(2.1)
SARAWAK	20.02	20.15	(0.6)
MALAYSIA	20.18	20.46	(1.4)
CLOSING STOCK (MIL. TONNES)			
PALM OIL	1.67	2.63	(36.7)

Source: MPOB 2017

Table 3: Performance of the Malaysian Oil Palm Industry, 2016

INDICATOR	2016	2015	% DIFF
EXPORT VOLUME (MIL.T)			
PALM OIL	16.05	17.45	(8.1)
PALM KERNEL OIL	0.92	1.07	(13.5)
PALM KERNEL CAKE	2.21	2.63	(15.7)
OLEOCHEMICALS	2.76	2.85	(3.3)
BIODIESEL	0.08	0.18	(53.3)
FINISHED PRODUCTS	0.49	0.44	11.0
OTHER PALM PRODUCTS	0.78	0.75	3.8
TOTAL EXPORT (MIL.T)	23.29	25.37	(8.2)
EXPORT REVENUE (RM MIL.)			
PALM OIL	43.37	41.26	5.1
PALM KERNEL OIL	4.89	4.08	19.8
PALM KERNEL CAKE	0.87	0.94	(6.7)
OLEOCHEMICALS	12.72	11.30	12.6
BIODIESEL	0.24	0.48	(48.8)
FINISHED PRODUCTS	2.05	1.73	18.7
OTHER PALM PRODUCTS	0.44	0.39	13.4
TOTAL EXPORT REVENUE (RM MIL.)	64.59	60.18	7.3

Source: MPOB 2017

Table 4: Performance of the Malaysian Oil Palm Industry, 2016

INDICATOR	2016	2015	% DIFF
PRICES (RM/TONNE)			
FRESH FRUIT BUNCHES (MILL GATE)	594.00	459.00	29.4
CRUDE PALM OIL (LOCAL DELIVERED)	2,653.00	2,153.50	23.2
PALM KERNEL (EX-MILL)	2,611.00	1,527.50	70.9
CRUDE PALM KERNEL OIL (LOCAL DELIVERED)	5,492.50	3,373.00	62.8
RBD PALM OIL (FOB)	2,710.50	2,279.50	18.9
RBD PALM OLEIN (FOB)	2,769.50	2,289.00	21.0
RBD PALM STEARIN (FOB)	2,650.50	2,058.00	28.8
PALM FATTY ACID DISTILATE (FOB)	2,462.50	1,902.50	29.4

Source: MPOB 2017

Table 5: Malaysia - Exports to Selected Countries

COUNTRY	2016		2015		Difference	
	Tonnes	%	Tonnes	%	Tonnes	%
China, P.R	1,882,183	11.73	2,380,271	13.64	-498,088	-26.5
India	2,825,840	17.61	3,686,315	21.12	-860,475	-30.5
European Union	2,059,207	12.83	2,432,504	13.94	-373,297	-18.1
Pakistan	880,455	5.49	727,610	4.17	152,845	17.4
USA	590,030	3.68	703,482	4.03	-113,452	-19.2
Singapore	352,961	2.20	393,167	2.25	-40,206	-11.4
Japan	456,399	2.84	544,739	3.12	-88,340	-19.4
Iran	363,221	2.26	330,930	1.90	32,291	8.9
Vietnam	556,342	3.47	583,961	3.35	-27,619	-5.0
Egypt	151,649	0.95	209,524	1.20	-57,875	-38.2
South Korea	386,348	2.41	378,656	2.17	7,692	2.0
Myanmar	197,702	1.23	205,937	1.18	-8,235	-4.2
Philippines	625,007	3.90	648,364	3.71	-23,357	-3.7
Benin	311,308	1.94	349,957	2.01	-38,649	-12.4
Bangladesh	430,686	2.68	262,529	1.50	168,157	39.0
Ukraine	27,553	0.17	127,746	0.73	-100,193	-363.6
Ghana	202,566	1.26	163,430	0.94	39,136	19.3
Togo	35,083	0.22	56,805	0.33	-21,722	-61.9
UAE	66,055	0.41	76,805	0.44	-10,750	-16.3
Taiwan	201,245	1.25	194,046	1.11	7,199	3.6
Australia	125,496	0.78	121,747	0.70	3,749	3.0
Sri Lanka	112,130	0.70	120,690	0.69	-8,560	-7.6
Kenya	126,171	0.79	139,321	0.80	-13,150	-10.4
Tanzania	374,435	2.33	240,098	1.38	134,337	35.9
Nigeria	186,840	1.16	229,560	1.32	-42,720	-22.9
Angola	90,910	0.57	171,059	0.98	-80,149	-88.2
Saudi Arabia	177,161	1.10	67,081	0.38	110,080	62.1
Mozambique	208,894	1.30	108,876	0.62	100,018	47.9
Others	2,042,080	12.73	1,799,003	10.31	243,077	11.9
TOTAL	16,045,957	100	17,454,213	100	-1,408,256	-8.8

