

**ANNUAL REPORT
FOR THE YEAR ENDING
31st DECEMBER 2017**

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CHAIRMAN: MR. D. CHANDRAMOHAN

VICE-CHAIRMAN: Y. BHG. DATUK OTHMAN WALAT

2ND VICE-CHAIRMAN: MR. RAJ KUMAR SHAH

HONORARY TREASURER: MR. PRAKASH MATHAVAN

MEMBERS: MS. LINDA KEE SAW EAN
MR. V. CHANDRA NAIDU
MR. LIM JIT UEI
MR. TORU MORINO
MR. SANDEEP SINGH
MS. WONG LAI WAN
Y. BHG. DATUK ZAKARIA ARSHAD (till 23.5.17)
MR. ZAKARIA SALAM (from 23.5.17)
MR. ROBERT CHU (till 30.6.2017)
MR. JAMIL HARON
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. 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: MR. TEOH BENG CHUAN
(effective from 1st December 2017)
MR. MOHAMMAD JAAFFAR AHMAD
(till 30th November 2017)

AUDITOR:	M/S. 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 7th FLOOR, WISMA HAMZAH-KWONG HING 1 LEBOH AMPANG 50100 KUALA LUMPUR</p> <p>M/S NAZRI AZIZ & WONG ADVOCATES & SOLICITORS 8.8, 8th FLOOR HERITAGE HOUSE, 33 JALAN YAP AH SHAK 50300 KUALA LUMPUR</p>
REGISTERED OFFICE:	801C / 802A 8 th FLOOR 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 2017

A. GENERAL

The 39th Annual General Meeting (AGM) was held on 23rd May 2017 at Dorsett Grand Subang Hotel, Selangor. Reports on financial performance and activities of the Association were presented to Members for approval.

A total of four Board meetings were held in February, May, August and November 2017. 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 (till 23.5.17)	2 out of 2
Mr. Zakaria Salam (from 23.5.17)	2 out of 2
Mr. Raj Kumar Shah	2 out of 3
Mr. Prakash Mathavan	3 out of 4
Y. Bhg. Datuk Othman Walat	3 out of 4
Ms. Linda Kee Saw Ean	2 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 (till 30.6.17)	0 out of 2
Ms. Wong Lai Wan	4 out of 4
Mr. Jamil Haron	2 out of 2
Mr. Lim Jit Uei	3 out of 4
Mr. Richard Goh	3 out of 3

B. MARKET REVIEW

The Malaysian Palm Oil industry showed a better performance in 2017 compared with 2016. As reported by the Department of Statistics, Malaysia achieved higher palm oil prices and improved export demand helped push export earnings to RM 77.85b over RM 67.92b in 2016 or an increase of 12.76%.

There was also a marginal increase of 1.22% in total oil palm planted area from 5.74m hectares in 2016 to 5.81m hectares in 2017. Sarawak was the single largest producing state with 1.56m hectares or 26.8% of total Malaysian oil palm planted area overtaking Sabah with 1.55m hectares or 26.6%. while Peninsular Malaysia accounted for 2.70m hectares representing 46.6%.

There were significant increases in Crude palm oil (CPO) production and fresh fruit bunch (FFB) yield following recovery from the impact of the El-Nino phenomenon a year earlier. In 2017, CPO production increased to 19.92m tonnes compared with 17.32m tonnes in 2016 or 15% higher. This was mainly attributed to higher FFB processed (17% more) as a result of higher FFB production which increased by 12.4%. Production of CPO in Peninsular Malaysia increased to 10.58m tonnes (+19%), Sabah to 5.22m tonnes (+7.6%) and Sarawak to 4.13m tonnes (+15.1%) respectively.

There was a marked improvement in FFB yield in 2017 which increased by 12.4% to 17.89 tonnes per hectare compared with 15.91 tonnes per hectare in 2016. Details of the breakdown by region are shown in the table below:

FFB Yield per Hectare

	2017 (tonnes)	2016 (tonnes)	% change
Peninsular Malaysia	18.70	15.77	+18.6
Sabah	18.35	17.10	+7.3
Sarawak	16.13	14.86	+8.5

In 2017, the oil extraction rate (OER) for the whole country saw a slight decline to 19.72% from 20.18% in 2016 or (-2.3%) due to lower quality FFB processed by the mills as shown in the following regions:

Peninsular Malaysia	19.2% (-2.8%)
Sabah	20.60% (-2.4%)
Sarawak	19.98% (-0.2%)

Total exports of palm oil products (including palm kernel oil and its by-products, oleochemicals, biodiesel, etc) improved slightly to 23.97m tonnes in 2017 as opposed to 23.29m tonnes in 2016 or an increase of 2.9%. Owing to higher export volume and better price, the total export revenue had increased by 14.6% to RM 77.85b from RM 67.92b in 2016. This is also partly due to an increase in demand coming particularly from countries like Saudi Arabia, Iran, Pakistan and the Philippines.

