

**ANNUAL REPORT  
FOR THE YEAR ENDING  
31 DECEMBER 2010**

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<b>CHAIRMAN:</b>	<b>MR. YONG CHIN FATT</b> (24 June 2009 – 10 February 2011)
<b>ACTING CHAIRMAN:</b>	<b>EN. WAN MOHD ZAIN WAN ISMAIL</b> (Effective from 10 February 2011)
<b>VICE-CHAIRMAN:</b>	<b>Y. BHG. DATO' ER KOK LEONG</b>
<b>2<sup>ND</sup> VICE-CHAIRMAN:</b>	<b>EN. ISMAIL HASSAN</b> (24 June 2009 – 15 July 2010) <b>EN. WAN MOHD ZAIN WAN ISMAIL</b> (15 July 2010 – 10 February 2011)
<b>HONORARY TREASURER:</b>	<b>MR. R. VENUGOPAL</b> (24 June 2009 – 19 May 2010)
<b>ACTING HONORARY TREASURER:</b>	<b>PN. NORAINI EDRIS</b> (19 May 2010 – 27 September 2010)
<b>MEMBERS:</b>	<b>MR. BILLY TAN TOO SENG</b> <b>MR. GERRY LEONG KENG KOK</b> (24 June 2009 – 9 September 2010) <b>MR. V. CHANDRA NAIDU</b> (Effective from 4 October 2010) <b>MS. LINDA KEE SAW EAN</b> <b>TN. HJ. OTHMAN WALAT</b> <b>PN. NORAINI EDRIS</b> (24 June 2009 – 27 September 2010) <b>MR. D. CHANDRAMOHAN</b> (Effective from 19 May 2010) <b>MR. RICHARD GOH MIN TUCK</b> <b>MR. RAJ KUMAR SHAH</b>
<b>BOARD OF TRUSTEES:</b>	<b>EN. MOHD KASSIM SALLEH</b> <b>EN. KHAMIS BABA</b> <b>MR. WONG CHEW YIN</b>
<b>CEO/SECRETARY:</b>	<b>MS. SUM KUM MOOI</b> (Until 2 June 2010) <b>EN. MOHAMMAD JAAFFAR AHMAD</b> (From 27 July 2010)

AUDITOR:	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
BANKER:	CIMB BANK (M) BERHAD NO. 6, JALAN TUN PERAK 50400 KUALA LUMPUR.
SOLICITORS:	<p>M/S SHEARN DELAMORE &amp; CO ADVOCATES &amp; SOLICITORS FLOOR, WISMA HAMZAH-KWONG HING LEBOH AMPANG 50704 KUALA LUMPUR</p> <p>M/S LEE HISHAMUDDIN ALLEN &amp; GLENDHILL ADVOCATES &amp; SOLICITORS LEVEL 16, MENARA ASIA LIFE NO. 189, JALAN TUN RAZAK 50400 KUALA LUMPUR</p>
REGISTERED OFFICE:	801C / 802A, BLOCK B EXECUTIVE SUITES, KELANA BUSINESS CENTRE 97, JALAN SS 7/2 47301 KELANA JAYA SELANGOR DARUL EHSAN

## PORAM MANAGEMENT BOARD REPORT FOR THE YEAR ENDING 31 DECEMBER 2010

### A. GENERAL

The 32<sup>nd</sup> Annual General Meeting (AGM) was held on 19 May 2010 at Grand Dorsett Subang Hotel, Subang Jaya, Selangor. One of the key objectives of the AGM is to provide a platform for dialogue and interaction between the Board and PORAM members. Reports on financial performance and activities of the Association were presented to members.

During the year, there were four resignations of Board members namely Mr. R. Venugopal (Cargill Palm Products Sdn. Bhd), En. Ismail Hassan (Felda Vegetable Oil Products Sdn. Bhd), Pn. Noraini Edris (Assar Refinery Services Sdn. Bhd) and Mr. Gerry Leong Keng Kok (PGEO Edible Oils Sdn. Bhd).

Subsequently, three new Board members were appointed to fill the vacancies namely Mr. D. Chandramohan (Cargill Palm Products Sdn. Bhd) on 19 May 2010, En. Wan Mohd Zain Wan Ismail (Felda Vegetable Oil Products Sdn. Bhd) on 15 July 2010 and Mr. V. Chandra Naidu (PGEO Edible Oils Sdn. Bhd) on 4 October 2010.

On the Secretariat side, Ms. Sum Kum Mooi, the Chief Executive Officer tendered her resignation on 2 June 2010. Thereafter, En. Mohammad Jaaffar Ahmad was appointed as the new Chief Executive Officer of PORAM effective from 27 July 2010.

A total of four Board meetings were held in 2010. The Board meetings were convened on a scheduled basis in January, May, July and November 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.

The year 2010 marked the 35<sup>th</sup> Anniversary of PORAM signifying an important milestone in the refining industry as an important contributor to the Malaysian palm oil industry. PORAM was established in 1975 with eight founding members and today, the Association has a total of 25 Full Members, 76 Associate Members and 3 Supplementary Members. In commemorating the occasion, the 35<sup>th</sup> Anniversary Gala Dinner was held on 26 November 2010 which was graced by YB Tan Sri Bernard Giluk Dompok, Minister of Plantation Industries and Commodities. In conjunction with the Gala Dinner, an Annual Forum and the Malaysian Palm Oil Industry Golf Challenge were also held. All the events were well attended by both members and guests.

