

Supply and Disappearance: A Review

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Malaysia produced 7.549 million tonnes of crude palm oil in the first nine months of 2000. This was a decline of 60 714 t or 0.79% over production during the same period of the previous year. Monthly production for the first three months in 2000 was higher than those for the corresponding period in 1999 (*Table 1*). However, monthly production from April to August 2000 was much lower than those for the corresponding months in 1999. This resulted in a lower cumulative production for the first nine months in 2000, compared to production over the same period for the previous year. Thus, it is estimated that total production this year may only reach 10.33 million tonnes, *i.e.* a decline of 0.22 million tonnes over that of 1999. Sizable reductions in yield per tree as well as in overall production were registered in Peninsular Malaysia, as well as in Sabah and these were among factors that contributed to the decline in production.

The high palm oil production in 1999 also resulted in high stocks carry-over into 2000. Beginning stocks for 1999 stood at 1.17 million tonnes as against 0.82 million tonnes a year earlier. Based on expected production of 10.33 million tonnes and beginning stocks of 1.17 million tonnes, total availability of palm oil for trade in 2000 is estimated at 11.51 million tonnes. This is approximately 0.12 million tonnes more than the palm oil that was available in the previous year. For the first nine months in 2000, Malaysia exported more than 6 million tonnes of palm

oil, a decrease of 43 622 t (0.69%) when compared to exports during the same period in 1999. *Table 2* shows the major importers of Malaysian palm oil.

India was the largest importer of Malaysian palm oil in 1999 with imports of 2.38 million tonnes and is likely to maintain its position in 2000. During the first eight months of 2000, imports by the country totalled 1 180 656 t, a decrease of 274 346 t (18.86%) over imports during the same period in 1999 (*Table 2*). The decline in palm oil imports by India could have been brought about by the increase in duty on vegetable oil imports. On 13 June 2000, the Government of India raised the tariff rates on imports of vegetable oils for both crude and refined with immediate effect by 10% points. Crude palm oil (CPO) imported by vanaspati manufacturers with captive hydrogen-generation facilities was exempted from the hike and its import duty remained at 16.5%. The new import tariff on crude vegetable oils is 27.5% against 16.5% formerly, while refined bleached deodorized palm olein (RBDPOo) faces a duty of 44%, up from 32.6% previously. The import duty on RBD palm oil (RBDPO), palm stearin, coconut oil and palm kernel oil is 45% compared to 25% previously. For the period January to August 2000, RBD palm olein was the major palm oil product imported at 1 087 658 t, accounting for 92% of the total Malaysian palm oil products purchased by India. However, compared to the same period in 1999, this is a decline of 245 763 t (18.4%). Other palm products imported included palm fatty acid distillate (PFAD), RBDPO, crude palm olein (CPOo), palm acid oil (PAO), crude palm stearin (CPOs), hydrogenated palm stearin (HPOs) and RBD hydrogenated palm stearin (RBDHPOs).

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**TABLE 1. MALAYSIAN PALM OIL - SUPPLY AND
DISAPPEARANCE BY MONTHS (t)**