India remained the single largest export market for Malaysian palm oil consecutively since 2014. In 2017, India imported 2.03m tonnes from Malaysia or 12.2% of our total palm oil exports. The European Union (EU) was next with 1.99m tonnes (12.0%), followed by China at 1.92m tonnes (11.6%), Pakistan at 1.02m tonnes (6.1%), the Philippines at 0.75m tonnes (4.5%), Turkey at 0.68m tonnes (4.1%) and Vietnam at 0.63m tonnes (3.8%). These top export destinations combined contributed a total of 9.02m tonnes representing 54.5% of total Malaysian palm oil exports in 2017.

Exports to India, however, declined by 28.2% to 2.03m tonnes in 2017 from 2.83m tonnes in 2016 due to higher import from Indonesia at 7.05m tonnes or 32.8% as their products were more competitively priced. Another factor was the increased import of sunflower oil into India by as much as 42.7% at 2.26m tonnes.

The EU being the second largest export market for Malaysia imported 1.99m tonnes down from 2.06m tonnes (-3.3%) year-on-year basis. This was also partly due to higher import of palm oil from Indonesia and other smaller producing countries apart from higher intake of sunflower oil at 1.85m tonnes (+17.0%) in 2017 compared with 1.58m tonnes in 2016.

China was the third largest export market for Malaysian palm oil in 2017 contributing 1.92m tonnes which saw an increase of 1.9% from 1.88m tonnes. This was partly due to lower import of soyabeans from the U.S. for crushing which recorded a decline of 2.4% to 32.85m tonnes in 2017 compared with 33.66m tonnes in 2016.

Pakistan maintained its position as Malaysia's fourth largest export market by importing 1.02m tonnes as opposed to 0.88m tonnes in 2016 or an increase of 15.5%. This was mainly attributed to lower import of rapeseed for crushing to produce rapeseed oil.

The Philippines has since become a significant export market for Malaysian palm oil by importing 750,000 tonnes in 2017 or an increase of 20.3% due to lower supply of domestic coconut oil which commands a hefty price premium in the export market over palm and other veg oils.

There was also a higher intake of Malaysian palm oil into Turkey by 3.4% to 680,000 tonnes due to lower import of rapeseed for domestic crushing to produce rapeseed oil.

There was also a similar increase in Malaysian palm oil import into Vietnam at 630,000 tonnes or +13.8% as a result of lower import of soyabeans for local crushing to produce soyabean oil.

Exports of palm kernel oil in 2017 increased moderately by 4.8% to 0.97 million tonnes, up from 0.92 million tonnes in 2016 due to the higher demand from China, Brazil and India. The EU was the major export market for palm kernel oil with 0.25 million tonnes (up by 2.4%), followed by China at 0.17 million tonnes (up by 27.5%) and Turkey at 0.78 million tonnes (up by 18.1%).

Palm kernel cake (PKC) export declined by 0.3% year-on-year to 2.207 million tonnes in 2017 as against 2.214 million tonnes due to lower demand from the EU. Export to the EU was down by 28.6% to 0.48 million tonnes against 0.68 million tonnes last year. In terms of export market, New Zealand was the largest importer of PKC with 0.65 million tonnes (29.4% of total PKC exports), followed by the EU at 0.48 million tonnes (21.9%), South Korea at 0.34 million tonnes (15.4%), Pakistan at 0.30 million tonnes (13.6%) and China at 0.17 million tonnes (7.6%). These five countries imported 87.9% of Malaysia's PKC in 2017.

Exports of palm-based oleochemical products increased, slightly by 0.6% to 2.77 million tonnes in 2017 from 2.76 million tonnes in 2016. The higher export volume was due to stronger demand from China and USA. Nevertheless, the EU remained the major export destination with 0.45 million tonnes (16.2% of total), followed by China at 0.44 million tonnes (15.9%), USA at 0.31 million tonnes (11.1%) and Japan at 0.23 million tonnes (8.5%). The major palm-based oleochemical products exported were fatty acids at 0.99 million tonnes (35.7%), fatty alcohol at 0.58 million tonnes (20.9%), methyl ester at 0.44 million tonnes (15.8%), glycerine at 0.40 million tonnes (14.5%) and soap noodles at 0.34 million tonnes (12.1%).

Imports of palm oil, on the other hand, increased by 33.9% to 0.56 million tonnes compared with 0.42 million tonnes recorded in 2016. The increase in palm oil imports for 2017 was to cater to demand in the domestic processing sector which increased by 14.0% to 18.20 million tonnes in countering the higher export of palm oil by 3.2% to 16.56 million tonnes. The export levy differential of USD20 – USD30 between CPO and processed palm oil (PPO) mooted imports of PPO, up by 174,028 tonnes. Almost all palm oil imports (both CPO and PPO) were sourced from Indonesia.

Arising from higher palm oil production (up by 15.0% or 2.60 million tonnes), stocks also closed higher at 2.73 million tonnes, an increase of 63.9% from 1.67 million tonnes recorded in December 2016.

