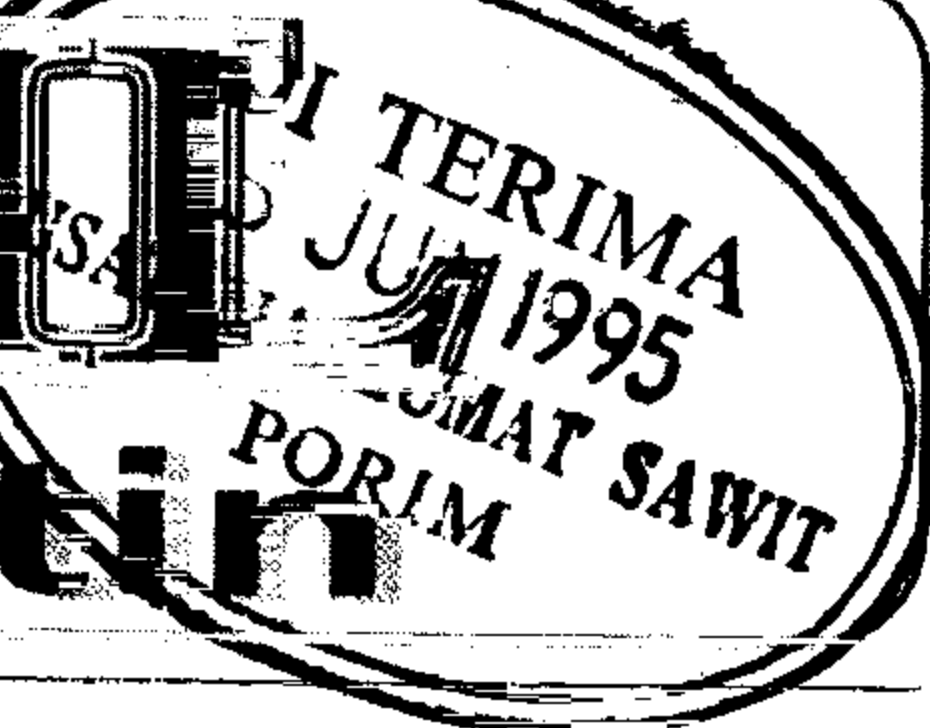




# PALM OIL

## technical bulletin



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### Palm and Palm Kernel Oils Production Increased

In 1994, palm oil and palm kernel oil contributed about 18 percent or 15.82 million tonnes of total world's oils and fats production of 88.04 million tonnes. The production registered an increment of about 2.3 percent from 1993 palm and palm kernel oils' production.

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## PALM OIL MARKETING : CHALLENGES AND OPPORTUNITIES

\* Keynote Address by  
*Dr Yusof Basiron, Director-General, PORIM*

### INTRODUCTION

It gives me great pleasure to be given this opportunity by the organising committee to deliver a keynote address to this gathering of distinguished participants who are involved in palm oil marketing. I would like to commend the organisers for the cooperation shown in having a joint seminar aimed at communicating the latest status in promotional activities, marketing developments and findings for the benefit of the industry's members. At the same time industry's members can also provide their feedback to help future programmes in market development efforts.

You will agree that the topic on market challenges and opportunities sounds familiar. Many have spoken on this topic before. When the Chairman of the Malaysian Palm Oil Promotion Council Tan Sri Dato Dr Ani Arope, presented a Keynote Address on the Challenges for the Malaysian palm oil industry at our PORIM International Conference in 1991, he selected to itemise eight major challenges, and seven of these challenges were concerned with marketing. The other one was concerned with improving productivity. Thus we can see that challenges and opportunities in palm oil marketing cover almost all major aspects of the problems faced by the Malaysian palm oil industry.

### PAST PERFORMANCE

Before we cast our vision forward to look at the challenges and opportunities for marketing of palm oil, let us take a step back to glance at what we have achieved over the last twenty years. Twenty years ago in 1975, the production of Malaysian palm oil was about 1.257 million tonnes. The refining industry was just starting with the establishment of the first few refineries and the main markets were in Europe and the USA. At that time, 75 percent of our markets were in the developed countries and 25 percent in the developing countries. Most of our

\* Paper presented at the Seminar on Palm Oil Marketing jointly organised by PORIM, PORLA, MPOPC and Ministry of Primary Industries on June 30, 1994.

exports were in the form of crude palm oil but refined palm oil was beginning to be exported. PORAM, PORLA and PORIM were then on the verge of being established.