Year	SUPPLY			DISAPPEARANCE			Ending Stock
	Beginning Stock	Production	Total	Adjusting Balance	Exports	Total	
1988	513 640	5 027 496	5 541 136	403 269	4 342 010	4 745 279	795 857
1989	795 857	6 056 501	6 852 358	741 113	5 051 330	5 792 443	1 059 915
1990	1 059 915	6 094 622	7 154 537	707 991	5 727 451	6 435 442	719 095
1991	719 095	6 141 353	6 860 448	599 804	5 573 223	6 173 027	687 421
1992	687 421	6 373 461	7 060 882	835 311	5 565 032	6 400 343	660 539
1993	660 539	7 403 498	8 064 037	775 994	6 117 171	6 893 165	1 170 872
1994	1 170 872	7 220 631	8 391 503	986 979	6 654 802	7 641 781	749 722
1995	749 722	7 810 546	8 560 268	1 187 424	6 512 956	7 700 380	859 888
1996	859 888	8 385 886	9 245 774	1 239 411	7 211 909	8 451 320	794 454
1997	794 454	9 068 728	9 863 182	1 410 731	7 489 969	8 900 700	962 482
1998	962 482	8 319 682	9 282 164	1 032 617	7 424 732	8 457 349	824 815
JAN-1997	824 815	505 371	1 330 186	132 012	517 157	649 169	681 017
FEB	681 017	526 957	1 243 974	78 522	541 499	530 021	713 953
MAC	713 953	703 880	1 417 833	71 161	619 105	690 266	727 567
APR	727 567	894 267	1 621 834	123 292	685 476	808 768	813 066
MAY	813 066	1 006 540	1 819 606	114 032	735 651	849 683	969 923
JUN	969 923	964 210	1 934 133	142 531	744 301	886 832	1 047 301
JUL	1 047 301	960 120	2 007 421	76 496	769 055	845 551	1 161 870
AUG	1 161 870	970 109	2 131 979	121 337	912 667	1 034 004	1 097 975
SEP	1 097 975	1 042 970	2 140 945	97 415	835 427	932 842	1 208 103
OCT	1 208 103	1 047 841	2 255 944	158 076	863 852	10 221 928	1 234 016
NOV	1 234 016	988 838	2 222 854	179 014	790 936	969 950	1 252 904
DEC	1 252 904	905 994	2 158 898	115 963	867 242	983 205	1 175 693
TOTAL ^a		10 553 097			8 792 368		
JAN/SEPT		7 610 424			6 270 338		
JAN-00	1 175 639	769 350	1 944 989	116 419	637 500	753 919	1 191 070
FEB	1 191 070	712 764	1 903 834	117 919	641 575	759 494	1 144 340
MAC	1 144 340	74 479	1 887 819	185 842	757 811	943 653	944 166
APR	944 166	779 333	1 723 499	124 832	630 880	755 712	967 787
MAY	967 787	818 900	1 786 687	74 103	635 110	709 213	1 077 474
JUN	1 077 474	817 414	1 894 888	117 573	741 318	858 891	1 035 997
JUL	1 035 997	847 145	1 883 142	112 291	695 850	808 141	1 075 001
AUG	1 075 001	952 195	2 027 196	131 956	701 424	833 380	1 193 816
SEP ^b	1 193 816	1 109 130	2 302 946	150 547	785 248	935 795	1 367 151
OCT	1 367 151	NA	NA	NA	NA	NA	NA
JAN/SEPT		7 549 710			6 226 716		

Notes:

NA-Not available.

^a Summation of the month's totals do not always equate to the total for the year because of the adjustments made to the latter are not incorporated into the former.^b Preliminary.

Sources: Palm Oil Update and MPOB (various issues).

The second largest importer of Malaysian palm oil in the first eight months of the year was Pakistan. Its imports totalled 737 847 t, an increase of 45 485 t (6.57%) over that for the first eight months of 1999 (*Table 2*). The increased imports, among others was the result of the declining prices of palm products, insufficient domestic production of cottonseed crop in the country and an imposition of import tariffs on imports of oilseeds. For the second half of the year, prospects for increased imports of oils and fats are greater than for oilseeds in view of the imposition of a 25% import duty on oilseeds. Imports of oilseeds have so far

been exempted from import tariffs, in contrast to vegetable oils that are heavily taxed at varying tariff rates. Imports of Malaysian palm oil by Pakistan during this period comprised 697 530 t of RBDPO, 22 898 t of PFAD, 11 349 t of RBDPOo, 5860 t PAO, 200 t RBDPOs and 10 t of hydrogenated palm olein (HPOo) (*Table 3*).

During the first eight months of 2000, the European Union (EU) was the third largest importer of palm products from Malaysia. Imports during this period totalled 561 110 t, a decline of 1.11% when compared with

TABLE 2. MALAYSIA - EXPORTS OF PALM OIL TO MAJOR DESTINATIONS (t)