Management Board Members	Attendance of Meetings
Mr. Yong Chin Fatt ( <i>Chairman</i> )	4 out of 4
Y. Bhg. Dato' Er Kok Leong	4 out of 4
En. Ismail Hassan	1 out of 2
En. Wan Mohd Zain Wan Ismail	1 out of 2
Mr. R. Venugopal	1 out of 1
Mr. D. Chandramohan	0 out of 2
Mr. Billy Tan Too Seng	3 out of 4
Mr. Gerry Leong Keng Kok	3 out of 3
Mr. V. Chandra Naidu	1 out of 1
Ms. Linda Kee Saw Ean	2 out of 4
Tn Hj. Othman Walat	2 out of 4
Pn. Noraini Edris	3 out of 3
Mr. Richard Goh Min Tuck	2 out of 4
Mr. Raj Kumar Shah	2 out of 4

## B. MARKET REVIEW

The Malaysian palm oil industry had a mixed result in 2010. Palm oil stocks were down to 1.62 million tonnes due to lower crude palm oil (CPO) production and higher exports of processed palm oil (PPO). The average CPO price in the first half of the year was RM 2,500 and it gradually increased to more than RM 3,000 by the end of the year. There was an improvement in export earnings which increased to RM 59.77 billion from RM 49.66 billion in 2009, an increase of 20.4% because of the higher prices.

The total oil palm planted area increased by 3.4% to 4.85 million hectares in 2010. The largest expansion was in Sarawak with an increase of 79,670 hectares to 0.9 million hectares and in Sabah with an increase of 48,078 hectares to 1.4 million hectares. Peninsular Malaysia recorded a modest increase of 34,858 hectares only to 2.5 million hectares. Sabah is still the largest oil palm planted state in the country.

This year, there was a decrease in CPO production by 3.3% to 16.99 million tonnes compared to 17.56 million tonnes in 2009. In line with the drop of CPO production, palm kernel (PK) production and crude palm kernel oil (CPKO) production also declined by 4.6% to 4.29 million tonnes and 3.9% to 2.01 million tonnes respectively.

Total exports of palm oil, palm kernel oil, palm kernel cake, oleochemicals, biodiesel and finished products increased by 2.8% to 23.06 million tonnes in 2010 compared with 22.43 million tonnes in 2009. Most of the palm oil products registered an overall increase in exports except for finished products and biodiesel.

Exports of palm oil increased by 4.9% to 16.66 million tonnes in 2010 compared with 15.88 million tonnes in 2009. The largest palm oil export market is China, PR with 4.02 million tonnes or 24.2% of total Malaysian palm oil exports followed by Pakistan 2.13 million tonnes (12.8%), the European Union (EU) 2.06 million tonnes (12.4%), India 1.17 million tonnes (7.0%), USA 1.03 million tonnes (6.2%), Egypt 0.94 million tonnes (5.6%) and Japan 0.55 million tonnes (3.3%). These seven markets combined together accounted for 11.37 million tonnes or 68.2% of total Malaysian palm oil exports in 2010. Palm oil exports to Pakistan rose sharply by 20.6% which was mainly attributed to further reduction in import duty of Malaysian palm oil by 15% under the Margin of Preference (MoP) as agreed in the Malaysia-Pakistan FTA Agreement. In the EU, there was a higher demand from both edible and non-edible sectors. The trans-fatty acid labelling in the USA has continued to spur a significant increase in palm oil usage in the food sector.

Despite the overall increase in exports, some markets recorded decline in their intake, namely Ukraine, India, Iran and Russia. Exports to Ukraine was largely decreased because the country is price sensitive and boosted by increase in domestic sunflower oil production. In India, the decline was mainly due to an increase in domestic rapeseed oil production. There was a higher intake of soyabean oil from Argentina and Brazil in Iran. Palm oil exports to Russia fell by 22.5% to 0.16 million tonnes, partly because of an increase in its domestic oilseeds production which resulted in an increasing crushing activities and higher domestic vegetable oils production.

Exports of palm kernel oil increased by 4.1% to 1.16 million tonnes in 2010. USA was the major export market with 264,746 tonnes (or 22.8% of total palm kernel oil exports), followed by China, PR with 205,383 tonnes (17.7%), the EU 117,535 tonnes (10.1%) and Japan 92,985 tonnes (8.0%).

In line with the overall increase in local CPO prices, the average export price for PPO products also increased, namely RBD palm oil, higher by 19.6% to RM 2,801.50, RBD palm olein up by 16.6% to RM 2,852.50, and RBD palm stearin up by 30.1% to RM 2,701.00.

The average price of palm kernel rose sharply by 62.2% to RM 1,735.50 from RM 1,070.00 because of higher CPKO prices in the domestic market. The average price of CPKO increased by 55.3% to RM 3,637.00 from RM 2,341.50 as a result of firmer lauric oil prices in the world market.

In 2010, palm oil continued to remain the largest oils and fats commodity traded in the world accounting for 55.1% of total exports of 65.6 million tonnes followed by soyabean oil at 15.2%. In 2010, Malaysia was the largest exporter of palm oil accounting for 16.7 million tonnes or 45.8% of the world palm oil exports.

## **B. LIAISON AND CONSULTATION WITH THE GOVERNMENT**

During the year under review, PORAM continued to have close cooperation with the Ministry and Government agencies. PORAM and its members participated in various meetings and activities organized by the Ministry of Plantation Industries and Commodities (MPIC), Ministry of International Trade and Industry (MITI), Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC).

