

**ANNUAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2015**

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CHAIRMAN:	EN. WAN MOHD ZAIN WAN ISMAIL <i>(till 11th June 2015)</i> MR. D. CHANDRAMOHAN <i>(from 11th June 2015)</i>
VICE-CHAIRMAN:	MR. D. CHANDRAMOHAN <i>(till 11th June 2015)</i> Y. BHG. DATO' ZAKARIA ARSHAD <i>(Co-opted on 11th June 2015)</i>
2ND VICE-CHAIRMAN:	MR. RAJ KUMAR SHAH <i>(Co-opted on 11th June 2015)</i>
HONORARY TREASURER:	MR. PRAKASH MATHAVAN
MEMBERS:	Y. BHG. DATUK OTHMAN WALAT MS. LINDA KEE SAW EAN MR. V. CHANDRA NAIDU MS. LEE YOKE HUI <i>(resigned on 3rd August 2015)</i> EN. ZULKIFLEE ABDUL RAHMAN <i>(till 11th June 2015)</i> MR. TORU MORINO MR. ROBERT CHU MR. RICHARD GOH MIN TUCK <i>(till 11th June 2015)</i> MS. WONG LAI WAN <i>(from 11th June 2015)</i> MR. SANDEEP SINGH <i>(from 11th June 2015)</i>
ALTERNATE MEMBERS:	MS. BEATRICE TAI <i>ALTERNATE TO Y. BHG. DATUK OTHMAN WALAT</i> MR. TAN ENG HUN <i>ALTERNATE TO MR. V. CHANDRA NAIDU</i> MR. LI CHUN <i>ALTERNATE TO MS. WONG LAI WAN</i> MR. TAKEYUKI HAMAMOTO <i>ALTERNATE TO MR. TORU MORINO</i>
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:	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 & 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:	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 31ST DECEMBER 2015

A. GENERAL

The 37th Annual General Meeting (AGM) was held on 11th June 2015 at Grand Dorsett Subang Hotel, Selangor Darul Ehsan. Reports on financial performance and activities of the Association were presented to Members for approval. A new Management Board for the office term 2015-2017 was elected at the AGM.

A total of two Board meetings were held in March and June 2015. 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.

A Special Board Meeting was held on 1st July 2015 to discuss the revision of PORAM Rules and Constitution which was raised at the Board meeting in June especially on the eligibility of the appointment of the Management Board Members and its composition. An Extraordinary General Meeting (EGM) was later held on 11th November 2015 to amend the Rules and Constitution of the Association. The revised PORAM Rules and Constitution was approved by the Registrar of Societies (ROS) on 30th December 2015.

Management Board Members	Attendance of Meetings
En. Wan Mohd Zain Wan Ismail <i>(Chairman till 11th June 2015)</i>	1 out of 1
Mr. D. Chandramohan <i>(Chairman from 11th June 2015)</i>	2 out of 2
Mr. Raj Kumar Shah	1 out of 1
Mr. Prakash Mathavan	2 out of 2
Y. Bhg. Datuk Othman Walat	2 out of 2
Ms. Linda Kee Saw Ean	2 out of 2
Mr. V. Chandra Naidu	2 out of 2
Ms. Lee Yoke Hui <i>(resigned on 3rd August 2015)</i>	0 out of 2
En. Zulkiflee Abdul Rahman <i>(till 11th June 2015)</i>	1 out of 1
Mr. Sandeep Singh <i>(from 11th June 2015)</i>	1 out of 1
Mr. Toru Morino	2 out of 2
Mr. Robert Chu	2 out of 2
Mr. Richard Goh Min Tuck	1 out of 1
Ms. Wong Lai Wan	0 out of 1

B. MARKET REVIEW

The year 2015 saw a mixed performance of the Malaysian palm oil industry vis-à-vis 2014. In terms of total palm oil export market performance, the year 2015 saw a moderate improvement over the previous year. There was a small 1.2% increase in volume from 25.07 million tonnes in 2014 to 25.37 million tonnes in 2015. Despite improved export volume, the total export revenue was much lower by 5.4% from RM63.61 billion in 2014 to RM60.18 billion in 2015. This was mainly due to lower overall export prices for all palm products and subdued demand throughout the year. (See Table 3 and Table 4)

The total oil palm planted area had increased by 250,708 hectares to 5.64 million hectares in 2015. The large increase in planting area was supported by the replanting incentives given by the Government under the National Key Economic Area (NKEA) to accelerate planting of oil palm especially in Sarawak. A total of 4.86 million hectares or 86.1% were matured area. Sabah is still the largest oil palm planted state with 1.54 million hectares or 27.4% of total planted area. (See Table 1)

Crude palm oil (CPO) production recorded a marginal increase of 1.5% to 19.96 million tonnes in 2015 compared with 19.67 million tonnes in 2014. The increase was attributed to improved FFB yield in Peninsular Malaysia and overall increase in matured planted area. There was a dismal drop of oil extraction rate (OER) yield by 0.8% nationwide. The average OER dropped to 20.46% in 2015 compared with 20.62% in 2014. The industry is still a long way from achieving a targeted FFB yield of 26.2 tonnes per hectare and OER of 23% by 2020 under the NKEA on palm oil. (See Table 2)