In 2017, prices of palm oil products were traded mixed albeit in a declining trend. CPO price was traded higher by 4.9% or on average RM130.00/tonne to RM2,783.00/tonne compared with RM2,653.00/tonne in 2016. The highest traded price for 2017 was in January at RM3,268.00/tonne while the lowest was in December at RM2,407.00/tonne. The higher CPO price during the year was mainly due to firmer prices in the world market for soyabean oil. Overview of the Malaysian Oil Palm Industry 2017 4 Malaysian Palm Oil Board Feb 2018 (SBO) and Brent crude oil in addition to improved demand for palm oil arising from price competitiveness against competing oils and fats.

Prices of processed palm oil in the global market were also traded higher. RBD palm oil was traded higher by RM169.50 or 6.3% at RM2,880.00/tonne, RBD palm olein price was higher by RM184.00 or 6.6% at RM2,953.50/tonne, RBD palm stearin price, higher by RM149.00 or 5.6% at RM2,799.50/tonne and PFAD price was higher by RM270.50 or 11.0% at RM2,733.00/tonne.

The average price of palm kernel (PK) in 2017 declined by RM75.00/tonne or down 2.9% to RM2,536.00/tonne compared with RM2,611.00/tonne in 2016. The lower PK price was mainly due to the lower domestic price of crude palm kernel oil (CPKO). The CPKO price decreased by RM167.50/tonne or 3.0% to RM5,325.00/tonne from RM5,492.50/tonne in 2016. The lower CPKO prices in 2017 was in tandem with the weaker world palm kernel oil (PKO) price, which was lower by 0.9% at US\$1,279/tonne. On the contrary, prices of coconut oil were higher by 8.7% at US\$1,604/tonne in 2017.

As at December 2017, a total of 53 refineries were in operation with a total refining capacity of 27.3m tonnes compared with 52 and 26.26m tonnes respectively in 2016. The refining utilisation rate was higher at 64.54% against 59.4% in 2016 as a result of better refining margin.

Generally, it was a fairly good year for the refining industry with slightly improved margin and better offtake year-on-year basis from countries such as Saudi Arabia (+112.4%), Afghanistan (+99.5%), Senegal (+86.7%), Sri Lanka (+64.8%), Angola (+48.2%), Ghana (+33.5%), (Nigeria (+32.1%), Philippines (+20.3%) and Vietnam (+13.8%) to name a few.

However, the year was saddled with food safety regulations and the continuing environmental issues on deforestation coming particularly from the European Union (EU). The European Food Safety Authority (EFSA) in its report dated 3rd March 2016 had concluded that 3-MCPD/GE are food contaminants found in refined vegetable oils with palm oil being the highest. Although the report seems inconclusive and the result questionable, it nevertheless will impact palm oil exports to the EU as the European legislators have already moved towards enacting laws to limit the level of 3-MCPD/GE.

The EU Commission Regulation dated 26th February 2018 proposed that the maximum level for GE in vegetable oils and fats placed in the market for final consumer consumption or use as an ingredient in food at **1.0ppm**. This regulation came into force on 19th March 2018. As for the regulation on 3-MCPD, it has so far not been enforced pending further deliberation although EFSA had earlier proposed a level of 0.4ppm, it was later revised to 2.0ppm while WHO/FAO's Joint Expert Committee on Food Additives (JECFA) had suggested 4.0ppm as the maximum level.

Through the national level Task Force set up to counter the effects of 3-MCPD/GE, the government had allocated a total grant of RM 50m to carry out an industrial scale mitigation programme covering both the mills (upstream) and refineries (downstream). A matching grant of RM5m each was given to 15 mills and 5 refineries, two of which are foreign owned who were earlier considered not eligible but were later accepted after some intense lobbying.

The years ahead are fraught with uncertainties for the palm oil industry as a whole and the refining sector in particular as to how far margins can be sustained in the areas of competition, socio-economic factors, foreign governments' policy on limitation of importation through exorbitant duties, supply/demand scenario, weather phenomenon, etc.

The refining industry, nevertheless, is resilient to some of these adversities and it will continue to play a significant role in the whole supply chain and remain an important contributor to the nation's export earnings.

C. LIAISON AND CONSULTATION WITH THE GOVERNMENT

PORAM continued 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 has been given the mandate to implement mandatory certification for MSPO. Accordingly, plantations and mills with RSPO certification should obtain their MSPO certification by 31st December 2018. As for those without any certification, the dateline to obtain MSPO certification is by 30th June 2019. For independent and organized smallholders, they will have to obtain MSPO certification by 31st December 2019.

As for palm oil refiners, MPOCC are working to finalize the Supply Chain Certification System by January 2018.

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)

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 FOSFA 81 contract.

PORAM continued 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 Oil Scientists' and Technologists' Association (MOSTA).

For the eighth year running, Bursa Malaysia Derivatives (BMD) was the Platinum Sponsor for the PORAM Annual Dinner. Both the dinner and forum were well attended.

