

Worldwide Market Acceptance of Palm Oil

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INTRODUCTION

Palm oil is one of the 17 major oils and fats produced and traded in the world. World production of palm oil has risen from 1.742 million tonnes in 1970 to 13.67 million tonnes in 1993 giving a seven-fold increase. World disappearance of palm oil has also increased over the period from 1.68 to 13.33 million tonnes. In 1970, a total of 67 countries appeared in the statistics on imports of palm oil while in 1993, the number of countries appearing in the statistics of palm oil imports increased to 104 countries. Most of the other countries imported small quantities of palm products and are lumped as others. The intention of this paper is to describe the worldwide acceptance of palm oil according to regions and by major importers in the region. For the purpose of this paper, the world is divided into the regions of Asia, Africa, the Americas, Europe, Oceania and the CIS.

ASIA

The Asian region comprising East Asia, South East Asia, Southern Asia and Western Asia (Arab Countries and non-Arab Countries) was the world's largest importer of palm oil products in 1993. Total imports of palm oil by the region in 1993 were 5.598 million tonnes against 260 800 tonnes imported in 1970.

Among the sub-regions of Asia, East Asia was the world's largest importer of palm oil in 1993 when she imported 1.84 million tonnes against 40 500 tonnes in 1970 (*Table 1*). China being in this sub-region brought the upsurge in imports. With negligible imports in 1975, her imports increased to 1.12 million tonnes in 1993. Increased imports by China were due to the concluded Malaysia-China trade agreement to increase direct trade between the two countries and the 10% reduction in import duty by China in 1989. Though China is one of the largest producers of oilseeds, the demand for oils and fats is expected to increase due to the acceleration and intensification of economic reforms by the government. Total land available for oilseed cultivation is limited due to urbanization and to the cultivation of other non-oil crops. The palm products imported by China are used in the manufacture of snack food and the frying of instant noodles. RBD palm oil and palm olein are widely used in the manufacture of marga-

rine and shortening. Palm products are also utilized in tourist related businesses which include hotel catering, fast food outlets and the general manufacturing sector. Considering that the per capita consumption level of oils and fats in China is low at about 7.7 to 8 kg/person/year as compared to the world average of 11–18 kg, more imports are anticipated in the future. Imports of palm oil by China in 1993 accounted for 73% of total oils and fats imported by the country. Her imports of oils and fats in 1993 totalled 1.532 million tonnes (*Table 2*).

Japan was the second largest importer of palm oil in the East Asian region in 1993. Her imports increased from 40 000 tonnes in 1970 to 355 900 tonnes in 1993. Imports of palm oil in 1970 were 8.5% of her total imports of oils and fats while by 1993, the proportion of palm oil imported increased to 58%. The increasing share of palm oil imports to total imports of oils and fats illustrated that palm oil has gained strong market acceptance in Japan. Palm products which are imported are utilized in various applications both in the food and non-food sectors.

Southern Asia is the world's second largest importer of palm oil. Imports of palm oil increased from 3 200 tonnes in 1970 to reach 1.592 million tonnes in 1993. On the other hand, total imports of oils and fats increased from 517 700 tonnes in 1970 to 2.94 million tonnes in 1993. The market share of palm oil increased from 0.62% in 1970 to 54.2% in 1993. In 1993, Pakistan imported 1.175 million tonnes of palm oil making her the world's largest importer of the product. Increases in imports were due to the favourable price of palm products relative to that of other oils and fats, to the reduction in import duty and to a regulation specifying a maximum of 35% soya bean oil in ghee blends with the balance of 65% to be palm oil. Most of the palm products were imported from Malaysia and utilized in the formulation of vanaspati. Palm acid distillate and palm acid oil are also imported for the production of soap.