Total exports of palm oil increased marginally by 0.8% to 17.45 million tonnes while palm kernel oil decreased by 4.5% to 1.07 million tonnes in 2015. Overall, the total exports of palm oil, palm kernel oil, palm kernel cake, oleochemicals, biodiesel and finished products showed an increase of 1.2% largely driven by better export volume of palm oil, biodiesel and palm kernel cake. The high carry-over stocks, high imports and marginal increase in export demand had contributed to high palm oil stocks during the year. The weak supply and demand fundamentals had further dampened palm oil prices which contributed to relatively low export earnings in 2015. (See Table 3)

India continued to be the Malaysia's largest palm oil export market in 2015, importing a total of 3.68 million tonnes or 21.1% of total palm oil exports, followed by the European Union (EU) at 2.43 million tonnes (13.9%), China PR at 2.38 million tonnes (13.6%), Pakistan at 727,610 tonnes (4.1%) and the United States (USA) at 703,482 tonnes (4.0%). These five countries imported a total of 9.93 million tonnes or almost 57% of total Malaysian palm oil export in 2015. (See Table 5)

Overall there was a major decrease in palm oil export to many traditional export markets. Malaysian palm oil exports to China PR, Egypt, Iran, Singapore and Pakistan showed a drastic decline. Palm oil exports to China PR decreased by 19.3% to 2.38 million tonnes from 2.89 million tonnes in 2014. This was mainly due to cost competitiveness and higher import of Indonesian palm oil. Domestically in China PR, there are higher imports and stock availability of soya and rapeseed beans for domestic processing which further dampened the overall vibrancy of the Chinese market demand. Export of palm oil to Iran declined by 35.1% to 330,930 tonnes from 447,058 tonnes in 2014 due to a silent limit (of 400,000 tonnes) imposed on palm oil import by the Iranian authorities. Iran imported a total of 635,258 tonnes of Malaysian palm oil in 2013 thus a major loss to the market if the silent limit is not lifted. The USA imported 703,482 tonnes or a decline of 11.3% from the high of 783,105 million tonnes in 2014. The Trans Pacific Partnership Agreement (TPPA) which was concluded in 2015 is expected to create more market access for Malaysian palm oil to the USA once it is ratified. *(See Table 5)*

Export of palm kernel oil decreased by another 4.5% to 1.07 million tonnes in 2015 from 1.12 million tonnes in 2014. In 2013, Malaysia exported 1.17 million tonnes of palm kernel oil. Over the years, there was an overall decline in the competitiveness of Malaysian palm kernel products. PORAM has lobbied for the removal of 5% export duty imposed on RBD palm kernel oil in order to spur more value added export. The Government has agreed to study PORAM's proposal again on this long standing issue. *(See Table 3)*

The average CPO locally delivered price in 2015 was much lower at RM2,153.50 per tonne compared to the average of RM2,383.50 in 2014. As a result, the average export prices for major processed palm oils were also affected, namely RBD Palm Oil (FOB) at RM 2,279.50 per tonne and RBD Palm Stearin (FOB) at RM2,058 per tonne. The price of RBD Palm Olein dropped considerably to RM 2,289 per tonne or an average of RM205.50 from RM2,494.50 in 2014. The by-product, Palm Fatty Acid Distillate (PFAD) was traded the lowest at RM1,902.50 from RM 2,269.50 per tonne in 2014. *(See Table 4 and Table 6)*

The average price for locally delivered crude palm kernel oil (CPKO) also dropped by 3.6% from RM3,497.50 per tonne in 2014 to RM3,373 per tonne in 2015. *(See Table 4)*

In 2015, palm oil opening stocks increased again to 2.63 million tonnes compared to 2.02 million tonnes in 2014 and 1.99 million tonnes in 2013. The higher overhanging stocks did not go well with export demand in 2015 which had resulted in weaker off-take and dampened prices of all major palm oil products throughout the year. *(See Table 2)*

As at December 2015, a total of 55 refineries were in operation with a total annual refining capacity of 26.94 million tonnes. Two more refineries were shut-down in 2015 due to unfavourable economic competitiveness. The refining utilisation rate was 63.6% compared with 64.7% in 2014. The refining utilization rate has been dropping gradually over the years despite the closure of two refineries in 2015. This is partly due to the imbalance of supply and demand of CPO in the country. The refining margins have fluctuated substantially over time against a tough landscape and operating environment. There is a need for a very comprehensive government policy and transparency to review the refining licensing policy in the country taking cognizance of the existing excess capacity situation and the temporary suspension of palm oil import introduced in the last quarter of 2015. (See Table 7, Table 8 and Table 9)

There was a huge surge of CPO exports amounting to 5.27 million tonnes in 2015 largely due to zero export duty as a result of lower CPO gazetted prices (except in April 2015) compared to 4.70 million tonnes in 2014. The newly introduced US\$50 per tonne levy on CPO and between US\$10 to US\$30 per tonne levy on processed palm oil (PPO) in Indonesia effective 15th July 2015 have largely eroded Malaysian refiners' competitiveness when CPO price is below RM2,250 per tonne FOB in Malaysia for the remainder of the year. This has resulted in a shift in Malaysian exports towards CPO thus reducing the processing and value addition of Malaysian palm oil products. PORAM has appealed to the Government to review the CPO export duty structure to be in line with that of Indonesian's. (See Table 10)

The Government imposed a temporary suspension of palm oil import in October 2015. As a result, there was a squeezed in the supply of palm oil in the country. PORAM made a representation to the ministry to remove the temporary suspension in order for the trade to flourish. Member who have committed themselves in a long term contract for import were allowed to continue import.