The industry was then envisaging that there would be a tremendous expansion in palm oil production and this must be marketed through the expansion of the refined oil export market. The challenge twenty years ago was to find big enough markets to absorb the expansion in the palm oil supply from Malaysia. Knowing that the country successfully produced and marketed 7.4 million tonnes of palm oil in 1993, we can claim a reasonable degree of achievement in meeting the original challenge. In 1975 the market operators had to sell an average of 3443 tonnes of palm oil per day to clear the annual production. In 1993, the volume to be disposed of has gone up to 20 274 tonnes per day. If we delay one day in our marketing, there will be a cumulative total of over 40 000 tonnes to dispose of the next day.

Market development seminars were organised in 1978 and 1984 with the help of the United Nations Conference on Trade and Development (UNCTAD) who did a market study on palm oil a few years earlier. Projections were made that the production of Malaysian palm oil would continue to expand to reach 5.6 million tonnes by 1990 and the major market expansion would occur in West Asia, and India. We know today that these forecasts were underestimated. Production reached 6 million tonnes in 1990, and the major markets appeared in Pakistan and China, besides India and West Asia. Most of our exports were in the form of processed palm oil.

On many occasions in the past, we have underestimated the potential of the palm oil industry. Many planters, especially the rubber smallholders, continue to hope for the revival of rubber prices and refuse to change to oil palm even though the income and profit from oil palm has continuously outperformed that of rubber for the last twenty years. Those rubber planters have foregone better income from oil palm but why should they take twenty years to learn from their mistakes. The challenge for us today is to not again underestimate the future potential of the palm oil industry. We do not want to lose out on various opportunities by underestimating the future potential of the Malaysian palm oil industry. Another example is the oleochemical sector which has now expanded far beyond the 750 000 tonnes capacity projected for 1995.

#### MARKET EVALUATION FOR PALM OIL

Fortunately, with the success in market development, the

present production can be readily exported into the world market. When the annual production of palm oil increased by 1 million tonnes, or 16 percent in 1993, stocks were building up to exceed the 1 million tonnes mark and the industry was expecting prices to remain depressed for 1994. Similar depressed prices were observed subsequent to high production years in 1985 and 1989 when stocks were high in the following year. The depressed prices did not however appear in 1994 despite the high initial stocks. We had an unusual situation when production and stocks were high and prices were also high.

If we look only in the micro context of the Malaysian supply and demand pattern, the palm oil market may appear to run against the usual economic rationale. How do we explain the increase in prices when there was a bumper harvest in 1993? The explanation lies in the fact that the market operators were alerted to the overall supply of oils and fats. Shortfalls in soya production in the USA and lower production of oilseeds in Europe led to price increases which in turn influenced the rise in palm oil prices.

The market also responds to potential shortages. The floods in the US in mid 1993 led to the prediction of supply shortages and this had a strong influence on price increases from September 1993 to mid 1994. Other events added to the strengthening of prices since early 1994. High prices of coconut oil led to the prediction that the Indonesians would export more coconut oil in preference to palm oil and more of palm oil would be consumed locally and this would reduce the availability of palm oil in the world market.

The floods in the US also led to shortages of corn and with the consequent high prices of corn the farmers preferred to plant corn instead of soyabean during the 1994 seasons. This again had a dampening effect on the supply of soya in 1994 and prices continued to be high.

The next important factor which helps to sustain high prices of palm oil is the diversity of the palm oil import market. We have seen how the loss of a 1 million tonnes market such as India and a 400 000 tonnes market in Russia produced no depressing effects on prices even when these markets were reduced respectively to 146 000 tonnes and 55 000 tonnes only in 1993. What was not taken up by India and Russia had gone into new markets such as China, Pakistan and Egypt and numerous other smaller importers. We must also note that the developed markets such as the EEC, USA and Japan continued to import larger quantities of palm oil compared to recent years.

## CHALLENGES

The behaviour of the palm oil market that we have observed thus far should be the basis for us to formulate our strategies for meeting future challenges and creation of further opportunities.