Countries	1998	1999	Jan - Oct 1999	Jan - Oct 2000
India	1 361 973	2 384 946	1 455 002	1 180 656
Pakistan	1 020 097	1 033 972	692 362	737 847
EU (15)	1 062 808	1 064 104	567 407	561 110
Germany	(103 653)	(107 661)	(84 475)	(14 718)
Netherlands	(626 129)	(615 125)	(295 396)	(289 782)
Spain	(55 735)	(54 688)	(33 836)	(49 681)
China PR	912 193	790 911	579 226	542 034
Egypt	353 279	481 325	314 093	246 778
Japan	338 564	362 782	233 898	219 995
Singapore	336 681	334 879	232 989	214 394
Hong Kong	88 089	84 909	36 918	139 557
South Korea	138 570	194 553	109 820	133 584
UAE	116 075	152 379	85 025	123 928
USA	122 848	128 753	80 005	122 506
Saudi Arabia	136 381	144 610	73 513	108 215
Turkey	131 488	154 366	74 572	88 083
Myanmar	203 638	140 213	89 673	77 835
Yemen	95 909	122 899	85 367	63 288
Indonesia	592	419	279	917
Jordan	96 104	106 812	69 945	91 468
Australia	93 759	88 958	60 319	70 261
Bangladesh	64 884	56 108	25 607	65 149
South Africa	147 627	126 919	82 420	85 114
Rest of the world	603 173	837 551	486 471	593 691
Total	7 424 732	8 792 368	5 434 911	5 466 410

Notes: #Figures in brackets denote sub-totals of EEC.

EEC - 12 countries till 1994.

EU - 15 countries effective 1995.

imports in the corresponding period of 1999 (*Table 2*). The major importer amongst the EU countries, Netherlands, in its own was the fifth largest importer of Malaysian palm oil. Oilseed production in the EU is expected to decline this year (by 1.84 million tonnes of which approximately 90% is rapeseed) due to reduce acreage, unfavourable weather conditions and lower yields. This will sizably tighten exports of oilseeds to China, Pakistan and other destinations. The major palm products imported were 168 313 t RBDPO_o, 148 768 t RBDPO, 134 510 t RBDPOs, 61 428 t PFAD and 6449 t PAO (*Table 3*). Imports of palm mid fraction (PMF) during these eight months in 2000 were 21 056 t. The quantities of other palm oil products imported by the EU are also shown in *Table 3*.

The fourth largest importer of Malaysian palm oil during this period was China PR. Imports totalled 542 034 t, a slight decline when compared to the 579 226 t imported in 1999 (*Table 2*). The strong import demand for soyabeans in China, resulting from substantial expansion of the domestic oilseed crushing capacity led to the decrease in palm oil imports in the country. Soyabeans are mainly imported from USA and South America. As for palm products, the major ones imported from Malaysia were RBDPO_o which totalled 385 730 t, RBDPO at 110 331 t and RBDPOs at 34

424 t. Other palm oil products that were imported are as shown in *Table 3* and included bleached palm oil (BPO), CPO_o, PFAD and HPO.

Egypt, with imports of 246 778 t was the fifth largest importer of Malaysian palm products in the first eight months of 2000. Imports had declined by 21.43% when compared to the 314 083 t imported during the same period the previous year (*Table 2*). The country's import during this period in 2000 comprised 189 036 t of RBDPO, 21 268 t of RBDPO_o and 28 697 t RBDPOs (*Table 3*). A total of 6476 t of crude palm stearin were also imported during the period.

The sixth largest importer of Malaysian palm products was Japan. Total imports during the first eight months of 2000 were 219 995 t (*Table 2*). This was a decline of 13 902 t over imports for the same period in the previous year. The country imported a wide variety of palm products. The major palm oil product imported was RBDPO which totalled 101 476 t and accounted for 46.1% of imports (*Table 3*).

Singapore which imported 214 394 t of Malaysian palm products was the seventh largest importer. Imports of Malaysian palm oil by other major importing countries are shown in *Table 2* while the palm products that are exported are shown in *Table 3*.