The lack of export competitiveness has reduced Malaysian palm oil exports from producing and exporting PPO to CPO. In the last five years, the amount of CPO export has been averaging around 25% of the total palm oil export. In 2015, a total of 5.27 million tonnes or 30% of CPO was exported. There is a dire need for objective government policy to support the competitiveness of the refining industry by increasing the availability of CPO in the country and facilitating more processing and value addition.

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) and Malaysian Palm Oil Council (MPOC).

I. Ministry of Plantation Industries and Commodities (MPIC)

MPIC has 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
- Temporary Suspension of Palm Oil Import
- RBD Palm Kernel Export Tax Structure
- Goods and Services Tax (GST)
- Council of Palm Oil Producing Countries (CPOPC)

II. Malaysian Palm Oil Board (MPOB)

PORAM has been supportive of MPOB in various programmes organized throughout the year namely the Palm Oil Familiarization Programme (POFP); MPOB International Palm Oil Conference (PIPOC); 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 International Palm Oil Conference (PIPOC)
- 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
- 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).

PORAM Representative also sits in MPOB Board. YB Minister of MPIC has appointed Mr. D. Chandramohan as the full Board Member and Y.Bhg. Dato' Zakaria Arshad as an Alternate.

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 have been kept informed about palm oil market development through various publications disseminated by MPOC. The Council was a sponsor at PORAM's Annual Dinner 2015 and provided assistance to PORAM in organizing the Malaysian Palm Oil Industry Golf Challenge 2015.

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)

PORAM representative also sits in MPOC council. YB Minister of MPIC has appointed Y.Bhg Dato' Zakaria Arshad as a Council Member.

IV. 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 (FTAs)
- ASEAN Trade in Goods Agreement (ATIGA)

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

The Goods and Services Tax (GST) was implemented on 1st April 2015. PORAM has engaged several meetings, consultations and discussions with MoF and RMCD on the implementation of GST treatment on palm oil products. A Task Force on GST was established to identify and outline 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. The Secretariat has also conducted two surveys on "GST Submissions and Refund" and the findings were shared with the government to overcome any delays in refund.

D. LIAISON WITH INTERNATIONAL AND LOCAL ORGANIZATIONS

In order to keep abreast with developments within the vegetable oils and fats industry, PORAM has been maintaining a close working relationship with several organizations both locally and internationally.

PORAM is actively involved in the activities of the Federation of Oils, Seeds and Fats Associations Limited (FOSFA International). The Association continues to monitor the discussion and the development of sustainable palm oil. PORAM also attended a meeting on ASEAN Sustainable Palm Oil Standard workshop organized by ASEAN Vegetable Oils Club (AVOC) in Kuala Lumpur in June 2015.

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). PORAM was also consulted in the formation of the newly set-up Malaysian Palm Oil Certification Council (MPOCC).

For the sixth year running, Bursa Malaysia Derivatives (BMD) was the Titanium sponsor for the PORAM Annual Dinner and a contributing supporter of the PORAM Annual Forum 2015. For the fourth time, Exim Bank remained the Gold sponsor of PORAM Annual Forum 2015 and presented a paper on "EXIM Bank: Your Palm Oil Trade Partner".

During the year, PORAM presented the following papers;

1. "Current Updates & Issues Facing the Refining Industry" at Maybank Investment Bank, Kuala Lumpur on 15th September 2015.
2. "Roles of the Palm Oil Refiners Association of Malaysia" Palm Oil Trade Awareness Program (POTAP) at Mandarin Oriental, Kuala Lumpur on 3rd October 2015.
3. "The Importance of Palm Oil Contracts and Trade Dispute Mechanism" at Palm Oil Trade Awareness Program (POTAP), Cairo, Egypt on 15th November 2015.
4. "The Fund and Its Impact on Malaysian Palm Oil Market" at 11th Indonesian Palm Oil Conference & 2016 Price Outlook (IPOC), Bali, Indonesia on 26th - 27th November 2015.

PORAM views were also sought and published in local newspapers 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 three scheduled Commercial and Technical Committee (C&T) meetings were held during the year in March, June and August 2015. 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 participation is 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.

En. Haja Mansoor was appointed as the Vice Chairman of Commercial and Technical Committee and effectively as Chairman of Technical and Educational Working Group (TEWG) on 2nd June 2015.

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)	3 out of 3
Agri Asia Refinery Sdn. Bhd. – En. Haja Mansoor (Vice Chairman from 2 nd June 2015)	1 out of 3
Cargill Palm Products Sdn Bhd – Ms. Ushalanee	0 out of 3
Carotino Sdn. Bhd. – Mr. Mario Johan	2 out of 3
Felda Vegetable Oil Products Sdn Bhd – En. Zainal Tuan Muda / En. Abu Mansur Md. Yasin	1 out of 3
Fuji Oil Co. Ltd / Palmaju Edible Oils Sdn. Bhd. – Mr. Arima Atsuhiro	2 out of 3
Golden Agri International (M) Sdn. Bhd. - Mr. Eric Nah	2 out of 3
EFKO Food Ingredients - Mr. Alex Tan Hooi Huan	3 out of 3
IOI Edible Oils Sdn Bhd - Mr. Siew Ching Wai	3 out of 3
Intercontinental Specialty Fats Sdn. Bhd. - Ms. Khoo Yoke Lian	3 out of 3
Kirana Palm Oil Refinery Sdn Bhd – Mr. Alvin Lau / Ms. Carol Lim	1 out of 3
KL-Kepong Edible Oils S/B – Ms. Kelly Foong	0 out of 3