India, another country in South Asia which prior to 1988 used to be the world's largest importer of palm oil has imports declining in the 1990's. The decline in imports was due to the better harvest of oilseeds in the country. However, imports of palm oil have been fluctuating depending on the production of

TABLE 1. WORLD IMPORT OF PALM OIL BY REGIONS 1970 – 1993 ('000 tonne)

Region	1970	1975	1980	1985	1990	1993
ASIA						
East Asia						
China	-	8.0	58.0	56.8	1 133.4	1 120.0
Japan	40.0	108.0	148.0	161.3	276.3	355.9
Hong Kong	-	0.9	0.3	0.2	64.6	65.4
Dem. Peo. Rep. of Korea	-	-	2.5	1.5	27.3	14.2
South Korea	0.5	3.2	33.4	107.4	216.9	195.3
Mongolia	-	-	-	-	-	-
Taiwan	-	-	2.3	11.7	65.7	88.9
Total	40.5	120.1	244.5	338.9	1 784.2	1 839.7
SOUTH ASIA						
South Eastern Asia						
Brunei	-	-	0.05	0.7	3.9	n.a.
Dem. Kampuchea	-	-	-	-	4.5	10.9
East Timor	-	-	-	-	-	-
Indonesia	-	-	-	37.2	26.8	153.2
Lao Peo. Dem. Rep.	-	-	-	-	-	-
Myanmar	-	-	29.0	27.4	134.0	177.4
Malaysia	-	-	-	281.1	17.9	252.5
Philippines	5.2	0.7	12.1	2.7	4.8	35.0
Singapore	140.8	127.7	714.6	1 109.5	880.5	630.7
Thailand	0.1	1.0	54.6	3.7	3.4	5.5
Vietnam	-	-	-	-	8.5	21.6
Total	146.1	129.4	810.4	1 462.3	1 084.3	1 286.8
Southern Asia						
Afghanistan	-	-	0.5	15.5	1.3	-
Bangladesh	0.01	-	75.6	179.7	81.5	142.5
Bhutan	-	-	-	-	-	-
India	0.01	18.0	533.5	662.2	668.1	146.0
Iran	-	-	23.2	-	17.6	82.8
Nepal	-	-	-	3.7	2.8	n.a.
Pakistan	2.0	151.0	248.9	486.2	682.7	1 175.0
Sri Lanka	1.2	0.01	0.3	11.0	26.0	46.1
Total	4.2	169.0	882.0	1 358.3	1 480.0	1 592.4
WESTERN ASIA						
Arab Countries						
Bahrain	-	-	0.1	0.9	2.5	9.1
Dem. Yemen	-	-	-	15.3	-	n.a.
Iraq	66.0	123.5	108.5	185.7	216.0	164.3
Jordan	1.8	1.0	11.2	10.5	31.1	56.0
Kuwait	-	-	9.9	135.9	9.7	7.81
Lebanon	0.1	-	-	2.3	4.6	4.9
Oman	-	0.02	-	-	12.8	16.4
Qatar	-	-	-	-	2.9	2.4
Saudi Arabia	-	0.2	102.0	98.7	127.7	173.9
Syrian Arab Rep.	1.0	7.8	3.1	12.3	28.0	21.5
United Arab Emirate	-	-	5.1	21.8	29.2	52.3
Yemen	-	-	9.3	44.4	98.2	117.9
Total	68.9	132.5	249.2	527.8	562.7	626.5
Non-Arab Countries						
Cyprus	-	-	0.1	0.03	0.4	-
Israel	2.1	3.0	0.3	8.1	2.2	2.1
Turkey	0.01	11.6	1.5	64.6	181.8	250.5
Total	2.1	14.6	1.9	72.7	184.4	252.6

(continued from page 3)