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 October 2017. Representatives from the Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) as well as Malaysian Palm Oil Certification Council (MPOCC) 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, MPOB, MPOC and MPOCC 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. Ushalane/ Mr. Tan Yeok Ann / Mr. Johnny Kok	3 out of 4
Carotino Sdn. Bhd. – Mr. Mario Johan	4 out of 4
Felda Vegetable Oil Products Sdn Bhd – En. Zakaria Salam	3 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	4 out of 4
EFKO Food Ingredients - Mr. Alex Tan Hooi Huan	2 out of 4
Genting Musimmas Refinery Sdn. Bhd. - Mr. John Oh / Mr. Kan Soon Kong	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
Indelab Sdn. Bhd. - Mr. Cheah Ping Cheong	3 out of 4
Iffco SEA (M) Sdn. Bhd. -Mr. P.R. Thakore	0 out of 4

Members/Alternate	Attendance of meetings
Kirana Palm Oil Refinery Sdn Bhd – Mr. Alvin Lau / Ms. Carol Lim	0 out of 4
KL-Kepong Edible Oils S/B – Ms. Kelly Foong	0 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	0 out of 4
Ngo Chew Hong Oils & Fats Sdn Bhd –Ms. Leong Lai Khuan	4 out of 4
Premium Oils & Fats Sdn. Bhd. - Mr. Francis Ng Kah Chin	2 out of 4
Southern Edible Oils Sdn Bhd – Ms. Linda Kee / Ms. Low Li Yi	3 out of 4
Unitata Bhd. – Mr. Allan Loh	1 out of 4
Virgoz Oils & Fats Sdn. Bhd. – Mr. Francis Xavier	3 out of 4

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

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

MPOB have yet to present the study on the impact of the proposed CPO export duty restructuring on smallholders income with the smallholders associations. PORAM was informed during numerous meetings that MPOB would not meet them for reasons only known to MPOB and MPIC.

As for the Task Force on “Improving Competitiveness of the Malaysian Palm Oil Industry”, a meeting was convened on 8th May 2017 wherein two proposals were tabled for discussion namely (i) “Malaysian Shipping Consortium” and (ii) “Revision on Corporate Tax for the Malaysian Palm Oil Industry”. On the former, discussion revolved around the option of having a Malaysian Flagged vessel or chartering a vessel specifically for Malaysian exports. The Task Force discussed the pros and cons for both options. As for the latter, the Task Force was more inclined to adopt the same tax structure applied to the Malaysian oil and gas industry for the palm oil industry, i.e. different tax treatment for upstream and downstream. Both proposals would be forwarded to the National Export Committee. To date there has been no update on this matter.

b. Proposal for a Traceable Bursa Malaysia Derivative Futures of Crude Palm Oil (BMD's FCPO)

PORAM had made a proposal to Bursa Malaysia to make CPO tender on its future market traceable. In the beginning, the proposal was not well received by Bursa Malaysia but after much persuasion, Bursa Malaysia agreed to revise its FCPO. During POC 2018, Bursa made an announcement that they had revised their FCPO which now required CPO to be traceable up to the Palm Oil Mill effective 1st March 2018.

c. Request to Review the Existing MPOA/PORAM Domestic Contract on Low DOBI CPO Price Adjustment

The Secretariat and a few numbers of Commercial and Technical Committee members had meet up with MPOA Working Group members. Among the matters discussed were the proposal to review MPOA/PORAM Domestic Contract, Interest Clause on PORAM Contract no. 7, CPO quality, etc. To date there has been no response from MPOA on PORAM's proposals.

d. European Parliament Adopted a Resolution on Environmental Sustainable Palm Oil Import into the EU After 2020

The European Parliament has adopted a resolution entitled "*Resolution on Palm Oil & Deforestation of Rain Forest*". The resolution proposed for single certification for palm oil export into EU. So far all efforts and engagements on this matter were done on a Government-to-Government basis.

PORAM was informed that the Malaysian Government was working closely with the Indonesian Government to oversee this matter. MPIC had established a task force specifically to handle this issue. The task force would be chaired by MPIC Secretary-General with meetings held every Wednesday. At the moment, only MPIC, MPOB, MPOC and MPOCC would be represented in this Task Force.

d. MSPO Supply Chain Certification Standard (MSPO SCCS)

PORAM was informed that Malaysian Sustainable Palm Oil (MSPO) Requirements for Palm Oil Refineries have now been replaced by MSPO SCCS. It was also informed that the second draft of MSPO SCCS had gone through the public comments phase and then endorsed by the MSPO Technical Working Committee. MSPO SCCS is expected to be published in 2018.

e. Refractive Index (RI)

PORAM received complaint from Members regarding inconsistencies of RI for shipment of palm oil to Sri Lanka. The Sri Lankan Government chose to specify RI as mandatory requirement for all palm oil import into Sri Lanka. It was found that the RI at 50⁰C was not consistent with both SLS720:2016 and MS814:2007. Due to this inconsistency, the local Customs authority stopped cargo from Malaysia from being cleared into Sri Lanka. PORAM had written to MPOB who agreed with PORAM. Following further meetings and discussions, the Director-General of Standards Malaysia had liaised with the Chief Executive Officer of Sri Lankan Standards Institute (SLSI) and they in turn agreed in principle to Malaysia's request to defer implementation of RI as mandatory requirement until Malaysia revised its MS814:2007. This revision is expected to be ready by mid-May 2018.

