

Supply and Disappearance – A Review

Malaysia's production of CPO in the first four months of 1993 was 1.923 million tonnes indicating an increase of 208 775 tonnes or 12.18% over the production in the same period the year before. Monthly production from January to April 1993 was higher than that of the corresponding months of the previous year (*Table 1*). It was forecasted that CPO production in 1993 could reach 7.25 million tonnes giving an increase of 13.8% over production of 1992 which was 6.37 million tonnes.

The high increase in the production forecast in 1993, among other reasons, is mainly due to the

palms getting over the four-year stagnation cycle, which began in 1989. Also, the haze was not as thick as that which occurred in 1992 and the effects of the drought in Sabah and Sarawak are already over.

The beginning stocks of palm oil in January 1993 was 660 539 tonnes and lower than that of the corresponding month of the previous year by 26 882 tonnes. Considering that 7.2 million tonnes could be produced during the year, an estimated total of 7.86 million tonnes of palm oil may be available for trade from Malaysia. On the other

TABLE 1. MALAYSIAN PALM OIL: SUPPLY AND DISAPPEARANCE BY MONTH (tonnes)

Year	Supply			Disappearance			
	Beginning Stock	Production	Total	Adjusting Balance	Exports	Total	Ending Stock
1984	142 748	3 714 795	3 857 543	233 301	3 183 451	3 416 752	440 791
1985	440 791	4 134 463	4 575 254	289 152	3 434 025	3 723 177	852 077
1986	852 077	4 542 249	5 394 326	269 922	4 558 806	4 828 728	565 598
1987	565 598	4 531 960	5 097 558	365 574	4 218 344	4 583 918	513 640
1988	513 640	5 027 496	5 541 136	403 269	4 342 010	4 745 279	795 857
1989	785 857	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							
Jan	687 421	395 777	1 083 198	65 892	431 490	497 382	585 816
Feb	585 816	382 860	968 676	59 447	401 838	490 938	507 391
Mar	507 391	442 459	949 850	68 819	396 110	475 469	484 921
Apr	484 921	493 139	959 933	36 110	412 998	449 921	510 012
May	510 012	507 491	1 017 413	77 409	482 505	561 390	457 499
Jun	457 499	502 123	959 622	68 241	493 328	561 569	398 053
Jul	398 053	596 360	994 413	58 529	469 090	527 619	466 794
Aug	466 794	629 690	1 096 484	73 868	470 113	543 981	552 503
Sep	552 503	697 468	1 244 971	78 247	510 392	588 766	656 332
Oct	656 205	641 655	1 297 860	80 659	535 641	616 280	681 560
Nov	681 580	594 348	1 274 612	76 322	482 061	561 634	716 229
Dec	716 229	490 091	1 206 320	76 234	469 547	545 781	660 539
Total ^a		6 373 461			5 555 113		
1993							
Jan	660 539	424 601	1 085 140	68 547	484 648	553 195	531 945
Feb	531 945	441 641	973 586	64 089	448 462	512 551	461 035
Mar	461 035	444 045	905 080	48 571	397 062	445 633	461 706
Apr	461 706	612 716	1 074 422	57 250	519 753	557 003	497 419 ^b
May	497 419 ^b	NA	NA	NA	NA	NA	NA

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

^b preliminary

NA not available

Source: Palm Oil Update, PORLA (various issues)

hand, the total Malaysian palm oil available for trade in 1992 was 7.06 million tonnes. Even with the lower beginning stocks in 1993 when compared with 1992, there has been more exports of palm oil in the first four months of 1993 than when compared with that of the corresponding months the year before. Total exports from January to April 1993 was 1.85 million tonnes while for the corresponding months in 1992, it was 1.64 million tonnes. Though there was more production from January to April 1993 when compared with that of the corresponding period in 1992, ending stocks as at April 1993 at 497 419 tonnes was lower than that of April 1992 which was 510 012 tonnes.

Table 2 illustrates the major importers of Malaysian palm products for 1991, 1992 and January-February 1992 and 1993.

Pakistan was the largest importer of palm oil from Malaysia in 1992. Her imports totalled 866 623 tonnes and contributed to 15.6% of the total exports of Malaysian palm oil. Her imports

in 1992 comprised mainly RBD palm oil (778 032 tonnes), RBD olein (53 034 tonnes) and stearin (2 999 tonnes). In the first two months of 1993, she imported 271 201 tonnes of Malaysian palm oil, thus also making her the largest importer of palm oil from Malaysia. Compared to January-February 1992, her imports totalled 89 299 tonnes. The country is anticipated to import large quantities of palm oil from Malaysia since her imports of soya bean oil from USA under the PL-480 aid programme is still under suspension. Also, palm products continue to provide advantages technically and price wise. In addition, local production of oilseed crops has remained fairly stagnant. A US\$100 million palm oil export credit scheme has been signed between Malaysia and Pakistan in August 1992.