Keck Seng (M) Bhd – Mr. Woh Siew Leong / Mdm Ho See See	0 out of 3
Lam Soon Edible Oils Sdn. Bhd. –Mr. AK Lim / Mr. Siew Yuen Heng	0 out of 3
Ngo Chew Hong Oils & Fats Sdn Bhd –Ms. Leong Lai Khuan	3 out of 3
Palmaju Edible Oils Sdn. Bhd. / Itochu Singapore Pte. Ltd. – Mr. Hoshino Takafumi	0 out of 3
Premium Oils & Fats Sdn. Bhd. - Mr. Francis Ng Kah Chin	3 out of 3
Southern Edible Oils Sdn Bhd – Ms. Linda Kee / Mr. Them Zher Wyn	1 out of 3
Sime Darby Global Trading & Marketing Sdn Bhd – Mr. Billy Tan / Mr. Sandeep Singh / Dr. Doreen Lee	3 out of 3
Unitata Bhd. – Mr. Allan Loh	0 out of 3
Virgoz Oils & Fats Sdn. Bhd. – Mr. Francis Xavier	2 out of 2

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

a. RBD Palm Kernel Oil Export Tax Structure

MPOB has finalised the study on ‘The Removal of 5% Export Tax on RBD Palm Kernel Oil’ as proposed by PORAM. The result of the study was presented to the Committee with mixed review. The study was not comprehensive as PORAM, MEOMA and MOMG views were not included in the study. It was suggested that MPOB to conduct the study with proper consultation with the respective industry members and not based purely on export data and statistics. MPOB agreed to complete the study and present their report by the first quarter of 2016.

b. Goods and Services Tax (GST)

A number of issues are still outstanding and have remained unresolved even after various meetings and consultations with RMCD. It was agreed that all unresolved issues pertaining to GST matters should be tackled one at a time to elicit a positive response from the Government. The first important outstanding issue to overcome is the subject on ‘String Contracts’ which has become problematic in the trading of palm oil products from one party to another whereby a string is created. PORAM had requested for strings contract to be zero rated.

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

A brainstorming session was convened on 15th December 2015 to come up with a blueprint to enhance the competitiveness of Malaysian palm oil exports. Some of the issues discussed included temporary suspension of palm oil import; CPO export tax structure; removal of 5% export tax on RBD PKO; refining policy; TPPA; and GST. It was agreed that a Task Force be formed to look into some important topics and to suggest recommendations/proposals to increase the export volume of Malaysian palm oil and counter stiff competition from Indonesia. The proposals will be presented to MPIC for their considerations.

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

The latest draft document prepared by MPOB with regard to Malaysian Sustainable Palm Oil (MSPO) Requirements for Palm Oil Refineries was finalised by the Technical Working Committee on 24th November 2015. The draft was circulated for members' comments and feedback. The final draft will be tabled for an adoption at the National Committee in the first quarter of 2016.

e. Trans-Pacific Partnership Agreement (TPPA)

That TPPA has been finalized pending approval by Parliament. Once approved in January 2016, Malaysia will have about 2 years to ratify the agreement. Under TPPA, Malaysia is allowed to maintain CPO export tax structure but will not be allowed to impose any other duties, taxes or other charges on palm oil and products above and beyond what was agreed at TPPA.

f. Cooking Oil Subsidy Scheme (COSS)

COSS will still be in operation as the scheme falls under the total subsidy allocation in 2016. The National Budget Speech presented in October 2015 was silent on COSS. In the absence of any official written statement on COSS, members are advised that the status quo remains.

g. Council of Palm Oil Producing Countries (CPOPC)

The charter for the establishment of the Council of Palm Oil Producing Countries (CPOPC) was signed by both Malaysia and Indonesia on 21st November 2015. PORAM has been invited to participate in the work programme of CPOPC. As an Association, PORAM does not have much role to contribute in CPOPC. It was felt that CPOPC should work towards the harmonization of tariff between both countries first. This would ensure a level playing field for industry players from both countries to export more palm oil globally. PORAM position was made known to the Government.

II. ASSOCIATE MEMBERS COMMITTEE (AMC)

There was no meeting held in the year due to the on-going process to amend PORAM Rules and Constitution.

III. PRICE SETTLEMENT COMMITTEE (PSC)

There was no meeting held in the year due to the on-going process to amend PORAM Rules and Constitution.

F. TRAINING AND EDUCATION

Following were courses organized by PORAM and coordinated with others:

i. PORAM Operational and Commercial Aspects of Palm Oil Course

The course was conducted on 27th and 28th April 2015 at Grand Dorsett Subang Hotel, Selangor Darul Ehsan. It was attended by 120 participants from Malaysia, Singapore, Indonesia and Pakistan. The objective of the course was to provide participants with an overview on the various operational and commercial aspects related to palm oil trade and issues confronting the industry. The course gave an opportunity for the speakers to share their knowledge and experience with the participants. The course also provided an avenue for participants to network with the speakers and other members of the industry.

ii. MPOB Oil Palm Products Surveying Course

The annual event of MPOB Oil Palm Products Surveying Course was held from 26th to 30th October 2015 at Shah Alam, Selangor. 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. PORAM representative were 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 20th November 2015 at One World Hotel, Bandar Utama, Selangor Darul Ehsan. A total of 140 participants attended the event. A total of five papers were presented by five different speakers from UCSI University, LMC International Ltd, Exim Bank, Carotino and ITC Ltd, India.