Source: MPOB 2017

Table 6: Selected Export Prices of Processed Palm Oil FOB (US\$ / Tonne)

Month	RBD PALM OIL		RBD PALM OLEIN		RBD PALM STEARIN		PFAD	
	2015	2016	2015	2016	2015	2016	2015	2016
January	659.00	533.00	654.50	535.00	653.50	493.50	570.50	448.50
February	651.00	598.00	656.00	605.50	647.00	563.00	606.00	540.00
March	624.50	625.00	625.00	630.50	621.50	599.00	598.00	559.50
April	600.00	693.50	608.50	703.00	598.50	650.00	577.00	598.00
May	620.00	679.00	624.00	691.00	595.00	615.50	572.50	577.00
June	631.00	641.00	635.00	653.00	572.00	605.50	559.50	566.50
July	601.50	603.00	612.50	610.00	529.50	592.50	514.50	542.50
August	534.50	653.00	541.50	676.50	437.50	638.00	438.50	561.00
September	509.00	728.50	519.00	730.50	397.00	693.00	343.00	593.00
October	561.00	669.50	573.50	675.00	463.50	684.50	373.50	613.50
November	522.50	689.50	539.50	699.00	448.00	703.00	358.50	636.00
December	520.00	737.50	534.50	738.00	482.00	740.00	399.50	674.50
Average	586.00	650.50	585.50	665.50	531.00	641.00	500.50	589.00

Source: MPOB 2017

Table 7: Status of Refineries and Capacity as At End of 2016 (Tonnes / Year)

State	In Operation*		Not In Operation*		Under Planning**		Total	
	No.	Capacity	No.	Capacity	No.	Capacity	No.	Capacity
P. Malaysia	36	15,403,200	NA	NA	NA	NA	36	15,403,200
Sabah	11	8,238,000	NA	NA	NA	NA	11	8,238,000
Sarawak	5	2,620,000	NA	NA	NA	NA	5	2,620,000
Malaysia	52	26,261,200	NA	NA	NA	NA	52	26,261,200

Source:

*MPOB 2017

**MIDA

NA=Not Available

Table 8: Monthly Refining Capacity Utilization Rate 2016 (%)

State	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average
Johor	46.38	36.79	48.74	52.29	57.19	51.50	54.49	66.75	55.41	65.65	61.27	52.64	53.33
Perak	61.76	57.79	94.65	61.37	76.52	68.17	74.78	87.90	93.66	70.73	72.72	81.98	73.68
Penang	38.74	39.83	73.9	65.38	67.55	98.76	45.04	75.39	54.85	66.06	61.52	52.83	59.01
Selangor	76.86	61.28	79.24	77.45	76.95	82.49	76.93	88.38	78.63	93.93	86.78	89.80	80.73
Other States	51.72	22.72	43.63	24.12	24.92	26.50	55.69	71.00	57.83	72.94	49.23	67.46	47.31
P. Malaysia	57.58	44.55	61.44	57.80	61.19	60.46	62.46	75.54	64.92	75.42	68.42	67.60	62.54
Sabah	42.24	33.45	44.65	37.00	53.16	45.54	57.41	48.30	47.81	48.35	48.13	45.12	43.03
Sarawak	86.55	48.06	66.72	92.89	92.72	94.70	95.04	106.35	107.06	108.73	103.57	105.95	92.36
Sabah/Sarawak	52.95	37.3	50.64	50.63	65.37	58.09	67.00	61.84	62.47	62.51	62.34	59.80	54.94
MALAYSIA	55.61	41.61	57.28	54.86	62.67	59.50	64.28	69.76	63.91	70.00	65.99	64.37	59.40

Source: MPOB 2017

Table 9: Status of Oil Palm Processing Sector 2016

SECTOR	NUMBER IN OPERATION	PROCESSING CAPACITIES (ML.T/YR)	PROCESSING CAPACITIES UTILISATION RATE (%)
Mill	453	110.33	77.8
Palm Kernel Crushing Plant	45	7.30	59.5
Refinery	52	26.26	59.4
Oleochemical Plant	20	2.73	85.2
Biodiesel Plant	17	2.07	31.0

Source: MPOB 2017