These are as follows:-

- o Supply will continue to expand owing to the strong trend in profitability for the oil palm industry. Demand for oils and fats is also strong and palm oil is predicted to be the major oil to supply the world market in the near future. On the supply side, other palm oil producers will attempt to maximise their production and this may affect our traditional market. There will be many more markets that will exceed 0.5 million tonnes for palm oil imports. If two or three of these markets are not importing the expected volume of palm oil, there is a possibility that other markets may not be able to absorb the resultant excess supply. Our strategy must be to continue to nurture new and existing markets to increase the market capacity to absorb the increasing supply of palm oil. Diversifying the uses of palm oil in a particular country would also help to stabilise the market and reduce the risk of the market shrinking unpredictably such as the situation in India.
- o The market will respond to potential shortages resulting in price increases. While we cannot control adverse weather conditions which affect other countries, we could pay attention to the occurrence of such events and try to improve the prices of palm oil to reflect such potential shortages. Stock is also regarded as a potential supply, and it would be prudent to sell off present and near future supplies to avoid the building up of stocks which would have a depressing effect on prices.
- o The size and value of oleochemical exports should increase. We could set a target of maximum earnings from the export revenue for non edible products including oleochemicals. One suggestion is to derive 50 percent of the export earnings for palm oil from oleochemicals by the year 2005 compared to just 20 percent at present.
- o There must be a contingency plan to utilise excess palm oil supply during times of sluggish demand. The soyabean industry has initiated a campaign to utilise soya oil as diesel fuel and they have formed a Soya Diesel Development Authority to help market the fuel. Such a move will help reduce the excess supply of soya oil from the market and it will raise soya prices. When soya oil, which is two to three times more costly to produce than palm oil is promoted for use as diesel fuel there is strong reason for palm oil producers to consider promoting the use of palm diesel fuel to help remove any excess in the supply of palm oil in the future. Soya diesel is being commercialised even though the research was started only two years ago. Palm diesel research was started in 1984, the technology is available and the fuel has been shown to be technically suitable but the industry has still to consider its commercialisation strategy.
- o Large potential markets should be recultivated to continue to accept palm oil. The US market has been normalised after much research and PR efforts. Many of us are willing to commit promotional programmes in small markets with potential of importing 20 000 to 50 000 tonnes of palm oil but are not willing to promote the market in India. India's import potential is so huge that when they say they do not want to import any oil to comply with their self-sufficiency policy, we still see them importing over 146 000 tonnes of palm oil per year. With promotion, this minimum level of imports could easily double or triple.
- o We have to be able to differentiate between selling and promotion. Over the years, our industry has adopted the strategy of reducing prices to make a good sale and this indirectly opens up more markets. In a way, such strategy has helped promote the development of markets for palm oil. However palm oil has superior performance properties and its nutritional values are better than olive oil but these properties have not yet been fully promoted. The quality of palm oil as received by the buyers could certainly be improved but the industry is not emphasising on this trait; instead palm oil is sold with price discounts of up to US\$ 250 compared to soyabean oil or 1/5 to 1/10 of the price of olive oil. The market seems to have lost the ability to put a proper value to our palm oil products in the interest of making a sale. If the focus had been on promotion, the same palm oil product would be offered with guaranteed quality at a price no lower than the other competing oils as there is no reason for its price to be at a discount to its competitors.
- o New products are now in the pipeline to help improve the quality and superiority of palm oil. Red palm olein is a relevant example. It has excellent nutritional properties being rich in carotenes and Vitamin E. In addition, new oil palm progenies producing oil of

iodine values of over 60 are being introduced and such oil will yield better quality olein that would not cloud easily under cold temperatures.