G. ARBITRATION AND APPEAL

A total of 12 new arbitration cases were filed with the PORAM Secretariat between January and December 2015. The total number of cases pending as of December 2015 is 24 including 8 in abeyance.

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. Continued efforts are being made to improve the functionality of the website and to provide Members with exclusive on-line resources. PORAM website is also being promoted as a branded tool to inform the 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 2015, the Facebook had a total of 392 registered members who were pre-screened for acceptance.

I. MEMBERSHIP

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

Associate Members

1. FGV Trading Sdn. Bhd.
2. RG Chartering Pte. Ltd.
3. Olam International Ltd.
4. Kalmart Systems (M) Sdn. Bhd.
5. Kenanga Deutsche Futures Sdn. Bhd.

In 2015, PORAM accepted the withdrawal of the following members;

Associate Members

1. Link Survey (M) Sdn. Bhd.
2. Fuji Oil Co., Ltd.
3. Toepfer International Asia Pte. Ltd.

As of 31st December 2015, there were a total of 26 Full Members, 96 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

PORAM celebrated its 40th Year Anniversary this year. During the last forty years (1975-2015), PORAM has grown from strength to strength driven by the unity of its members and character building by various leaders and personalities in shaping the Association and industry. In conjunction with the anniversary, PORAM published a Commemorative Souvenir Book entitled “The Story of PORAM – Celebrating 40th Year of Unity, Strength and Character”. The souvenir book was launched and distributed during PORAM Annual Dinner on 21st November 2015. The Management Board would like to thank all sponsors, advertisers and contributors without whom the production of PORAM Commemorative Souvenir Book would not have been possible.

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.

The Board would also like to express its gratitude and thanks to En. Wan Mohd Zain Wan Ismail who had served as Chairman of PORAM from 2011 till June 2015 for his leadership and vision. Our warm appreciation also goes to outgoing Board Members, Ms. Lee Yoke Hui and En. Zulkiflee Abdul Rahman, for their excellent contribution and dedication to the Association.

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: 13th May 2016

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./	17.02.2000
IOI LODERS CROKLAAN OILS SDN. BHD	30.08.1979
PAN-CENTURY EDIBLE OILS SDN. BHD.	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 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.	mitsui & CO. LTD.	19.05.1987
9.	MISC BERHAD	19.05.1987
10.	RITCHIE & BISSET SDN. BHD.	12.10.1988
11.	LOUIS DREYFUS ASIA PTE. LTD.	03.08.1988
12.	JOSOVINA COMMODITIES SDN. BHD.	09.08.1988
13.	STOLT-NIELSEN TRANSPORTATION GROUP PTE. LTD	17.08.1991
14.	AARHUSKARLSHAMN (M) SDN. BHD.	27.08.1991
15.	JAWALA CORPORATION SDN. BHD.	01.12.1992
16.	TROPICAL OIL ACI PTE. LTD (merged with Agri Commodities International)	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.	PACIFIC RIM PLANTATION SERVICES PTE. LTD.	03.09.1999
24.	AAA OILS & FATS LTD.	11.01.2001
25.	GOLDEN AGRI INTERNATIONAL PTE. LTD.	11.01.2001
26.	FELCRA BERHAD	05.10.2001
27.	KL-MARITIME (M) SDN. BHD.	05.10.2001
28.	FELDA-JOHORE BULKERS SDN. BHD.	30.05.2002
29.	SINARAN PALM SERVICES PTE. LTD.	09.10.2002
30.	COFCO RESOURCES PTE. LTD. (<i>Formerly known as Noble Resources Pte. Ltd.</i>)	18.03.2004
31.	BIPORT BULKERS SDN. BHD.	03.05.2005
32.	WAWASAN AGROLIPIDS SDN. BHD.	01.01.2006
33.	TOKYO MARINE CO. LTD.	01.01.2006
34.	BONASABA SDN. BHD.	25.05.2006

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

72.	FIRST RESOURCES TRADING PTE. LTD.	15.05.2012
73.	SIDHU BROTHERS TRANSPORT SDN. BHD.	05.06.2012
74.	UNILEVER ASIA PTE. LTD.	05.06.2012
75.	AGRI PALM FAR EAST SDN. BHD.	11.07.2012
76.	ARAB SUPPLIER FABRICATION AND RETAIL SDN. BHD.	28.08.2012
77.	ALEX STEWART (M) SDN. BHD.	01.03.2013
78.	TRISTAR GLOBAL SDN. BHD.	01.03.2013
79.	MAC WORLD INDUSTRIES SDN. BHD.	08.04.2013
80.	LIPIDS TERMINAL SDN. BHD.	08.04.2013
81.	AYINA SDN. BHD.	03.07.2013
82.	SARAFIAH NATURAL RESOURCES SDN. BHD.	08.05.2013
83.	TWIN WEALTH OILS AND FATS SDN. BHD.	08.05.2013
84.	SAWINDO AGRI PTE. LTD.	03.07.2013
85.	GULF ASIA OILS AND FATS SDN. BHD.	24.08.2013
86.	FELDA IFFCO OIL PRODUCTS SDN. BHD.	25.09.2013
87.	AG SOURCE (S) PTE. LTD.	01.09.2014
88.	IDANI GLOBAL GMBH	01.09.2014
89.	PROMAC ENTERPRISES SDN. BHD.	01.09.2014
90.	SEPANG DYNAMICS SDN. BHD.	01.08.2014
91.	SINGAPORE COMMODITIES GROUP CO., PTE. LTD.	01.06.2014
92.	FGV TRADING SDN. BHD.	16.03.2015
93.	RG CHARTERING PTE. LTD.	16.03.2015
94.	OLAM INTERNATIONAL LTD.	21.04.2015
95.	KALMART SYSTEMS (M) SDN. BHD.	25.05.2015.
96.	KENANGA DEUTSCHE FUTURES SDN. BDH.	1.09.2015