f. Review of Annex II Requirements Relating to the Discharge Requirements for Tank Washing Containing High-Viscosity & Persistent Floating Products

International Maritime Organization is in the midst of revising its Annex II by requiring vessels carrying palm oil to conduct tank washing before berthing at any port. The justification for doing so was based on evidence that palm oil is not biodegradable and contaminates the local sea. Since then, MPIC and MPOB through Ministry of Transport have made numerous attempts to block the review process, which in turn will affect the cost of palm oil shipment worldwide. MPOB have agreed to come up with Technical and Economic Study and present it during the review process. The work on the Technical and Economic studies are still on-going.

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

CODEX had come up with "Code of Practices for the Reduction of 3-MCPD Esters and GE in Refined Oils and Fats" and MPOB had sought PORAM's members' assistance to provide any comment and/or feedback. The Government had also agreed to allocate RM50 million grant to the palm oil industry in order to study and mitigate the formation of 3-MCPDE & GE. PORAM was informed that a total of 5 refineries and 15 mills had been approved to receive the said grant and would soon receive their respective approval letters.

II. ASSOCIATE MEMBERS COMMITTEE (AMC)

There was no meeting held in the year.

III. PRICE SETTLEMENT COMMITTEE (PSC)

There was no meeting held in the year.

F. TRAINING AND EDUCATION

Following are courses organized by PORAM and coordinated with others:

i. PORAM Operational and Commercial Aspects of Palm Oil Course

The course was conducted on 10th and 11th April 2017 at KLRCA Bangunan Sulaiman, Jalan Sultan Hishamuddin, Selangor Darul Ehsan. It was attended by 110 participants from Malaysia, Singapore and Indonesia. 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. Import/Export Procedure and Trade Documentation

This course was conducted on 12th and 13th December 2017 at KLRCA Bangunan Sulaiman, Jalan Sultan Hishamuddin, Selangor Darul Ehsan. It was attended by 100 participants from Malaysia, Singapore and Indonesia. The course was designed to help participants to choose efficiently the right procedural rules for import/export of palm oil products.

iii. PORAM Annual Forum

The Forum was held on 17th November 2017 at Sunway Clio Hotel, Bandar Sunway, Selangor Darul Ehsan. A total of 150 participants attended the event. A total of four papers were presented by speakers from Oasis Revenue, Novozymes, LMC International and MPOCC.

G. PORAM ANNUAL DINNER

It was held at the ballroom of Sunway Resort & Spa on 18th November 2017 and graced by the Secretary-General of MPIC, Datuk Yogeswaren. A total of 95 dinner tables were sold with guests coming from Europe, Japan, Indonesia, India, Pakistan, Singapore apart from Malaysia.

H. PORAM DIRECTORY

The second edition of the PORAM Directory was launched at the Annual Dinner when complimentary copies were given to some guests of honour. A total of 2,000 copies were printed with a selling price of RM80.00 per copy with the objective of generating some income for the Association.

I. ARBITRATION AND APPEAL

A total of 10 new arbitration cases were filed with the PORAM Secretariat between January and December 2017 while 17 cases were awarded and closed. The total number of cases pending as of December 2017 was 16 including 8 in abeyance.

J. PORAM WEBSITE AND FACEBOOK

PORAM website (www.poram.org.my) continued 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 Members and the public about the roles and activities of PORAM.

K. MEMBERSHIP

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

Associate Members

1. KL Agri Sdn. Bhd.
2. Agri Oils Packaging Sdn. Bhd.
3. Mena Jaya Oils & Fats Sdn. Bhd.
4. BIV Commodities Sdn. Bhd.
5. Novozymes Malaysia Sdn. Bhd.
6. Asian Food Ingredients Sdn. Bhd.
7. Mantan Resources Pte. Ltd.

In 2017, PORAM accepted the withdrawal of the following member:

Associate Member

1. AG Source Pte Ltd.

As of 31st December 2017, there were a total of 26 Full Members, 96 Associate Members and 2 Supplementary Members.

L. 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.

M. SECRETARIAT

The Secretariat was headed by En. Mohammad Jaaffar Ahmad, the Chief Executive Officer until 30th November 2017 and Mr. Teoh Beng Chuan was appointed as the new Chief Executive Officer of PORAM effective from 1st December 2017. It strives to provide efficient secretarial support to the Board, the Committees, Working Groups and for the day-to-day management of the Association.