## **I. Ministry of Plantation Industries and Commodities (MPIC)**

MPIC has been supportive of PORAM activities. Throughout the year, PORAM had participated in several meetings by MPIC on:

- Performance of Crude Palm Oil without Duty.
- Proposed Joint Venture between Malaysian and Indian Palm Oil Refiners.
- Palm Oil Commodity Lab 2010.
- Free Duty CPO Quota

## **II. Malaysian Palm Oil Board (MPOB)**

PORAM continued to support MPOB in various programmes organized throughout the year namely MPOB Palm Oil Familiarization Programme; Programme Advisory Committee Seminar; MPOB TAS Interaction Session with the Malaysian Palm Oil Industry; MPOB Transfer of Technology Seminar; MPOB Oil Palm Products Surveying Course; National Seminar on Palm Oil Milling, Refining, Technology, Quality and Environment; and Seminar on Enhancing Fractionation through Understanding of Chemical Potentials for Crystallization. PORAM contribution was in terms of member's participation and/or presentation of papers at some of the events.

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

- MPOB Sub-Working Group on Palm Oil (SWGPO) on Malaysia-Indonesia Bilateral Cooperation.
- MPOB Working Group on Cooking Oil Price Stabilisation Scheme (COSS)
- MPOB Committee on Oils and Fats Standards
- MPOB Main Steering Committee for Oil Palm Products Surveying Course
- MPOB Surveyor's Examination Panel
- MPOB Committee on Code of Practices
- MPOB Technical Committee on Palm Oil Milling, Refining, Environment and Quality (POMREQ) Seminar
- Jawatankuasa Sistem Pemantauan Sawit MPOB Bersama Industri

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

At MPOC, PORAM continued to maintain regular cooperation and interaction with the Council especially on the market developments and promotional activities. Members were kept informed about palm oil developments through various publications disseminated by MPOC. A keynote paper on ‘NGO’s Exposed – There Are No Moral Case Against Palm Oil’ was presented by the CEO of MPOC during PORAM Annual Forum 2010. MPOC had also extended support and assistance to PORAM in organizing the Malaysian Palm Oil Industry Golf Challenge 2010 and the 35<sup>th</sup> Anniversary Gala Dinner 2010.

PORAM members participated in various MPOC programmes including:

- Reach & Teach Friends of the Industry: Challenges and Opportunities in 2010
- Palm Oil Trade Seminar and Exhibition (POTS) in Beijing, Cairo, Moscow and Jeddah
- POTS 3<sup>rd</sup> International Palm Oil Trade and Seminar, Kuala Lumpur
- Palm Oil Trade Awareness Programme (POTAP), Kuala Lumpur
- Palm Oil Industry Leadership Award (PILA), Kuala Lumpur
- International Palm Oil Sustainability Conference (IPOSC) Kota Kinabalu, Sabah

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

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

- Rules of Origin
- Products Specific Rules
- Trading Across Border
- New Merged Document – Invoice & Packing List
- Implementation of Strategic Trade Act 2010
- APEC Workshop on Self Certification of Origin
- Technical Group on Joint Investment (MIDA)

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

In order to keep abreast with the developments of the vegetable oils industry, PORAM maintained close networking and cooperation with several organisations both internationally and locally. PORAM was elected as the Chairman of ASEAN Vegetable Oils Club (AVOC) for 2009/2010 term and successfully chaired two AVOC Board meetings in Bangkok, Thailand and Bali, Indonesia in 2010. On 24 September 2010, PORAM signed a Memorandum of Understanding (MoU) with The Solvent Extractors' of India (SEA) on enhancing palm oil trade relations between Malaysia and India. PORAM continued to be involved in the activities of the Federation of Oils, Seeds & Fats Associations Limited (FOSFA International) and the Roundtable on Sustainable Palm Oil (RSPO) in its capacity as an associate member.

Locally, PORAM continued to maintain good working relationship with the Malayan Edible Oil Manufacturers' Association (MEOMA), Malaysian Palm Oil Association (MPOA), Malaysian Oleochemical Manufacturers Group (MOMG) and Malaysian Biodiesel Association (MBA). Bursa Malaysia was instrumental in supporting PORAM's activities as the Platinum Sponsor for the 35<sup>th</sup> Anniversary Gala Dinner and a loyal supporter of the PORAM Annual Forum 2010. Bursa Malaysia was also supportive in presenting two papers at the forum. A dialogue was also held with the Association of Independent Surveyors and Inspectors of Malaysia (AISIM) to further support its activities especially on quality and performance of surveyors.

## **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, May, July and October. Representatives from the Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) also attended these meetings regularly on the invitation of the Committee. Their participation was important particularly to update the Committee on new research developments, regulatory, environmental 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 the respective authorities.

Minutes of each meeting were distributed to all members of the Committee and deliberated at the Management Board.