1. MALAYSIAN PALM OIL BOARD (MPOB)	<p><i>(till 11th June 2015)</i> En. Wan Mohd Zain Wan Ismail Alt: Mr. Richard Goh Min Tuck</p>
	<p><i>(from 11th June 2015)</i> Mr. D. Chandramohan Alt: Y. Bhg. Dato' Zakaria Arshad</p>
2. MALAYSIAN PALM OIL COUNCIL (MPOC)	<p><i>(till 11th June 2015)</i> En. Wan Mohd Zain Wan Ismail</p>
	<p><i>(after 11th June 2015)</i> Alt: Y. Bhg. Dato' Zakaria Arshad</p>
3. NATIONAL COUNCIL ON COUNCIL OF PALM OIL PRODUCING COUNTRIES	<p>Mr. D. Chandramohan En. Mohammad Jaaffar Ahmad</p>
4. JAWATANKUASA PENDAFTARAN DAN PELESENAN MPOB	<p>Mr. D. Chandramohan Y. Bhg. Dato' Zakaria Arshad</p>
5. MPOB MAIN STEERING COMMITTEE FOR OIL PALM PRODUCTS SURVEYING COURSE	<p>Mr. Siow Seng Toh En. Mohammad Jaaffar Ahmad</p>
6. MPOB SURVEYOR'S EXAMINATION PANEL	<p>En. Md. Saiful Md. Husin En. Kamaraddin Selamat</p>
7. MPOB WORKING GROUP ON COOKING OIL PRICE STABILIZATION SCHEME (COSS)	<p>En. Mohammad Jaaffar Ahmad</p>
8. MPOB TECHNICAL COMMITTEE ON PALM OIL MILLING, REFINING, ENVIRONMENT & QUALITY (POMREQ)	<p>En. Mohammad Jaaffar Ahmad Alt: En. Md Saiful Md Hussin</p>
9. ASEAN VEGETABLE OILS CLUB (AVOC)	<p>En. Wan Mohd Zain Wan Ismail <i>(till 11th June 2015)</i> Alt: En. Mohammad Jaaffar Ahmad</p>
10. NATIONAL CODEX COMMITTEE ON FATS AND OILS	<p>En. Mohammad Jaaffar Ahmad</p>
11. MALAYSIA-INDONESIA BILATERAL COOPERATION – SUB WORKING GROUP ON PALM OIL (SWGPO)	<p>En. Mohammad Jaaffar Ahmad</p>

12.	JAWATANKUASA PERUNDING BAGI PELABUHAN JOHOR	En. Wan Mohd. Zain Wan Ismail <i>(till 11th June 2015)</i>
13.	NATIONAL COMMITTEE ON MALAYSIAN STANDARD ON SUSTAINABLE PALM OIL (MSPO)	En. Mohammad Jaaffar Ahmad
14.	TECHNICAL COMMITTEE ON MALAYSIAN STANDARD SUSTAINABLE PALM OIL (MSPO)	Mr. Teoh Beng Chuan En. Md. Saiful Md. Husin
15.	JAWATANKUASA SISTEM PEMANTAUAN SAWIT MPOB BERSAMA INDUSTRI	En. Mohammad Jaaffar Ahmad
16.	JAWATANKUASA KECIL PINDAAN MS682: 2012 – SPECIFICATION FOR COOKING OILS	En. Mohammad Jaaffar Ahmad

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>)
6.	Mr. Yoshihiko Iijima	Tokyo Marine Asia Pte. Ltd.

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.	En. Wan Mohd Zain Wan Ismail (<i>Chairman till 11th June 2015</i>)	
2.	Mr. D. Chandramohan (<i>Chairman from 11th June 2015</i>)	
3.	Mr. Raj Kumar Shah	
4.	Mr. Mohamed Abd. Majed	
5.	Mr. Lim Liew King	
6.	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.	Mr. Yap Eng Kwee	ICOF (Malaysia) Sdn Bhd
4.	Mr. Siow Seng Toh	ITS Testing & Control (M) Sdn. Bhd.
5.	Mr. Joe Lim	KL Maritime (M) Sdn. Bhd.
6.	Mr. S. Sitambaram	Malindo Palm Brokerage Sdn Bhd
7.	Ms. Florence Wong	AAA Oils & Fats Pte. Ltd.