N. 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: 17th April 2018

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

LIST OF PORAM ASSOCIATE MEMBERS

ANNUAL REPORT 2017

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.	AET PRODUCT TANKERS SDN. BHD (<i>formerly known as MISC Bhd</i>)	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.	MOL CHEMICAL TANKERS SDN. BHD. (<i>formerly known as Tokyo Marine Asia Pte. Ltd.</i>)	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 VEGEOILS 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.	INNO-WANGSA OILS AND FATS SDN. BHD.	01.01.2012
61.	SAVOLA FOODS COMPANY	01.01.2012
62.	SINGAPORE JULONG INTERNATIONAL INVESTMENT PTE. LTD.	23.03.2012
63.	SPRINT EXIM PTE. LTD.	23.03.2012
64.	CONTINENTAL RESOURCES SDN. BHD.	02.05.2012
65.	EEZDEE INTRADE SDN. BHD.	02.05.2012
66.	EXPORT-IMPORT BANK OF MALAYSIA BERHAD	02.05.2012
67.	FIMA BULKING SERVICES BERHAD.	02.05.2012
68.	FIRST RESOURCES TRADING PTE. LTD.	15.05.2012

69.	AGRI PALM FAR EAST SDN. BHD.	11.07.2012
70.	ALEX STEWART (M) SDN. BHD.	01.03.2013
71.	TRISTAR GLOBAL SDN. BHD.	01.03.2013
72.	MAC WORLD INDUSTRIES SDN. BHD.	08.04.2013
73.	LIPIDS TERMINAL SDN. BHD.	08.04.2013
74.	AYINA GLOBAL SDN. BHD.	03.07.2013
75.	SARAFIAH NATURAL RESOURCES SDN. BHD.	08.05.2013
76.	TWIN WEALTH OILS AND FATS SDN. BHD.	08.05.2013
77.	GULF ASIA OILS AND FATS SDN. BHD.	24.08.2013
78.	FELDA IFFCO OIL PRODUCTS SDN. BHD.	25.09.2013
79.	PROMAC ENTERPRISES SDN. BHD.	01.09.2014
80.	SEPANG DYNAMICS SDN. BHD.	01.08.2014
81.	SINGAPORE COMMODITIES GROUP CO., PTE. LTD.	01.06.2014
82.	FGV TRADING SDN. BHD.	16.03.2015
83.	RG CHARTERING PTE. LTD.	16.03.2015
84.	OLAM INTERNATIONAL LTD.	21.04.2015
85.	KALMART SYSTEMS (M) SDN. BHD.	25.05.2015.
86.	KENANGA DEUTSCHE FUTURES SDN. BHD.	1.09.2015
87.	PALM TOP SERVICES SDN. BHD.	15.02.2016
88.	ALFA LAVAL MALAYSIA SDN. BHD.	9.08.2016
89.	SUNFIELD GLOBAL PTE. LTD.	15.08.2016
90.	MENA JAYA OILS & FATS SDN. BHD.	3.01.2017
91.	NOVOZYMES MALAYSIA SDN. BHD.	3.01.2017
92.	KL AGRI SDN. BHD.	2.02.2017
93.	AGRI OILS PACKAGING SDN. BHD.	15.02.2017
94.	BIV COMMODITIES SDN. BHD.	15.04.2017
95.	ASIAN FOOD INGREDIENTS SDN. BHD.	1.08.2017
96.	MANTAN RESOURCES PTE. LTD.	5.09.2017

**PORAM REPRESENTATIVE AT VARIOUS BOARDS
AND WORKING COMMITTEES IN 2017**

ANNUAL REPORT 2017

1.	MALAYSIAN PALM OIL BOARD (MPOB)	Mr. D. Chandramohan Alt: Y. Bhg. Datuk Othman Walat
2.	MALAYSIAN PALM OIL COUNCIL (MPOC)	Y. Bhg. Datuk Othman Walat
3.	MALAYSIAN PALM OIL CERTIFICATION COUNCIL (MPOCC)	Mr. Jeremy Goon Kin Wai
4.	NATIONAL COUNCIL ON COUNCIL OF PALM OIL PRODUCING COUNTRIES (CPOPC)	Mr. D. Chandramohan Alt: Mr. Teoh Beng Chuan
5.	KUMPULAN FOKUS SEKTOR EKSPORT UTAMA	Mr. D. Chandramohan Alt: Mr. Teoh Beng Chuan
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: Mr. Teoh Beng Chuan
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)	Dr. Doreen Lee Alt: Mr. Cheah Ping Cheong
10.	ASEAN VEGETABLE OILS CLUB (AVOC)	Mr. D. Chandramohan Alt: Mr. Teoh Beng Chuan
11.	NATIONAL CODEX COMMITTEE ON FATS AND OILS	Mr. Teoh Beng Chuan

12.	NATIONAL COMMITTEE ON MALAYSIAN STANDARD SUSTAINABLE PALM OIL (MSPO)	Mr. Teoh Beng Chuan
13.	TECHNICAL COMMITTEE ON MALAYSIAN STANDARD SUSTAINABLE PALM OIL (MSPO)	Mr. Teoh Beng Chuan Alt: En. Md. Saiful Md. Husin
14.	JAWATANKUASA SISTEM PEMANTAUAN SAWIT MPOB BERSAMA INDUSTRI	Mr. Teoh Beng Chuan
15.	KUMPULAN KERJA TEKNIKAL (TWG) – MALAYSIAN SUSTAINABLE PALM OIL (MSPO) CERTIFICATION SCHEME	Mr. Teoh Beng Chuan 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 CPO (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
2017	5,811,145	19,919,331	2,709,398	13,850,559	16,559,957