The second largest importer of Malaysian palm oil in 1992 was Singapore. She imported 706 858 tonnes of palm products which comprised mainly RBD olein (474 557 tonnes), RBD palm oil (117 853 tonnes) and RBD stearin (79 215 tonnes). However, most of the imports are re-

TABLE 2. MALAYSIAN EXPORTS OF PALM OIL TO MAJOR DESTINATIONS (tonnes)

Countries	1991	1992	Jan-Feb 1992	Jan-Feb 1993
India	157 283	125 621	61 992	2 352
Pakistan	967 834	866 623	89 299	271 201
China	640 956	550 830	16 192	19 943
EEC	637 362	643 422	160 322	115 301
– UK	47 585	96 899	21 794	18 607
– Netherlands	285 350	255 728	72 185	52 040
– Germany	35 890	73 072	21 794	13 949
USA	144 388	211 462	25 389	19 608
Iran	2 898	7 620	5 580	0
Iraq	0	-	-	-
Indonesia	26 373	265 723	44 412	52 897
Egypt	288 530	301 840	32 957	75 005
USSR	99 304	-	-	-
Saudi Arabia	104 417	116 913	14 478	21 470
Singapore	725 202	706 858	117 161	61 956
Japan	309 145	303 030	42 273	56 100
Jordan	54 285	88 229	4 716	27 906
Republic of Korea	212 176	195 308	26 319	31 102
Australia	49 698	67 283	10 015	14 687
Turkey	195 184	148 849	20 614	13 109
Yemen	93 021	117 930	21 094	18 633
Mozambique	20 207	7 262	1 511	2 750
Bangladesh	55 701	70 572	11 289	14 687
Kenya	2 247	40	0	17 241
Rest of the World	778 053	759 698	127 715	97 162
Grand Total	5 564 264	5 555 113	833 328	933 110

Source: *Palm Oil Update*, PORLA (various issues).

exported to other destinations. During the first two months of 1993, her imports were 61 956 tonnes.

The EEC as a region imported 643 422 tonnes of palm products from Malaysia in 1992. Among the EEC countries, the Netherlands was the largest importer with imports of 255 728 tonnes or accounting for 40% of the total imports of Malaysian palm oil by the EEC. The major palm products imported by the Netherlands were 145 166 tonnes RBD palm oil, 59 688 tonnes RBD stearin and 27 179 tonnes RBD olein. Approximately 6 000 tonnes of CPO were also imported by the country. Her imports during the first two months of 1993 was 52 040 tonnes. Continued increases in imports of palm products by the EEC were attributed to health reasons. The use of animal fats has been increasingly substituted with palm oil. Drought during the critical stages of growth in most of the oilseed growing areas in the EEC has led to a sharp reduction in domestically available supplies of rapeseed and sunflowerseed, thus resulting in greater quantities of oils and fats including palm oil being imported by the region. In 1993, production outlook on oils and fats in the EEC showed a possible decline of about 0.7 million tonnes especially due to a programme to reduce planting of oilseeds. Furthermore olive oil output in the EEC, especially from Spain is expected to decline by 0.33 million tonnes. The decline in olive oil production is attributable to the drought in 1992.

China with imports of 550 830 tonnes of Malaysian palm oil was the fourth largest importer in 1992. Her imports in 1991 was 640 956 tonnes. The palm products imported in 1992 comprised mainly RBD palm olein (302 922 tonnes), RBD palm oil (123 288 tonnes) and RBD stearin (117 730 tonnes). Her imports during the first two months of 1993 was 19 943 tonnes giving a slight uptake during the corresponding months of the previous year by 3 751 tonnes. The decline of imports in 1992 was due to her preference in utilizing her domestic production of oilseeds leading to less of her domestic production being ex-

ported. This however led to a decline in stocks of vegetable oils such that more vegetable oils, especially palm oil would be imported in 1993. To facilitate the utilization of palm oil in China, a PORIM TAS office has been established in Hong Kong to provide technical services in the East Asia region.

The fifth largest importer was Japan where her imports were 303 030 tonnes in 1992. Among the palm products imported in 1992 were 146 559 tonnes of RBD palm oil, 104 793 tonnes RBD olein and 34 236 tonnes RBD stearin. The country also imported 16 997 tonnes of CPO. Her imports increased from 42 273 tonnes to 56 100 tonnes during the first two months of 1992 and 1993 respectively.

Imports of Egypt, the sixth largest importer of Malaysian palm products increased from 288 530 tonnes in 1991 to 301 840 tonnes in 1992. Her imports in 1992 comprised mainly RBD palm oil (166 771 tonnes), RBD stearin (109 772 tonnes) and RBD olein (23 078 tonnes). During the first two months of 1993, her imports was 75 005 tonnes giving a 2.27 fold increase over the same period in 1992. Imports of palm products continued to increase because permission has been granted for blending of palm olein with other oils for frying and cooking. Furthermore a policy in comparing prices of palm stearin with tallow has given a price advantage for palm stearin leading to increase in imports of palm stearin.

The seventh largest importer, the USA, imported 211 462 tonnes of Malaysian palm oil in 1992 giving an increase of 67 074 tonnes over that of 1991. The palm products imported in 1992 comprised mainly 92 621 tonnes RBD olein, 49 161 tonnes RBD stearin and 48 161 tonnes RBD palm oil. Her imports during January-February 1993 totalled 19 608 tonnes. In the United States, most of the palm products are utilized in the West Coast region in the formulation of blended oils for industrial frying.