Members/Alternate	Attendance of meetings
Y. Bhg. Dato' Er Kok Leong ( <i>Chairman</i> ) Intercontinental Specialty Fats Sdn Bhd	4 out of 4
Assar Refinery Edible Oils Sdn Bhd – Mr. Jonathan Lau	0 out of 4
Cargill Palm Products Sdn Bhd – Mr. B. Subramany	2 out of 4
Felda Vegetable Oil Products Sdn Bhd – En Abdul Rashid	0 out of 4
IOI Edible Oils Sdn Bhd - Ms Lee Yoke Hui	4 out of 4
Keck Seng (M) Sdn Bhd – Mr. Woh Siew Leong/ Mdm Ho See See	0 out of 4
Kirana Palm Oil Refinery Sdn Bhd – Mr. Alvin Lau/ Mr. Terry Ng Kian Kee	0 out of 4
KL-Kepong Edible Oils Sdn Bhd - Ms. Kelly Foong	4 out of 4
Kwantas Oil Sdn. Bhd. – Mr. Christopher Chai	0 out of 4
Lam Soon Edible Oils – Mr. Vincent Yong/ Mr.Poon Kin Lok	0 out of 4
Ngo Chew Hong Oils & Fats Sdn Bhd – Dr Lee Poh Hoon	3 out of 4
Pal maju Edible Oils Sdn. Bhd. – Mr. Koreta Ueyama/ Mr. Ryota Iguchi	1 out of 2
PGEO Edible Oils Sdn Bhd - Mr. Gerry Leong / Mr. Tan Eng Hun	4 out of 4
Southern Edible Oils Sdn Bhd – Ms Lee Ai Lin	2 out of 4
Sime Darby Austral Sdn Bhd – En Mohd Ruzaidie Yahya / Mr. Lint Undis	0 out of 4
Sime Darby Jomalina Sdn Bhd – Mr. Sandeep Singh/ Mr. L Kesavan	1 out of 4
Sime Darby Kempas Sdn Bhd – Mr. Jayachandran Menon/ Mr. Jagdish Singh	1 out of 4
Unitata Berhad – Mr. Jughdev S. Dillon	0 out of 4

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

**a. Issue on 3-MCPD Esters**

MPOB and PORAM Interaction Session to update on 3-MCPD Esters was held on 8 July 2010. MPOB presented analytical methods for determining 3-MCPD Esters. In order to reduce the formation of 3-MCPD Esters in refined oils, several factors need to be taken into consideration including to avoid acidic conditions during the refining process, to remove the acid prior to bleaching, to check pH of the clay and to check pH of the bleached oil prior to the deodorization process.

A half-day seminar to provide latest information on 3-MCPD Esters and possible mitigation actions to be taken to minimize the 3-MCPD Esters content in RBD palm oil was held by MPOB on 4 November 2010. The analytical methods are still being discussed as the results are not consistent between different methods and even different operators using the same method. The variance is still very wide.

It was agreed that a joint discussion between various industry groups including PORAM, MPOA and MEOMA is to be convened by MPOB to discuss the mitigation actions to be taken to overcome/minimize the formation of 3-MCPD Esters.

**b. FOSFA 81 CIF Contract**

Sampling Clause

FOSFA Oils and Fats Committee proposed the Sampling and Analysis Optional Clause to be included in the FOSFA/PORAM/MEOMA Contract No. 81. PORAM Contract Working Group (CWG) was not in favour of including the heading of this clause in the contract. CWG foresees that such an optional clause may become a practice of buyer-seller and eventually be made mandatory. The inclusion of such clause may also affect other PORAM FOB contracts. The C&T Committee concurred with CWG and agreed that the existing Sampling Clause No. 20 of FOSFA 81 CIF Contract should be sufficient.

Notices Clause

FOSFA requested PORAM to consider the acceptance of e-mail as a way of transmission of notices. FOSFA 81 CIF Contract is the only one which maintains the phrase that excludes the use of e-mail. PORAM agreed to the acceptance of e-mails as a way of transmission of notices to be reflected in FOSFA 81 CIF Contract.

**c. WTO/FTA/Market Developments**

Following is the list of Free Trade Area (FTA) negotiations which have been reported to the Committee:

- Malaysia – Chile FTA
- Malaysia – USA FTA
- Malaysia – Australia FTA (MAFTA)
- Malaysia – Turkey FTA
- Malaysia – India (FTA)
- Trans Pacific Partnership Agreement (TPPA)

**d. Contract for Packed Products**

The Sub-Committee for Packed Products had made its recommendation to the Contract Working Group (CWG) for the establishment of two new contracts namely CIF Contracts for Processed Palm Oil Products in Packed Form and secondly, FOB Contract for Processed Palm Oil Products in Packed Form. The draft contracts were extended to MEOMA for comments. Important issue such as the agreed uniform definition of packed products in terms of size and weight as applicable in Royal Custom Malaysia is to be addressed before the contracts can be finalized.

**e. Heating Instruction During Transportation**

Changes have been made to amend PORAM Heating Instruction During Transportation for palm stearin products. The temperature during voyage for Palm Stearin (crude/processed) to be changed from 40 °C to 45 °C minimum and from 45 °C maximum to 50 °C. The temperature at time of loading/discharge to be changed from 55 °C to 60 °C minimum. Circular to effect the change have been circulated to all members.

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

The Associate Members Committee (AMC) held a joint luncheon meeting with the Price Settlement Committee (PSC) at Hilton Petaling Jaya, Selangor on 22 September 2010. The meeting was co-chaired by Mr. Richard Goh and Mr. Chua Seow Yang. Both Committees were briefed about the current developments and activities being undertaken by PORAM. There was no immediate issue raised by Associate Members. In order to constantly engage the members, PORAM should continue sending out survey to Associate Members requesting them to highlight any issues that required assistance and/or attention from PORAM to be addressed.

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

The Price Settlement Committee (PSC) held a joint luncheon meeting together with the Associate Members Committee (AMC) on 22 September 2010. Mr. Chua Seow Yang, Chairman of PSC reported that a total of eighteen (18) Price Settlement Certificates were issued for the year 2009. For 2010, there was no urgent request for such certificates and 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. It was informed that the price being issued out is just an indicative of an average price and not absolute. The price given is merely for guidance purpose to the industry only. Therefore, technically it can be disputed by any party. There is a need for PORAM to ensure a protection to the PSC members from being summoned and to appear in any court of law to testify on the price certificate issued. Request was also made for PORAM to assist PSC in getting more response from members and to include both FOB and CNF prices in their submission.