- o Very little attempt has been made in market segmentation to exploit the top range of the market. There are millions of rich people in Egypt, India, Pakistan, Bangladesh and China who are very choosy on the type of oil that they consume. If 10 percent of the Indian population is rich there would be 80 million rich people with the purchasing power to buy high quality oil and they could constitute a large market segment for high quality palm oil products.
- o Finally, there is ample opportunity for palm oil to capture a larger share of the world's oils and fats market. The world is still consuming about 50 percent of fat products in the form of solids and 50 percent in the form of liquid oil. The pattern of oils and fats supply is such that only 25 percent is in the form of semi-solid fats such as palm oil and tallow. Thus, palm oil has a natural advantage in participating in the 50 percent solid fats market as it is already available in the solid form such as palm stearin. Market size for solid fats is larger than the potential supply from palm oil or palm stearin. At present, some of the liquid oils are artificially hardened to be used as solid fats to overcome shortages in the solid fat supply. Hydrogenation adds to the costs and there is a nutritional disadvantage in the consumption of hydrogenated products because of the presence of cholesterol raising *trans* fatty acids. For the liquid oil market, palm olein can participate in such a market where its stability to oxidation is a valuable asset. In cold climates palm oil may solidify but this can be overcome to some extent by blending or by smart packaging. Thus, palm oil products can participate in many different market segments and it should be able to capture a larger share of the oils and fats market in the future.

### CONCLUSION

More promotional efforts will be needed to enable palm oil to be sold at a price which reflects its true market value. In the short term, the strategy is to reduce any tendency for excess supply or potential supply to occur. In the long term, it would be useful to re-think our promotional strategy for palm oil on the basis of its superior quality and to diversify its markets and end uses.

We must believe in the superior capability of our products.

Super olein has very similar properties when compared to olive oil but their prices differ by five to ten times in favour of olive oil.

Our Government has introduced the credit scheme (POCPA) to help the importation of palm oil by the major consuming countries as well as to develop new markets by encouraging new importing countries to participate. This is still using the price or cost incentive approach to secure sales. The next strategy has to be the promotion of top quality products to improve palm oil acceptance by well to do consumers. There are large numbers of rich people in the so called populous poor countries eventhough they represent less than 20 percent of a given population. More funding must be directed in promoting such markets.

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## Palm Oil Makes Strides in the Mediterranean

by  
*Dr B A Elias and T P Pantzaris*

### INTRODUCTION

The Mediterranean region consists of the countries with a shore line on the Mediterranean Sea. This therefore includes the whole of Southern Europe, North Africa and much of West Asia. Being a region of the olive belt and a combined static population of only 206 million people the astounding growth of the palm oil market therefore deserves a closer look. This article examines the success of palm oil on technical grounds in food uses, soaps and animal feeds and how it has fared in competition from the entrenched oils of the region such as the olive and tallow.

### GROWTH OF PALM OIL EXPORTS

While the imports of total oils and fats in the region is growing at a rate of 5.5 percent per annum that of palm oil is double (*Table 1 and 2*). Although one may ascribe this ever increasing demand for vegetable oils and fats to the growing catering sector, its proliferation of restaurants and big hotels as more and more tourists from the cold northern European countries flock down south every year, real increase has really been due to their own indigenous population. Against a background of static population (growth rate of between 0.0 - 0.8 percent) growth this therefore points to a great substitution process at work mainly due to palm's technical superiority and versatility or is it mere competitiveness in price and nutritional status?

TABLE 1: TOTAL OILS &amp; FATS GROWTH IN IMPORTS ('000 TONNES)

	1993	1989	Change % pa	Major Imported Oils
Portugal	108	79	7.6	Palm, Olive
Spain	441	389	3.2	Tallow, Palm
France	822	780	1.3	Sunflower, Butter
Italy	977	766	6.3	Olive, Rapeseed
Austria	110	125	-3.1	Rapeseed, Palm
Ex-Yugoslavia	39	10.1	-21.2	Soyabean, Rapeseed
Greece	85	61	86	Sunflower, Palm
<b>TOTAL</b>	<b>2582</b>	<b>2210.1</b>	<b>5.5</b>	

TABLE 2: PALM OIL GROWTH IN IMPORTS ('000 TONNES)

	1993	1989	Change % p.a	Palm Oil of total %
Portugal	44	29	11.0	41.3
Spain	90	33	28.5	30.4
France	75	70	1.7	9.1
Italy	17.5	119	10.1	17.9
Austria	19	13	10.0	17.3
Ex-Yugoslavia	1	6	-63.9	2.6
Greece	19	18	1.4	22.4
<b>TOTAL</b>	<b>265.5</b>	<b>288</b>	<b>10.1</b>	<b>14.8</b>

The biggest palm oil importer in volume terms is Italy, but the most remarkable phenomenon of recent years has been the tremendous growth of the Spanish imports which have nearly trebled in the last four years, and are now standing well above those of France. Other good growth rates (10-11 percent per annum) have also been recorded in Portugal, Italy and Austria. Portugal deserves special mention because of its extraordinary high share of palm oil in total oil/fat imports of well of over 40 percent - a remarkable feat for a Southern European country with a traditional liquid oil preference.