**TABLE 3. MALAYSIA - EXPORTS OF PALM OIL
PRODUCTS TO MAJOR DESTINATIONS (t)**

Countries			Jan - Aug	Jan - Aug
	1998	1999	1999	2000
INDIA	1 361 972.52	2 384 946.39	1 455 001.56	1 180 655.55
CPO	-	10 985.61	5 998.68	-
CPOs	19 586.50	23 324.86	10 215.61	5 700.44
POo	20 890.16	782.97	179.33	2 703.75
RBDPO	20 997.46	27 115.66	25 904.84	27 719.84
RBDPOo	1 243 741.12	2 202 722.65	1 333 420.82	1 087 658.24
PAO	2 235.50	1 498.79	1 482.79	6 770.54
PFAD	43 578.81	89 574.57	62 057.87	42 760.10
RBDPOs	10 399.65	23 629.12	10 979.41	3 815.13
CO	41.32	3 168.78	3 168.78	2 799.43
HPO	-	-	-	21.50
HPFAD	16.50	-	-	16.50
HPOo	-	-	-	20.00
HPOs	40.00	66.00	66.00	165.00
RBDHPOo	-	-	-	10.28
RBDHPOs	-	-	-	494.80
RBDHS	445.50	2 077.38	1 527.43	-
EU	1 062 808.27	1 064 104.10	567 406.76	561 110.21
CPO	-	159 510.93	-	4 597.69
NBDPO	11 902.42	3 398.72	3 398.72	-
RBDPO	540 552.73	406 984.12	277 505.67	148 768.47
CPOs	-	7 226.71	1 609.22	6 868.84
RBDPOs	197 907.87	195 474.57	121 721.31	134 509.55
NBDPOo	-	1 003.37	1 002.80	-
RBDPOo	236 868.54	211 123.60	113 031.16	168 312.77
PFAD	49 879.48	68 533.46	40 055.72	61 427.83
HPFAD	2 339.71	4 340.50	3 342.92	3 945.57
CO	500.56	-	-	29.83
HPFA	39.85	500.74	500.74	-
PAO	22 258.88	5 592.71	5 084.76	6 449.37
RBDHPOo	14.00	-	-	-
HPOs	138.00	39.00	39.00	128.34
CPOo	30.80	15.40	15.40	-
NPOo	164.16	160.93	-	318.53
NPO	30.27	11.84	11.84	20.37
RPO	60.00	-	-	31.50
HPOo	41.00	20.00	20.00	267.95
RBDHPFS	-	-	-	13.00
RBDHPOs	-	-	-	78.00
POoo	-	-	-	4 090.56
HPO	80.00	167.50	67.50	195.52
PMF	-	-	-	21 056.52

Countries	1998	1999	Jan - Aug 1999	Jan - Aug 2000
PAKISTAN	1 020 097.40	1 033 972.14	692 361.89	737 846.91
CPO	-	2 999.43	-	-
RBDPO	974 518.35	976 865.12	651 423.58	697 529.56
RBDPOs	746.25	2 669.27	1 379.58	200.00
RBDPOo	21 342.75	14 141.47	14 031.07	11 348.86
PFAD	13 944.00	24 535.50	18 665.92	22 898.49
CO	-	364.80	-	-
PAO	9 383.73	12 367.81	6 833.00	5 859.70
RBDHPOo	78.24	-	-	-
HPO	-	28.74	28.74	-
HPOo	64.08	-	-	10.30
HPOs	20.00	-	-	-
CHINA PR	912 192.96	790 910.80	579 226.35	542 033.85
CPO	13 617.19	5 998.37	-	-
CPOo	19 663.05	2 924.08	2 584.75	447.54
RBDPO	165 982.86	202 315.13	138 534.94	110 331.36
RBDPOs	55 291.94	76 810.38	56 374.40	34 423.75
RBDPOo	646 026.39	483 055.59	371 029.62	385 729.62
CO	500.08	16.72	16.72	357.90
PFAD	1 010.06	19 034.08	10 535.36	8 764.66
BPO	9 798.55	-	-	-
CPOs	-	68.00	-	20.00
HPO	10.00	31.56	31.56	-
HPOo	-	503.89	-	194.52
PMF	-	-	-	59.47
HPFAD	-	-	-	165.00
HPOs	1.00	119.00	119.00	17.00
RPOs	-	34.00	-	-
RBDHPOs	-	-	-	16.50
RBDHPO	-	-	-	999.03
RBDHPOo	-	-	-	507.50
RBDHS	291.84	-	-	-
EGYPT	353 278.76	481 325.48	314 093.39	246 778.48
RBDPO	295 422.59	383 978.97	256 434.17	189 036.34
RBDPOs	39 710.15	53 921.92	35 502.19	28 696.68
RBDPOo	13 375.33	31 885.93	15 123.06	21 268.02
HPO	286.60	1003.00	1 003.00	1 121.00
RBDHPOs	-	-	-	63.00
RBDHS	12.25	-	-	-
PFAD	-	-	-	117.00
CPS	4 471.84	10 535.66	6 030.97	6 476.44