Source: MPOB 2018

Table 2: Performance of the Malaysian Oil Palm Industry

INDICATOR	2016	2017	DIFF	
			VOLUME / VALUE	(%)
PLANTED AREA (MIL. HECTARES)	5.74	5.81	0.73	1.3
CPO PRODUCTION (MIL. TONNES)				
PENINSULAR MALAYSIA	8.89	10.58	1.67	19
SABAH	4.85	5.22	0.37	7.6
SARAWAK	3.59	4.13	0.54	15.1
MALAYSIA	17.32	19.92	2.60	15
FFB YIELD (TONNES/HECTARE)				
PENINSULAR MALAYSIA	15.77	18.70	2.93	18.60
SABAH	17.10	18.35	1.25	7.30
SARAWAK	14.86	16.31	1.27	8.50
MALAYSIA	15.91	17.89	1.98	12.40
OER (%)				
PENINSULAR MALAYSIA	19.76	19.21	(0.55)	(2.8)
SABAH	21.11	20.60	(0.51)	(2.4)
SARAWAK	20.02	19.98	(0.04)	(0.2)
MALAYSIA	20.18	19.72	(0.46)	(2.3)
CLOSING STOCK (MIL. TONNES)				
PALM OIL	1.67	2.73	1.07	63.9

Source: MPOB 2018

Table 3: Performance of the Malaysian Oil Palm Industry

INDICATOR	2016	2017	DIFF	
			VOLUME / VALUE	%
EXPORT VOLUME (MIL.T)				
PALM OIL	16.05	16.56	0.51	3.2
PALM KERNEL OIL	0.92	0.97	0.04	4.8
PALM KERNEL CAKE	2.21	2.21	(0.007)	(0.3)
OLEOCHEMICALS	2.76	2.77	0.02	0.6
BIODIESEL	0.08	0.24	0.15	2.8 folds
FINISHED PRODUCTS	0.49	0.41	(0.08)	(16.9)
OTHER PALM PRODUCTS	0.78	0.82	0.04	5.6
TOTAL EXPORT (MIL.T)	23.29	23.97	0.68	2.9
EXPORT REVENUE (RM MIL.)				
PALM OIL	41.44	46.12	4.68	11.3
PALM KERNEL OIL	5.10	5.77	0.68	13.3
PALM KERNEL CAKE	0.84	0.93	0.09	10.6
PALM-BASED OLEOCHEMICALS	16.84	20.40	3.56	21.1
OTHER PALM-BASED PRODUCTS*	3.71	4.63	0.92	24.8
TOTAL EXPORT REVENUE (RM MIL.)	64.59	64.59	9.93	14.6

Source: MPOB 2018

*Includes biodiesel, finished products and other palm products.

Table 4: Performance of the Malaysian Oil Palm Industry

INDICATOR	2016	2017	DIFF	
			VOLUME / VALUE	%
PRICES (RM/TONNE)				
FRESH FRUIT BUNCHES (MILL GATE)	594.00	600.00	12.00	2.0
CRUDE PALM OIL (LOCAL DELIVERED)	2,653.00	2,783.00	130.00	4.9
PALM KERNEL (EX-MILL)	2,611.00	2,536.00	(75.00)	(2.9)
CRUDE PALM KERNEL OIL (LOCAL DELIVERED)	5,492.50	5,325.00	(167.50)	(3.0)
RBD PALM OIL (FOB)	2,710.50	2,880.00	169.50	6.3
RBD PALM OLEIN (FOB)	2,769.50	2,953.50	184.00	6.6
RBD PALM STEARIN (FOB)	2,650.50	2,799.50	149.00	5.6
PALM FATTY ACID DISTILATE (FOB)	2,462.50	2,733.00	270.50	11.0