## **F. TRAINING AND EDUCATION**

Following are some of the activities organised and coordinated with PORAM:

### **i. Contract & Arbitration Workshop**

The workshop was conducted on 9 and 10 April 2010 at Grand Dorset Subang Hotel, Subang Jaya, Selangor. It was attended by 80 participants from Malaysia, Singapore, Indonesia and India. 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. PORAM Interaction with Participants of MPOB Palm Oil Familiarisation Programme (POFP)**

The annual PORAM Interaction Session with POFP participants was held at the Prince Hotel & Residence, Kuala Lumpur on 16 July 2010. The event attended by 70 people provided a networking platform between PORAM members and the foreign participants.

PORAM was invited to brief the foreign participants on the roles and responsibilities of the Association, while PORAM members benefited from presentations on the prospects of palm oil in South Africa, Tajikistan, Russia and USA by selected POFP participants.

**MPOB Oil Palm Products Surveying Course**

The annual event of MPOB Oil Palm Products Surveying Course was held on 20-24 September 2010 at Sunway Hotel, Georgetown, Penang. PORAM was represented in the steering committee and technical sub-committee set up by MPOB to assist in organising the MPOB Oil Palm Surveying Course. A total of six papers were presented by PORAM members at this course.

**Joint MPOB-PORAM Course on Trading and Marketing of Palm Oil**

The Second Joint MPOB-PORAM Introductory Course on Trading and Marketing of Palm Oil was successfully conducted from 2 to 5 August 2010. The main objective of this course is to continue developing a pool of highly trained human resources and to ensure well-trained marketing and operational personnel at all levels of the palm oil industry.

The response to this 4-day course was encouraging and attracted a total of 80 participants including overseas participants from Singapore, Thailand, Sri Lanka and Turkey. The feedback obtained from participants indicated that this course is relevant particularly for new entrants to the industry and as a refresher for those who are already in the industry. A total of five papers were presented by PORAM members.

**G. ARBITRATION & APPEAL**

A total of 3 arbitration cases and 5 appeal cases were filed with the PORAM Secretariat between January and December 2010.

## **H. PORAM WEBSITE**

PORAM website continues to be a major channel for assessing market information. Continued efforts are being made to improve the website and to provide member with exclusive online resources. PORAM website is also being promoted as a branded tool to inform the public about the roles and activities of PORAM.

## **I. MEMBERSHIP**

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

### **Full Members**

1. Palmaju Edible Oils Sdn. Bhd
2. Felda Iffco Sdn. Bhd.
3. SOP Edible Oils Sdn. Bhd.

### **Associate Members**

1. Able Perfect Sdn. Bhd.
2. Inai Setia Sdn. Bhd.
3. Itochu Singapore Pte. Ltd.
4. Paksitan Edible Oil Region Association (PEORA)
5. Timuran Enterprise Sdn. Bhd.
6. Triple Point Technology Inc.

During 2010, PORAM accepted the withdrawal of three members, while some were terminated following the closure of office or non settlement of membership fees.

### **Memberships Withdrawn / Terminated**

1. Green & Natural Sdn Bhd
2. Vertical Asia Pte. Ltd.
3. Mighty Ocean Sdn. Bhd.
4. Sprint Exim Pte. Ltd.
5. Transgrain (M) Sdn. Bhd.
6. Agmas Trading Pte. Ltd.

As of December 31, 2010, there were a total of 25 Full Members, 76 Associate Members and 3 Supplementary Members.

## **J. VISITORS**

The Secretariat continued to receive local and overseas visitors seeking more information on the palm oil products and Malaysian palm oil suppliers.

In March, the Secretariat had a visit by Solvent Extractors' Association of India. In August, the Secretariat had a visit by reporters from New York Times, USA.

## **K. SECRETARIAT**

The Secretariat headed by its CEO Ms. Sum Kum Mooi and later En. Mohammad Jaaffar Ahmad, continued to provide efficient secretarial support to the Board, the Committees and Working Groups and for the daily operations of the Association. The Secretariat is manned by nine personnel as at the end of 2010 and this number is sufficient to meet current operational needs.

## **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.

The Board also acknowledges its appreciation and gratitude to the following Board Members, Mr. R. Venugopal who retired on 19 May 2010; En. Ismail Hassan who retired on 15 July 2010; Mr. Gerry Leong Keng Kok who retired on 9 September 2010 and Pn. Noraini Edris who retired on 27 September 2010 and to the past CEO, Ms. Sum Kum Mooi for their dedicated years of service to the Association.