Countries	1998	1999	Jan - Aug 1999	Jan - Aug 2000
JAPAN	338 563.66	362 781.54	233 897.88	219 995.13
CPO	27 787.48	10 015.07	4 509.26	12 541.37
RBDPO	153 797.86	171 340.35	103 858.72	101 475.67
RBDPOs	25 749.06	38 730.87	27 116.47	17 881.00
RBDPOo	128 908.19	139 132.34	95 874.27	65 657.92
NBDPOs	159.11	-	-	167.57
NBDPO	-	-	-	18.40
NBDPOo	167.37	36.80	36.80	272.93
PFAD	642.08	1 595.84	1 166.39	72.40
CO	94.96	91.80	73.44	319.45
NPOo	1 186.98	298.34	198.42	198.22
NPO	0.57	274.02	274.02	-
HPOs	50.00	-	-	-
RBDHPOo	-	101.14	-	385.25
RBDHPOs	-	-	-	140.00
RBDHPFS	-	-	-	20.00
NBIPOo	-	680.88	455.06	888.37
NBIPOs	-	259.55	110.49	454.24
POoo	-	-	-	10 789.51
PMF	-	-	-	8 609.73
HPOo	-	99.38	99.38	103.10
HPO	20.00	125.16	125.16	-
SINGAPORE	336 680.88	334 878.57	232 989.31	214 393.65
CPO	-	8 005.34	13.12	7 500.00
CPOo	3 009.58	6 627.10	3 731.16	404.82
NBDPO	11.40	34.20	34.20	174.55
NBDPOo	-	-	-	80.88
RBDPO	42 825.57	45 946.27	45 446.27	18 039.40
RBDPOs	14 007.81	23 149.12	20 172.43	9 877.70
RBDPOo	240 016.14	200 914.63	127 118.55	133 383.67
PFAD	7 776.56	24 914.13	17 939.07	26 994.01
PMF	-	-	-	3 078.85
PAO	-	40.16	40.16	-
CO	90.00	428.20	428.20	5 732.01
RBDHPO	-	13.65	13.65	-
RBDHPOs	-	-	-	49.59
RBDHPOo	-	60.00	60.00	-
HPOo	272.00	-	-	60.00
HPOs	308.78	202.84	202.84	457.71
HPO	120.00	372.44	357.44	270.47
HFFAPO	-	-	-	256.70
CPOs	28 226.54	24 170.49	17 432.22	2 226.41
RPOs	-	-	-	507.64
RPOo	-	-	-	16.00
RPO	-	-	-	40.91
POoo	-	-	-	5 242.33
RBDHS	16.50	-	-	-

Countries	1998	1999	Jan - Aug 1999	Jan - Aug 2000
S. KOREA	138 569.61	194 552.73	109 820.14	133 584.09
RBDPO	80 488.07	88 079.32	51 800.50	72 064.89
HPOs	-	45.50	33.00	108.50
RBDPOs	6 975.93	35 847.06	15 804.79	19 647.16
RBDPOo	50 258.19	67 740.88	40 047.26	34 556.56
CPOs	49.50	1 824.17	1 791.36	13.50
CPOo	-	65.13	-	-
HPO	-	46.40	46.40	-
HPOo	33.00	-	-	-
RBDHPOo	-	-	-	16.50
RBDHPOs	-	-	-	99.00
RBDHS	247.50	165.00	165.00	-
CO	-	-	-	14.40
PMF	-	-	-	3 113.06
HPFAD	-	-	-	120.00
POoo	-	-	-	2 053.72
PFAD	517.42	739.27	131.83	1 776.80
TURKEY	131 488.04	154 365.67	74 571.53	88 083.49
RBDPO	40 067.70	67 404.06	43 200.09	36 093.44
RBDPOs	17 599.85	21 384.10	5 231.70	4 151.34
RBDPOo	72 695.06	63 713.64	24 972.11	46 339.88
PFAD	904.22	1 495.66	999.13	1 053.24
RBDHPOs	-	-	-	132.00
RBDHS	32.30	99.00	99.00	-
CO	20.41	-	-	-
HPO	-	20.00	20.00	289.09
HPOo	80.00	199.71	-	-
HPOs	88.50	49.50	49.50	24.50
MYANMAR	203 637.54	140 213.27	89 672.5	77 834.55
RBDPO	2 897.83	1 819.64	1 459.48	716.71
RBDPOs	479.93	1 711.38	1 692.76	1 021.55
RBDPOo	193 217.59	119 492.79	74 199.48	72 566.99
PFAD	6 582.45	10 073.11	7 167.03	1 969.41
CO	286.96	3 640.26	3 450.26	160.00
HPO	36.48	-	-	-
HPOs	18.24	204.82	204.82	-
CPOs	118.06	3 271.27	1 498.67	1 399.89
JORDAN	96 103.65	106 812.07	69 945.31	91 468.25
RBDPO	73 523.16	74 172.79	47 533.28	74 684.68
RBDPOs	7 594.21	9 787.10	6 188.50	4 068.50
RBDPOo	12 030.82	22 699.46	16 108.41	12 676.47
PFAD	2 938.46	-	-	-
HPO	16.50	152.72	115.12	37.60
HPOo	-	-	-	1.00
CO	0.50	-	-	-