Source: MPOB 2018

Table 5: Malaysia –Exports to Selected Countries

COUNTRY	2016		2017		Difference	
	Tonnes	%	Tonnes	%	Tonnes	%
China, P.R	1,882,183	11.73	1,917,288	11.58	35,105	1.8
India	2,825,840	17.61	2,028,297	12.25	-797,543	-39.3
European Union	2,059,207	12.83	1,991,548	12.03	-67,659	-3.4
Pakistan	880,455	5.49	1,016,977	6.14	136,522	13.4
USA	590,030	3.68	554,614	3.35	-35,416	-6.4
Singapore	352,961	2.20	416,211	2.51	63,250	15.2
Japan	456,399	2.84	502,715	3.04	46,316	9.2
Iran	363,221	2.26	523,515	3.16	160,294	30.6
Vietnam	556,342	3.47	633,136	3.82	76,794	12.1
Egypt	151,649	0.95	191,612	1.16	39,963	20.9
South Korea	386,348	2.41	404,350	2.44	18,002	4.5
Myanmar	197,702	1.23	133,958	0.81	-63,744	-47.6
Philippines	625,007	3.90	751,688	4.54	126,681	16.9
Benin	311,308	1.94	315,158	1.90	3,850	1.2
Bangladesh	430,686	2.68	288,830	1.74	-141,856	-49.1
Ukraine	27,553	0.17	35,415	0.21	7,862	22.2
Ghana	202,566	1.26	270,328	1.63	67,762	25.1
Togo	35,083	0.22	82,771	0.50	47,688	57.6
UAE	66,055	0.41	83,774	0.51	17,719	21.2
Taiwan	201,245	1.25	221,755	1.34	20,510	9.2
Australia	125,496	0.78	142,105	0.86	16,609	11.7
Sri Lanka	112,130	0.70	184,787	1.12	72,657	39.3
Kenya	126,171	0.79	190,160	1.15	63,989	33.7
Tanzania	374,435	2.33	248,515	1.50	-125,920	-50.7
Nigeria	186,840	1.16	246,909	1.49	60,069	24.3
Angola	90,910	0.57	134,683	0.81	43,773	32.5
Saudi Arabia	177,161	1.10	376,551	2.27	199,390	53.0
Mozambique	208,894	1.30	166,237	1.00	-42,657	-25.7
Others	2,042,080	12.73	2,506,070	15.13	463,990	18.5
TOTAL	16,045,957	100	16,559,957	100	514,000	3.1

Source: MPOB 2018

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

Month	RBD PALM OIL		RBD PALM OLEIN		RBD PALM STEARIN		PFAD	
	2016	2017	2016	2017	2016	2017	2016	2017
January	533.00	746.00	535.00	752.00	493.50	749.00	448.50	694.50
February	598.00	729.00	605.50	757.00	563.00	729.00	540.00	698.00
March	625.00	701.00	630.50	706.50	599.00	701.00	559.50	678.00
April	693.50	671.00	703.00	679.00	650.00	671.00	598.00	633.00
May	679.00	681.00	691.00	693.50	615.50	681.50	577.00	613.50
June	641.00	667.50	653.00	673.50	605.50	667.50	566.50	606.00
July	603.00	645.00	610.00	656.00	592.50	645.00	542.50	604.00
August	653.00	647.00	676.50	649.00	638.00	647.00	561.00	612.00
September	728.50	695.50	730.50	702.50	693.00	695.50	593.00	635.00
October	669.50	670.00	675.00	678.00	684.50	670.00	613.50	629.00
November	689.50	662.00	699.00	675.50	703.00	662.00	636.00	626.00
December	737.50	617.50	738.00	616.50	740.00	617.50	674.50	597.50
Average	650.50	670.50	665.50	686.00	641.00	670.50	589.00	637.00

Source: MPOB 2018

Table 7: No. of Refineries and Capacity in Operation as at end of 2017 (Tonnes / Year)

State	2017	
	No.	Capacity
P. Malaysia	35	15,475,200
Sabah	12	8,738,000
Sarawak	6	3,115,000
Malaysia	53	27,328,200

Source:

*MPOB 2018

Table 8: Monthly Refining Capacity Utilization Rate 2017 (%)

State	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Average
Johor	47.59	45.95	59.04	58.46	60.07	60.60	61.29	64.18	67.03	68.54	69.14	70.20	60.81
Perak	71.21	86.93	76.91	107.94	110.12	99.71	105.25	93.94	104.29	111.26	90.69	104.00	98.25
Penang	55.83	80.78	86.53	82.20	101.26	74.47	94.28	116.32	108.57	91.93	80.65	83.79	85.89
Selangor	75.58	62.36	80.38	80.39	82.25	67.11	83.82	91.67	88.22	82.31	82.87	80.74	74.80
Other States	58.06	46.69	58.57	57.14	67.78	62.15	66.31	61.01	71.33	76.59	69.43	62.80	63.16
P. Malaysia	59.17	54.80	67.68	68.81	72.26	65.58	72.61	76.02	77.80	77.22	75.34	75.21	68.69
Sabah	45.47	41.99	45.79	37.85	47.60	47.80	51.93	53.86	49.79	51.93	51.71	51.97	47.42
Sarawak	107.36	99.80	101.30	109.64	95.98	97.78	104.29	100.79	100.89	113.17	107.49	78.65	91.93
Sabah/Sarawak	60.26	56.12	59.32	54.41	58.76	59.33	64.01	66.20	63.22	68.02	66.37	58.98	59.12
MALAYSIA	59.63	55.37	64.20	62.61	66.44	62.93	68.91	71.68	71.36	73.23	71.45	68.17	64.54

Source: MPOB 2018

Table 9: Status of Oil Palm Processing Sector 2017

SECTOR	NO. IN OPERATION	PROCESSING CAPACITIES (MIL.T/YR)	PROCESSING CAPACITIES UTILISATION RATE (%)
Mill	454	112.19	90.05
Palm Kernel Crushing Plant	45	7.27	65.15
Refinery	53	27.33	64.54
Oleochemical Plant	19	2.67	94.85
Biodiesel Plant	16	2.06	45.7

Source: MPOB 2018