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

## **MANAGEMENT BOARD PORAM**

Date: 11 May 2011

Place: Kelana Jaya, Selangor Darul Ehsan

NAME OF COMPANY	DATE OF JOINING
1. SIME DARBY KEMPAS SENDIRIAN BERHAD ( <i>Formerly known as Kempas Edible Oil Sdn Bhd</i> )	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. SIME DARBY JOMALINA SDN. BHD. ( <i>Formerly known as Golden Jomalina Food Industries Sdn. Bhd.</i> )	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 CROCKLAAN 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
18. SIME DARBY AUSTRAL SDN. BHD. ( <i>Formerly known as Austral Edible Oil Sdn. Bhd.</i> )	22.07.2008
19. KIRANA PALM OIL REFINERY SDN. BHD.	01.11.2008
20. KWANTAS OIL SDN. BHD.	01.01.2009
21. KUNAK REFINERY SDN.BHD.	01.01.2009
22. PALMAJU EDIBLE OIL SDN. BHD.	01.01.2010
23. PREMIUM VEGETABLE OILS BERHAD	01.01.2010
24. FELDA IFFCO SDN. BHD.	24.10.2010
25. SOP EDIBLE OILS SDN. BHD.	24.10.2010

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.	CARGILL INTERNATIONAL TRADING PTE. LTD.	08.04.1987
7.	INSPECTORATE (MALAYSIA) SDN. BHD.	19.02.1987
8.	MITSUMI & CO. LTD.	19.05.1987
9.	MISC BERHAD	19.05.1987
10.	ED & F MAN SDN. BHD.	19.05.1987
11.	RITCHIE & BISSET SDN. BHD.	12.10.1988
12.	CONSOLIDATED LABORATORY (M) SDN. BHD.	23.02.1988
13.	MARPRO OILS AND GRAINS SDN BHD	24.05.1988
14.	LOUIS DREYFUS ASIA PTE. LTD.	03.08.1988
15.	JOSOVINA COMMODITIES SDN. BHD.	09.08.1988
16.	STOLT-NIELSEN TRANSPORTATION GROUP PTE. LTD	17.08.1991
17.	AARHUSKARLSHAMN (M) SDN. BHD.	27.08.1991
18.	JAWALA CORPORATION SDN. BHD.	01.12.1992
19.	TROPICAL OIL PRODUCTS BROKERAGE PTE. LTD.	01.04.1993
20.	LINK SURVEY (M) SDN. BHD.	01.06.1993
21.	WILMAR TRADING PTE. LTD.	17.09.1993
22.	AURORA TANKERS MANAGEMENT PTE. LTD.	29.03.1995
23.	ICOF (Malaysia) Sdn Bhd ( <i>Formerly known as Musim Mastika Sdn Bhd</i> )	24.08.1995
24.	LADANG PETRI TENGGARA SDN. BHD.	12.07.1996
25.	GMS LINE CO. LTD. TOKYO	25.03.1997
26.	PACIFIC INTER-LINK SDN. BHD	20.11.1997
27.	SCHUTTER (MALAYSIA) SDN. BHD	04.09.1998
28.	NEDERKOORN SHIPBROKING PTE. LTD	20.11.1998
29.	PACIFIC RIM PLANTATION SERVICES PTE. LTD.	03.09.1999
30.	AAA OILS & FATS LTD.	11.01.2001
31.	GOLDEN AGRI INTERNATIONAL PTE. LTD.	11.01.2001
32.	FELCRA BERHAD	05.10.2001

33.	KL-MARITIME (M) SDN. BHD.	05.10.2001
34.	UNILEVER (MALAYSIA) HOLDINGS SDN. BHD.	05.10.2001
35.	FELDA-JOHORE BULKERS SDN. BHD.	30.05.2002
36.	PT BINA KARYA PRIMA	25.07.2002
37.	SINARAN PALM SERVICES PTE. LTD.	09.10.2002
38.	AGRI COMMODITIES INTERNATIONAL PTE. LTD.	31.07.2003
39.	NOBLE RESOURCES PTE. LTD.	18.03.2004
40.	MM VITAOILS SDN. BHD.	01.06.2004
41.	ALAMI VEGETABLES OIL PRODUCTS SDN. BHD.	01.06.2004
42.	BIPORT BULKERS SDN. BHD.	03.05.2005
43.	WAWASAN TEBRAU SDN. BHD.	01.01.2006
44.	TOKYO MARINE CO. LTD.	01.01.2006
45.	BONASABA SDN. BHD.	25.05.2006
46.	ADMIRAL TESTING SERVICES SDN. BHD.	01.09.2006
47.	INDELAB SDN. BHD.	01.12.2006
48.	MAREX COMMODITIES	02.04.2007
49.	MJ VECEOILS SERVICES SDN. BHD.	02.04.2007
50.	THE NISSHIN OILIO GROUP, LTD.	01.09.2007
51.	OMEGA CHARTERING PTE. LTD.	01.09.2007
52.	BURSA MALAYSIA DERIVATIVES BERHAD	30.04.2008
53.	IFFCO (S.E.A) SDN. BHD.	30.04.2008
54.	UNIVERSAL MARITIME CARRIER SDN. BHD.	30.06.2008
55.	KL PALM SERVICES SDN. BHD.	30.06.2008
56.	SYARIKAT TIWAS SDN. BHD.	30.06.2008
57.	MALINDO PALM BROKERAGE SDN. BHD	01.07.2008
58.	JUST COMMODITY SOFTWARE SOLUTION PTE. LTD	01.07.2008
59.	ECO PROCESSORS INTERNATIONAL LTD.	18.07.2008
60.	TRAFIGURA PTE LTD	01.01.2009
61.	CAROTINO SDN BHD	01.01.2009
62.	TAN SANG HUAT SDN BHD	01.01.2009
63.	KS NATURAL RESOURCES PTE LTD	01.05.2009
64.	MORGAN STANLEY CAPITAL GROUP SINGAPORE	01.05.2009
65.	VIRGOZ OILS & FATS PTE LTD	01.05.2009
66.	BELL SAWIT SDN. BHD	30.07.2009
67.	NESTE OIL SINGAPORE PTE LTD	30.07.2009
68.	BUNGE AGRIBUSINESS SINGAPORE PTE LTD	24.10.2009