TECHNICAL & EDUCATIONAL WORKING GROUP (TEWG)		
1.	En. Haja Mansoor (<i>Chairman</i>)	Agri Asia Refinery Sdn. Bhd.
2.	Dr. Doreen Lee	Sime Darby Plantation Sdn. Bhd.
3.	Mr. Ang Chee Loong	PGEO Edible Oils Sdn. Bhd.
4.	Capt. Cyril Kenneth	Ritchie Bisset Sdn. Bhd.
5.	En. Shamsudin Idris	Indelab Sdn. Bhd.
6.	Mr. Law Chin Yee	Palmoleo Sdn. Bhd.
7.	Dr. B. Nagendran	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
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	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

TABLE 2: PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY, 2015

INDICATOR	2015	2014	% DIFF
PLANTED AREA (MIL. HECTARES)	5.64	5.39	4.6
CPO PRODUCTION (MIL. TONNES)			
PENINSULAR MALAYSIA	10.54	10.17	3.6
SABAH	5.72	6.06	-5.6
SARAWAK	3.70	3.44	7.6
MALAYSIA	19.96	19.67	1.5
FFB YIELD (TONNES/HECTARE)			
PENINSULAR MALAYSIA	18.77	18.23	3.0
SABAH	19.99	21.34	-6.3
SARAWAK	16.21	16.13	0.5
MALAYSIA	18.48	18.63	-0.8
OER (%)			
PENINSULAR MALAYSIA	20.01	20.19	-0.9
SABAH	21.57	21.49	0.4
SARAWAK	20.15	20.43	-1.4
MALAYSIA	20.46	20.62	-0.8
CLOSING STOCK (MIL. TONNES)			
PALM OIL	2.63	2.02	30.2

Source: MPOB 2016

TABLE 3: PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY, 2015

INDICATOR	2015	2014	% DIFF
EXPORT VOLUME (MIL.T)			
PALM OIL	17.45	17.31	0.8
PALM KERNEL OIL	1.07	1.12	-4.5
PALM KERNEL CAKE	2.63	2.57	2.3
OLEOCHEMICALS	2.85	2.83	0.7
BIODIESEL	0.18	0.08	125.0
FINISHED PRODUCTS	0.44	0.45	-2.2
OTHER PALM PRODUCTS	0.75	0.71	5.6
TOTAL EXPORT (MIL.T)	25.37	25.07	1.2
EXPORT REVENUE (RM BIL.)			
PALM OIL	41.26	44.50	-7.3
PALM KERNEL OIL	4.08	4.20	-2.9
PALM KERNEL CAKE	0.94	1.26	-25.4
OLEOCHEMICALS	11.30	11.29	0.09
BIODIESEL	0.48	0.26	84.6
FINISHED PRODUCTS	1.73	1.72	0.6
OTHER PALM PRODUCTS	0.39	0.39	0
TOTAL EXPORT REVENUE (RM BIL.)	60.18	63.62	-5.4

Source: MPOB 2016

TABLE 4: PERFORMANCE OF THE MALAYSIAN OIL PALM INDUSTRY, 2015

INDICATOR	2015	2014	% DIFF
PRICES (RM/TONNE)			
FRESH FRUIT BUNCHES (MILL GATE)	459.00	519.00	-11.6
CRUDE PALM OIL (LOCAL DELIVERED)	2,153.50	2,383.50	-9.6
PALM KERNEL (EX-MILL)	1,527.50	1,670.50	-8.6
CRUDE PALM KERNEL OIL (LOCAL DELIVERED)	3,373.00	3,497.50	-3.6
RBD PALM OIL (FOB)	2,279.50	2,502.00	-8.9
RBD PALM OLEIN (FOB)	2,289.00	2,494.50	-8.2
RBD PALM STEARIN (FOB)	2,058.00	2,446.00	-15.9
PALM FATTY ACID DISTILATE (FOB)	1,902.50	2,269.50	-16.2

Source: MPOB 2016

TABLE 5 – MALAYSIA: EXPORTS TO SELECTED COUNTRIES

COUNTRY	2015		2014		Difference	
	Tonnes	%	Tonnes	%	Tonnes	%
China, P.R	2,380,272	13.6	2,839,283	16.4	-459,011	-19.3
India	3,686,315	21.1	3,251,564	18.8	434,751	11.8
European Union	2,432,504	13.9	2,411,060	13.9	21,444	0.9
Pakistan	727,610	4.1	815,618	4.7	-88,008	-12.1
USA	703,482	4.0	783,105	4.5	-79,623	-11.3
Singapore	393,167	2.2	482,922	2.8	-89,755	-22.8
Japan	544,739	3.1	513,508	2.8	31,231	5.7
Iran	330,930	1.9	447,058	2.6	-116,128	-35.1
Vietnam	583,961	3.3	604,193	3.5	-20,232	-3.5
Egypt	209,524	1.2	349,172	2.0	-139,648	-66.7
South Korea	378,656	2.2	374,091	2.2	4,565	1.2
Myanmar	205,937	1.2	207,615	1.2	-1,678	-0.8
Philippines	648,364	3.7	493,742	2.8	154,622	23.8
Benin	349,957	2.0	456,254	2.6	-106,297	-30.4
Bangladesh	262,529	1.5	321,705	1.9	-59,176	-22.5
Ukraine	127,746	0.7	105,528	0.6	22,218	17.4
Ghana	163,430	0.9	96,077	0.5	67,353	41.2
Togo	56,805	0.3	134,038	0.8	-77,233	-136.0
UAE	76,805	0.4	84,613	0.5	-7,808	-10.2
Taiwan	194,046	1.1	194,561	1.1	-515	-0.3
Australia	121,747	0.7	96,336	0.5	25,411	20.9
Sri Lanka	120,690	0.7	95,238	0.5	25,452	21.1
Kenya	139,321	0.8	129,762	0.7	9,559	6.9
Tanzania	240,098	1.4	286,246	1.6	-46,148	-19.2
Nigeria	229,560	1.3	189,433	1.1	40,127	17.5
Angola	171,059	1.0	155,166	0.9	15,893	9.3
Saudi Arabia	67,081	0.4	121,837	0.7	-54,756	-81.6
Mozambique	108,876	0.6	88,869	0.5	20,007	18.4
Others	1,799,002	10.3	1,177,651	6.8	621,351	34.5
TOTAL	17,454,213		17,306,247		147,966	0.8