Countries	1998	1999	Jan - Aug 1999	Jan - Aug 2000
S. AFRICA	147 627.08	126 918.75	82 420.41	85 113.93
CPOo	998.25	-	-	-
NBDPO	-	36.48	36.48	-
RBDPO	4 602.36	2 903.68	2 595.49	2 450.26
RBDPOs	68 999.77	54 383.79	28 859.61	32 428.45
RBDPOo	44 728.46	46 059.71	35 337.35	26 972.18
PFAD	22 507.77	20 101.02	12 799.11	17 012.82
CO	209.63	336.37	235.77	1 632.20
PAO	1 906.23	-	-	-
RBDHPOo	40.00	-	-	80.00
RBDHS	19.20	-	-	-
RBDHFPOs	-	132.00	-	-
RBDHPO	-	311.28	311.28	480.00
HPOo	299.80	-	-	193.50
HPO	1 720.00	2 537.72	2 178.12	3 625.38
HPOs	36.00	82.50	16.50	24.32
HPFAD	61.00	-	-	16.50
PMF	-	-	-	198.32
RPO	-	34.20	34.20	-
CPOs	1 498.61	-	-	-
HPSF	-	-	16.50	-

Notes:

CPOo	Crude palm olein
CPO	Crude palm oil
CPOs	Crude palm stearin
NPO	Neutralized palm oil
NPOo	Neutralized palm olein
NPOs	Neutralized palm stearin
NBDPO	Neutralized bleached deodorized palm oil
HPFA	Hydrogenated palm fatty acid
CO	Cooking oil
NBDPOo	Neutralized bleached deodorized palm olein
NBDPO	Neutralized bleached deodorized palm oil
NBDPOs	Neutralized bleached deodorized palm stearin
NBIPOo	Neutralized bleached interesterified palm olein
NBIPOs	Neutralized bleached interesterified palm stearin
RBPO	Refined bleached palm oil
HPOo	Hydrogenated palm olein
PAO	Palm acid oil
PFAD	Palm fatty acid distillate
RBDHPO	Refined bleached deodorized hydrogenated palm oil
RBDHPOo	Refined bleached deodorized hydrogenated palm olein
RBDHPOs	Refined bleached deodorized hydrogenated palm stearin
RBDPO	Refined bleached deodorized palm oil
RBDPOo	Refined bleached deodorized palm olein
RBDPOs	Refined bleached deodorized palm stearin
RBDHS	Refined bleached deodorized hydrogenated stearin
RBDHPFS	Refined bleached deodorized hydrogenated palm flake stearin
RBDHFPOs	Refined bleached deodorized hydrogenated fractionated palm stearin
HPFAD	Hydrogenated palm fatty acid distillate
HPOs	Hydrogenated palm stearin
HFFA PO	High free fatty acid palm oil
RPOs	Refined palm stearin
HPO	Hydrogenated palm oil
PMF	Palm mid fraction
POoo	Double fractionated palm olein

Source:MPOB.