69.	NGO CHEW HONG EDIBLE OIL PTE LTD	24.10.2009
70.	WS OIL SDN. BHD.	24.10.2009
71.	TIMURAN ENTERPRISE SDN. BHD.	01.01.2010
72.	ITOCHU SINGAPORE PTE. LTD.	24.05.2010
73.	TRIPLE POINT ASIA PTE. LTD.	24.05.2010
74.	ABLE PERFECT SDN. BHD.	02.08.2010
75.	INAI SETIA SDN. BHD.	02.08.2010
76.	PAKISTAN EDIBLE OIL REFINERS ASSOCIATION OF MALAYSIA (PEORA)	02.08.2010

1.	MALAYSIAN PALM OIL BOARD (MPOB)	Y. Bhg. Dato' Er Kok Leong Alt: Mr. Richard Goh Min Tuck
2.	MALAYSIAN PALM OIL COUNCIL (MPOC)	Y. Bhg. Dato' Er Kok Leong
3.	MPOB MAIN STEERING COMMITTEE FOR OIL PALM PRODUCTS SURVEYING COURSE	Mr. Siow Seng Toh Ms. Sum Kum Mooi En. Mohammad Jaaffar Ahmad (Effective from 27 July 2010)
4.	MPOB SURVEYOR'S EXAMINATION PANEL	Mr. Wong Ung Kwong En. Kamaraddin Selamat  Alt: Dr. Lee Poh Hoon Alt: Mr. B. Subramany
5.	MPOB WORKING GROUP ON COOKING OIL PRICE STABILIZATION SCHEME (COSS)	Mr. R. Venugopal Ms. Sum Kum Mooi En. Mohammad Jaaffar Ahmad (Effective from 27 July 2010)
6.	MPOB TECHNICAL COMMITTEE ON PALM OIL MILLING, REFINING, ENVIRONMENT & QUALITY (POMREQ)	Ms. Sum Kum Mooi En. Mohammad Jaaffar Ahmad (Effective 27 July 2010)
7.	ASEAN VEGETABLE OILS CLUB (AVOC)	Mr. Yong Chin Fatt Alt: Ms. Sum Kum Mooi Alt: En. Mohammad Jaaffar Ahmad (Effective from 27 July 2010)
8.	NATIONAL CODEX COMMITTEE ON FATS AND OILS	Ms. Sum Kum Mooi En. Mohammad Jaaffar Ahmad (Effective from 27 July 2010)
9.	MALAYSIA-INDONESIA BILATERAL COOPERATION – SUB WORKING GROUP ON PALM OIL (SWGPO)	Ms. Sum Kum Mooi En. Mohammad Jaaffar Ahmad (Effective from 27 July 2010)
10.	JAWATANKUASA PERUNDING BAGI PELABUHAN JOHOR	En. Wan Mohd. Zain Wan Ismail

**ASSOCIATE MEMBERS COMMITTEE (AMC)**

1.	Mr. Richard Goh Min Tuck (Chairman)	KL-Maritime (M) Sdn Bhd
2.	Capt. JB Chiang	Admiral Testing Services Sdn Bhd
3.	En. Jamil Haron	Alami Vegetable Oil Products Sdn Bhd
4.	Ms. Izma Kuzaima	Assar Refinery Services Sdn Bhd
5.	Mr. Uchiyama	GMS Line Co. Ltd
6.	Mr. Tan Ah Hooi/ Mr. N Mahendran	Link Survey (M) Sdn Bhd
7.	Mr. Ong Keng Guan	ITS Testing Services (M) Sdn Bhd
8.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd <i>(Formerly known as Musim Mastika Sdn. Bhd.)</i>

**PRICE SETTLEMENT COMMITTEE (PSC)**

1.	Mr. Chua Seow Yang (Chairman)	Mapro Oils and Grains Sdn Bhd
2.	Ms. Lee Yoke Hui	IOI Edible Oils Sdn Bhd
3.	Mr. S. Subramany	Cargill Palm Products Sdn Bhd
4.	Mdm Ho See See	Keck Seng (M) Berhad
5.	Mr. Ling Chen Eng	KL Palm Services Sdn Bhd
6.	Mr. Peter Wong Tat Kwai	Malindo Palm Brokerage Sdn Bhd
7.	Mr. Alvin Lau Lee Jen	Kirana Palm Oil Refinery Sdn Bhd
8.	En. Zubir Aziz	Felda Marketing Services Sdn Bhd
9.	Mr. S.K. Mohta	Intra Oils & Fats Sdn. Bhd.
10.	Mr. Francis Xavier	Virgoz Oils & Fats Pte Ltd
11.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd

**ARBITRATION RULES EXECUTION COMMITTEE (AREC)**

1.	Mr. Yong Chin Fatt (Chairman) – Until 10 February 2011
2.	Mr. Raj Kumar Shah
3.	Mr. David Khoo Hock Sin
4.	En. Mohamed Abd. Majed