In comparison with palm oil, some of the major oils of the Mediterranean region have not done very well. Olive oil and tallow disappearance for example, has only been growing at an overall rate of about 1 percent per annum despite isolated successes in France and Austria (Table 3). For the present, the performance of ex-Yugoslavia must be overlooked since the country has been in the midst of civil war and has been split into several independent republics.

TABLE 3: DISAPPEARANCE OF OLIVE OIL ('000 TONNES)

	1993	1989	Change % pa
Portugal	49	33	10.4
Spain	462	431	1.8
France	39	25	11.8
Italy	699	655	1.6
Austria	1.5	1.1	10.7
Ex-Yugoslavia	2.7	5.4	-15.9
Greece	105	133	-3.0
<b>TOTAL</b>	<b>1358.2</b>	<b>1283.4</b>	<b>1.3</b>

### COMPETITION WITH OLIVE OIL

Until recently, the market share of olive oil was being challenged not by palm oil but by sunflower and rapeseed oils which are fully liquid and undercut its price quite severely. But a very significant development of recent years has been the breakthrough of palm olein blends into the retail sectors of such strongholds of olive oil as Italy and Greece, offering better stability in frying and higher mono-unsaturated levels than the seed oils. These blends are based on sunflower oil and palm olein as the major components, with groundnut oil as a minor component. Using olein of super-olein grade, the blends remain clear indefinitely at room temperature, even in the winter months and another interesting point with little recognition so far, is that in respect of viscosity and mouthfeel, olein blends resemble olive oil much more closely than straight seed oils.

Soon after these blends were introduced, the Italian Institute of Oils and Fats in Milan, as well as manufacturers in this trade, tested them in their laboratories and told us they had found them highly satisfactory, especially for frying. The first two companies to introduce the blends were Unilever and Salindo in Italy and Unilever in Greece. Since then, other companies have entered the market, but in some countries such as Spain and Portugal, they are holding back for the present for "political" considerations e.g. opposition from farming and seed crushing lobbies.

As regards the industrial sectors of the Mediterranean region, palm oil is now the major fat used in biscuits, potato crisps, fried snacks and bakery shortenings, and at a smaller level, in margarines and spreads. For biscuits, the animal fats (tallow and lard) have been the traditional ones, but they need chemical antioxidants for stability,

have poor health image and consumers are increasingly demanding vegetable oils in their prepared foods. For margarine and shortening production, some palm oil inclusion is more or less necessary to balance the excessive linolenic acid content of the seed oils and the recent concerns about the nutritional status of *trans* fatty acids have led to an even greater inclusion.

Another boost to palm oil has been the findings and pronouncements of eminent nutritionists, such as Professor Renaud of France on the importance of the glyceride structure. He found that the main reason palm oil has less cholesterol raising effects than could be expected from its composition, is the fact that its saturated fatty acids are predominantly in the first and third positions of the glycerine molecule, unlike those of the animal fats which are in the second position. Acids in the end positions are easily cleaved by the enzymes in the stomach and are then bound-up by the calcium in the diet. Professor Renaud is widely recognised as one of the very top nutritionists in France and his views are widely reported on the TV and newspapers throughout the Mediterranean region.

#### COMPETITION WITH ANIMAL FATS

Palm oil and stearin being semi-solid fats come naturally into competition with the other major solid fats of the Mediterranean region, tallow and lard, and here also, palm oil has been capturing market share. Tallow disappearance is only increasing by about 1 percent and has been vastly outperformed by palm oil with a growth rate of 16 percent. A typical illustration of this is the case of Spain, the largest tallow consumer of the European Mediterranean region. There, tallow disappearance has been falling by about 3 percent per annum, while palm oil disappearance (imports) has been growing by 20 percent per annum. The PORIMTAS division has been very active in Spain in recent years and working in close collaboration with Malaysian specialty manufacturers as well as local traders, succeeded in opening up the edible, soap and animal feed market to palm oil products. For animal feeds, the superior quality of palm oil and stearin often make them better value for money than the low-priced tallow greases traditionally used in this trade. In the specialty sector of animal feeds, imported, high energy supplements and by-pass fats for ruminants have now been replaced by local production using Malaysian PFAD. Malaysia is virtually the only source of PFAD outside the EU and its quality is usually superior to the local production. With a little more care, we could easily ensure this is always the case.