Source: MPOB 2016

TABLE 6: SELECTED EXPORT PRICES OF PROCESSED PALM OIL FOB (US\$/TONNE)

Month	RBD PALM OIL		RBD PALM OLEIN		RBD PALM STEARIN		PFAD	
	2014	2015	2014	2015	2014	2015	2014	2015
January	786.00	659.00	792.50	654.50	783.50	653.50	714.00	570.50
February	791.00	651.00	818.00	656.00	790.00	647.00	716.50	606.00
March	909.50	624.50	916.50	625.00	865.50	621.50	794.00	598.00
April	852.00	600.00	858.00	608.50	834.00	598.50	790.50	577.00
May	847.00	620.00	835.00	624.00	805.00	595.00	790.00	572.50
June	785.00	631.00	789.50	635.00	756.50	572.00	745.00	559.50
July	783.00	601.50	791.00	612.50	757.00	529.50	756.50	514.50
August	721.50	534.50	721.50	541.50	701.00	437.50	659.50	438.50
September	681.50	509.00	687.50	519.00	652.50	397.00	615.00	343.00
October	677.50	561.00	687.50	573.50	674.50	463.50	585.50	373.50
November	685.00	522.50	693.00	539.50	686.00	448.00	584.50	358.50
December	627.00	520.00	638.50	534.50	632.50	482.00	550.0	399.50
Average	763.50	586.00	764.50	585.50	750.50	531.00	714.50	500.50

Source: MPOB 2016

TABLE 7: STATUS OF REFINERIES AND CAPACITY AS AT END OF 2015 (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	5	958,200	5	1,355,500	46	17,716,900
Sabah / Sarawak	19	11,544,800	2	214,500	10	3,594,000	31	15,353,300
Malaysia	55	26,948,000	7	1,172,700	15	4,949,500	77	33,070,200

Source:

*MPOB 2016

**MIDA

TABLE 8: MONTHLY REFINING CAPACITY UTILIZATION RATE 2015 (%)

State	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average
Johor	43.71	34.73	52.74	53.85	57.25	67.82	60.16	64.29	62.66	50.32	53.54	44.55	54.11
Perak	47.29	38.81	81.40	75.57	83.66	72.31	69.51	96.10	85.67	94.44	63.13	71.90	73.32
Penang	50.94	68.14	94.61	110.59	100.52	66.41	59.75	116.34	106.49	62.46	41.22	40.63	76.51
Selangor	70.96	59.87	79.08	79.09	90.20	89.07	82.99	89.81	81.68	87.37	89.26	74.95	81.20
Other States	28.37	33.92	54.85	52.48	64.55	67.44	68.59	83.53	69.17	70.67	80.00	60.45	61.17
P. Malaysia	50.83	43.90	64.61	65.06	71.65	74.57	68.78	78.30	72.34	67.54	67.79	57.47	65.41
Sabah	52.90	45.78	53.24	57.78	61.75	57.07	64.44	52.71	60.98	57.93	46.85	43.73	51.44
Sarawak	66.93	46.10	74.08	107.70	96.40	94.77	110.96	89.13	109.84	91.66	87.64	84.69	88.01
Sabah/Sarawak	56.85	45.89	59.12	71.65	71.39	64.99	76.09	62.12	75.07	66.65	58.72	54.32	60.89
MALAYSIA	53.28	44.60	62.38	67.58	71.55	70.57	71.53	71.87	73.35	67.18	64.41	56.21	63.60

Source: MPOB 2016

TABLE 9: STATUS OF OIL PALM PROCESSING SECTOR 2015

SECTOR	NUMBER IN OPERATION	PROCESSING CAPACITIES (MIL.T/YR)	PROCESSING CAPACITIES UTILISATION RATE (%)
Mill	445	108.40	90.0
Palm Kernel Crushing Plant	45	7.10	67.8
Refinery	55	26.95	63.6
Oleochemical Plant	19	2.67	84.7
Biodiesel Plant	18	2.30	31.6

Source: MPOB 2016

TABLE 10: INDONESIA & MALAYSIA MONTHLY EXPORT TAX RATE 2015

Palm Products	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sept	Oct	Nov	Dec
Indonesian CPO	0	0	0	0	0	0	\$50	\$50	\$50	\$50	\$50	\$50
Indonesian RBD Palm Olein	0	0	0	0	0	0	\$30	\$30	\$30	\$30	\$30	\$30
Difference between Indonesian Olein & CPO Tax Gap	0	0	0	0	0	0	\$20	\$20	\$20	\$20	\$20	\$20
Malaysian CPO	0	0	0	4.5%	0	0	0	0	0	0	0	0
Tax Differential *	0	0	0	4.5%	0	0	\$20	\$20	\$20	\$20	\$20	\$20

* Between Malaysia CPO vs Indonesia Olein / CPO Tax Difference