**CONTRACT WORKING GROUP (CWG)**

<b>1.</b>	Mr. Peter Lim(Chairman)	IOI Edible Oils Sdn Bhd
<b>2.</b>	Mr. Raj Kumar Shah	Josovina Commodities Sdn Bhd
<b>3.</b>	En. Ismail Hassan ( <i>Until 15 July 2010</i> )	Felda Vegetable Oil Products Sdn. Bhd.
<b>4.</b>	Mr. Yap Eng Kwee ( <i>From Feb 2010</i> )	ICOF (Malaysia) Sdn Bhd
<b>5.</b>	Mr. Ling Chen Eng	KL Palm Services Sdn Bhd
<b>6.</b>	Mr. S. Sitambaram	Malindo Palm Brokerage Sdn Bhd
<b>7.</b>	Ms. Linda Kee Saw Ean	Southern Edible Oil Industries Sdn Bhd
<b>8.</b>	Mr. D. Chandramohan	Cargill Palm Products Sdn Bhd
<b>9.</b>	Mr. Sandeep Singh	Sime Darby Jomalina Sdn. Bhd.
<b>10.</b>	Mr. Yee Kwee Lin	KL-Kepong Edible Oil Sdn. Bhd.
<b>11.</b>	Mr. PR Thakore	IFFCO (S.E.A) Sdn. Bhd.
<b>12.</b>	Mr. Joe Lim	KL Maritime (M) Sdn. Bhd.
<b>13.</b>	Mr. Siow Seng Toh	ITS Testing & Control (M) Sdn. Bhd.
<b>14.</b>	Mr. V. Chandra Naidu	PGEO Marketing Sdn Bhd
<b>15.</b>	Mr. Tan Eng Hun	Wilmar Trading Pte Ltd

**SOME IMPORTANT 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)		
			Crude Palm Oil	Processed Palm Oil	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
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
2009	4,691,160	17,564,937	2,537,423	13,343,311	15,880,744
2010	<b>4,850,000</b>	<b>16,993,717</b>	<b>2,739,786</b>	<b>13,924,282</b>	<b>16,664,068</b>

Source: MPOB

**TABLE 2 – MALAYSIA: EXPORTS OF PALM OIL BY SELECTED COUNTRIES**

Country	2009		2010		Difference	
	Tonnes	%	Tonnes	%	Tonnes	%
China, P.R	4,027,172	25.36	4,027,229	24.17	57	0.00
European Union	1,892,099	11.91	2,064,247	12.39	172,148	9.10
Pakistan	1,769,321	11.14	2,134,604	12.81	365,283	20.65
India	1,354,429	8.53	1,169,998	7.02	-184,431	-13.62
USA	859,401	5.41	1,028,048	6.17	168,647	19.62
Egypt	609,210	3.84	938,722	5.63	329,512	54.09
Ukraine	544,143	3.43	264,376	1.59	-279,767	-51.41
Japan	538,878	3.39	551,614	3.31	12,736	2.36
Singapore	353,477	2.23	401,340	2.41	47,863	13.54
Benin	353,275	2.22	376,742	2.26	23,467	6.64
Iran	342,273	2.16	272,967	1.64	-69,306	-20.25
South Korea	293,233	1.85	318,471	1.91	25,238	8.61
Vietnam	241,340	1.52	346,163	2.08	104,823	43.43
Russia	210,603	1.33	163,154	0.98	-47,449	-22.53
UAE	186,878	1.18	447,792	2.69	260,914	139.62
Myanmar	181,388	1.14	179,509	1.08	-1,879	-1.04
Taiwan	150,767	0.95	153,792	0.92	3,025	2.01
Australia	126,152	0.79	125,986	0.76	-166	-0.13
Philippines	119,255	0.75	204,731	1.23	85,476	71.67
South Africa	114,661	0.72	151,216	0.91	36,555	31.88
Bangladesh	109,771	0.69	168,117	1.01	58,346	53.15
Sri Lanka	102,904	0.65	69,616	0.42	-33,288	-32.35
Togo	95,707	0.60	230,545	1.38	134,838	140.89
Yemen	76,793	0.48	52,733	0.32	-24,060	-31.33
Ghana	74,949	0.47	100,914	0.61	25,965	34.64
Djibouti	136,239	0.86	162,557	0.98	26,318	19.32
Turkey	19,589	0.12	17,604	0.11	-1,985	-10.13
Kenya	19,406	0.12	29,641	0.18	10,235	52.74
Jordan	3,858	0.02	5,327	0.03	1,469	38.08
Others	973,573	6.13	506,313	3.04	-467,260	-47.99
<b>TOTAL</b>	<b>15,880,744</b>	<b>100</b>	<b>16,664,068</b>	<b>100</b>	<b>783,324</b>	<b>4.93</b>

Source: MPOB 2010

**TABLE 3: SELECTED PRICES OF PROCESSED PALM OIL (US\$/TONNE)**

Month	RBD PALM OIL		RBD PALM OLEIN		RBD PALM STEARIN		PFAD	
	2009	2010	2009	2010	2009	2010	2009	2010
January	574	780	609	788	438	714	354	685
February	582	766	600	773	430	734	328	681
March	576	800	613	813	446	787	339	697
April	678	804	743	811	576	796	432	669
May	819	799	831	807	754	791	561	657
June	741	783	740	791	706	765	504	633
July	622	791	646	791	576	765	433	608
August	706	889	728	901	652	836	464	631
September	663	903	691	812	631	867	448	660
October	658	943	676	980	612	940	474	778
November	668	1073	690	1089	623	1051	525	924
December	751	1180	764	1172	696	1123	636	992
<b>Average</b>	<b>668</b>	<b>867</b>	<b>695</b>	<b>887</b>	<b>593</b>	<b>838</b>	<b>442</b>	<b>717</b>

*\*All prices are based on average for Malaysia*

*Source: Compiled from MPOB Monthly Price Statistics*