#### THE CBE/CBS SECTORS

In Italy, the world famous chocolate manufacturer, Ferrero, who is increasingly dominating the luxury end of the market, has been a dedicated user of palm olein and palm mid-fraction for many years, in place of lauric oils. Lauric oils have very good organoleptic properties in confectionery applications, but with them there is always the possibility of soapy rancidity should there be any enzymatic attack and some companies prefer not to be facing this risk. Last year, Ferrero visited Malaysia, with a view to finding suppliers of specialty fats, PMF, etc, to replace its own production.

Increasingly European manufacturers of specialty fats are turning to Malaysia for their supplies. In Europe, labour costs are very high and in many cases it is becoming financially more attractive to import from the countries of origin rather than manufacture locally, even after paying the inevitable import duties. Naturally for social and other reasons, European manufacturers cannot shut down their factories overnight, but gradually they will be reducing their output and relying more on imports. With Malaysian CBE/CBS quality now fully up to Western standards, this development seems inevitable.

#### THE FUTURE

Gloomy predictions about the poor prospects of oils and fats in Europe have been made by many people for many years. High per capita consumption, nutritional findings against saturated fats, high serum cholesterol levels, EU policies for self sufficiency etc., were supposed to halt growth in palm oil imports years ago. But they have all been proved wrong and per capita consumption of oils and fats has been rising every year. Even its present level of 40.4 kg per capita is 10 percent below that of USA and any slow-down in human consumption is more that offset by increasing demand for chemicals and animal feeds. The current growth rate of palm oil imports in the Mediterranean region is greater than the increase of palm oil production in Malaysia and the recent GATT agreement should give it a further boost.

Accordingly, we expect the palm oil imports of the region to continue growing at 7-10 percent with increasing opportunities for specialty fats for human foods as well as for animal feeds.

Imports of basic oleochemicals can also be expected to show strong growth as a result of the increasing tendency for manufacturers to expand their production facilities in

the countries of origin rather than at home. Altogether we see a continuing bright future for palm oil in the Mediterranean region.



## Research Highlights

### Trans Fatty Acid is Harzardous for Health

The World Health Organisation/Food and Agriculture Organisation Joint Expert Committee has endorsed that *trans* fatty acid can cause adverse effects to health such as risks of heart disease and possible damage to foetus.

In his recent paper Professor Willett of Harvard University stated that *trans* fatty acid (TFA) could have caused 30 000 deaths per annum in the USA. Professor Tom Sanders of Kings College, London said *trans* is even worse then saturates in relation to its contribution to blood lipid cholesterol formation. The UK government's recommended limit is 5g per day, which is reckoned to be the average intake and seems to be the threshold. In the latest COMA Report, 1995 however the Committee on Medical Aspects recommended that the average daily intake should not exceed 2g.

To date, no UK or US food manufacturer has given permission for allow TV crews to photograph their hydrogenation plants for the purpose of making a documentary film on TFA. Unilever's top selling spread "I Can't Believe It's Not Butter" which was launched about 3 years ago provides about 1g of *trans* per two slices of toast. This would easily exceed the recommended maximum limit. Professor Kumerow of the University of Illinois has published adverse findings on *trans* since 1957. Robert Reeves, President of the Institute of Shortenings and Edible Oils (ISEO) seemed to think that at present level of consumption *trans* pose no health risk. Dr Applewhite, consultant to the food industry in the USA, supported the ISEO.

Dr Mary Enig thinks that we eat more *trans* than it is assumed mainly because of errors in old food tables. Some men consume up to 60g per day. Professor Willett likened the attitude of the food industry on *trans* to that of the tobacco industry. It was reported that the UK government

wished *trans* to be labelled but the EU has been reluctant. This was evident in the recent Codex Committee Meeting on Nutrition in which Malaysia's proposal to label *trans* was given a 'cold shoulder'.

The Whole Earth company which currently uses palm oil in its *trans*-free peanut butter and spreads, produced a spread with a label declaration against *trans* but was suppressed in the UK following complaints by Unilever. Dr John Brown of Unilever and the Director of 'Flora' Project thought that Whole Earth was unreasonably 'appealing to fear'. Dr Brown was later challenged because soon after the suppression of the Whole Earth label Unilever later reduced its *trans* content of 'Flora' from 10 percent to less than 1.5 percent and labelled it as 'Low in Trans and Saturates' for promotional purposes. This is now a top selling brand although being the most expensive. Another Unilever product 'Stork' margarine provides about 2.5 g *trans* on two pieces of toast. Although it is not promoted as a table margarine its label shows it being spread on toast.

In a more recent note, on a major TV programme in the UK, Dr Honstra of Limburg University said that preliminary findings from his studies indicated that the TFA in the mother's diet may affect the womb, predisposing to heart disease and other illnesses later in life. If these findings were proved to be correct and accepted they would indirectly help boost the image of palm oil as an ingredient that can be used to reduce *trans* in solid fat products. An endeavour such as that should help expand the palm oil market worldwide and especially in health-conscious western markets.

Contributed by Dr B A Elias



### A Semi-Commercial Unit of Combined Clarification and Purification of Crude Palm Oil will be Introduced

A modified pilot scale membrane filter press has been used in recovering organic solids from a crude palm oil slurry. Test run results indicated that 95percent of the suspended solids were recovered leaving behind crude slurry comprising of oil, water and small proportion of solids as N.O.S. (Non-Oil Solids). The filtered crude slurry requires less than five minutes to effectively form a

clear layer of oil and dirty water under gravity settling. Oil losses in the cake were greatly influenced by the nature of the slurry, temperature, squeezing pressure and thickness of the chamber.

To date results indicated that oil losses of 18-28percent on dry matter of the cake could be achieved under squeezing pressure of 6 bars. Lower oil losses were achieved when a higher squeezing pressure was utilized.

The clear oil layer after clarification was purified by cartridge filter and micro-filter to eliminate traces of dirt

which still existed in the oil. Results indicated that the purified oil obtained by this method contained less than 0.002percent dirt.

The semi-commercial unit of combined clarification and purification by filtration is being designed and it is expected that this process would offer an alternative to the present clarification and purification system with the main aim of reducing the effluent load and to improve crude oil quality.

*Contributed by Mohd Sulong.*

## IN BRIEF

### WEST ASIA : TRENDS OF PALM OIL IMPORTS FROM MALAYSIA

Country	1993 ('000 Tonnes)	1994	Diff.(%)
Bahrain	6.02	16.24	+169.58
Iran	57.57	36.51	- 36.58
Iraq	5.39	-	-100.00
Lebanon	2.40	2.30	- 4.34
Kuwait	1.74	2.36	+35.49
Jordan	178.69	197.62	+ 10.60
Oman	27.22	32.94	+ 20.98
Pakistan	1040.29	1142.71	+ 9.85
Saudi Arabia	112.06	133.61	+ 19.23
Syria	4.15	8.14	+ 96.02
Turkey	185.46	199.18	+ 7.40
UAE	38.22	63.19	+ 65.32
Yemen	123.37	61.16	- 50.40
<b>Total</b>	<b>1782.58</b>	<b>1895.96</b>	<b>+ 6.36</b>

Notes :

- o Palm oil regional imports from Malaysia registered an increase of 6.36percent in 1994 compared to the imports for the year 1993.
- o In 1994, Iraq received all its palm oil imports through the Jordanian suppliers.
- o In 1994, the imports of palm oil by Yemen declined due to the civil war and the subsequent economic crisis.
- o Malaysian palm oil retained its strength in the region inspite of its high prices and tight availability.
- o Pakistan market constituted more than 50percent of the total palm oil regional market. It is envisaged that in 1995, the region will maintain this trend of palm oil imports. Pakistan, Jordan and Yemen are expected to show higher imports.

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We invite readers to send in comments, suggestions and technical news which could be published in this newsletter.

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