Region	1970	1975	1980	1985	1990	1993
Senegal	2.0	1.2	2.6	9.0	14.5	21.0
Sierra Leone	0.04	0.2	0.03	-	-	n.a.
Togo	-	-	0.05	-	0.5	n.a.
Upper Volta	0.01	0.9	0.4	-	-	n.a.
Total	4.1	6.0	33.2	94.0	49.3	180.4
AMERICAS						
Latin America						
Caribbean						
Barbados	0.01	-	-	-	-	n.a.
Cuba	-	-	-	-	12.9	22.5
Dominican Rep.	-	-	-	-	-	n.a.
Guadeloupe	-	-	-	-	0.02	n.a.
Haiti	-	-	-	-	49.2	64.0
Jamaica	-	-	-	-	3.3	5.0
Martinique	0.02	0.01	-	-	0.1	n.a.
Puerto Rico	-	-	-	-	0.1	n.a.
Trinidad and Tobago	-	-	-	-	-	n.a.
Windward Islands	-	-	-	-	-	n.a.
Other Caribbean	-	-	-	-	-	n.a.
Total	0.03	0.01	0.0	0.0	65.6	91.5
Central America						
Costa Rica	-	-	0.1	3.0	2.0	n.a.
El Salvador	-	-	-	-	1.7	4.8
Guatemala	-	-	-	-	15.4	15.0
Honduras	0.1	-	4.6	0.02	-	4.0
Mexico	0.2	0.9	2.5	2.9	87.8	95.0
Nicaragua	-	0.2	-	3.0	0.5	8.2
Panama	-	-	-	-	-	n.a.
Total	0.3	0.92	7.2	8.9	107.4	127.0
Temperate South America						
Argentina	0.1	0.2	0.2	-	0.02	n.a.
Chile	0.1	0.2	-	-	-	n.a.
Uruguay	-	-	-	-	0.2	n.a.
Total	0.2	0.4	0.2	0.0	0.2	n.a.
Tropical South America						
Bolivia	-	-	-	-	-	n.a.
Brazil	0.02	2.0	4.5	-	-	35.4
Colombia	-	-	-	-	19.5	29.4
Ecuador	2.5	-	0.9	-	-	7.0
Guyana	-	-	-	-	-	n.a.
Paraguay	-	-	-	-	-	n.a.
Peru	0.1	-	0.02	-	-	n.a.
Suriname	-	-	-	-	-	n.a.
Venezuela	-	-	0.02	-	16.9	12.0
Total	2.6	2.0	5.4	0.0	36.4	83.8
Northern America						
Canada	12.0	41.0	20.0	26.0	15.5	11.7
USA	64.0	442.0	116.8	213.0	130.4	129.4
Total	76.0	483.0	136.8	239.0	145.9	141.1
EUROPE						
Eastern Europe						
Bulgaria	-	-	-	-	6.0	26.8
Czechoslovakia	4.2	2.6	0.2	1.9	6.8	3.8
German Dem. Rep.	-	-	-	-	-	-

(continued from page 2)

Region	1970	1975	1980	1985	1990	1993
AFRICA						
Eastern Africa						
Burundi	-	0.2	1.0	1.3	0.4	n.a.
Comoros	-	-	-	-	-	-
Ethiopia	-	-	-	-	3.1	10.6
Kenya	6.9	12.0	71.4	82.5	158.4	130.0
Madagascar	-	1.9	4.8	4.5	7.0	10.9
Malawi	-	-	-	-	2.5	n.a.
Mauritius	-	-	-	7.4	3.8	3.0
Mozambique	1.0	0.01	4.0	6.3	50.7	21.4
Reunion	-	-	-	-	0.01	n.a.
Rwanda	-	0.5	0.9	4.3	8.5	9.5
Somalia	-	-	-	-	8.2	1.0
Uganda	2.0	0.3	-	-	3.7	18.3
United Rep. of Tanzania	1.2	2.9	2.8	2.6	35.0	43.6
Zambia	0.03	-	-	-	-	n.a.
Zimbabwe	-	-	-	0.1	0.5	n.a.
Total	11.1	17.8	86.9	109.5	281.8	248.1
Middle Africa						
Angola	-	-	3.2	0.7	1.7	n.a.
Cameroon	0.1	-	0.01	-	10.0	12.0
Central African Rep.	1.6	0.1	-	-	-	n.a.
Chad	-	-	-	-	-	n.a.
Congo	0.6	1.4	1.8	4.0	-	n.a.
Equatorial Guinea	-	-	-	-	-	n.a.
Gabon	-	1.8	1.6	0.4	6.2	7.6
Zaire	-	-	-	-	-	n.a.
Total	2.3	3.3	6.6	5.1	17.9	19.6
Northern Africa						
Algeria	0.9	2.0	4.6	1.9	6.0	70.0
Egypt	-	-	0.2	38.7	328.7	462.9
Libya Arab Jamahiriya	0.1	0.3	1.2	-	-	n.a.
Morocco	0.01	-	1.7	1.7	5.4	7.4
Sudan	0.1	0.03	0.04	28.6	60.3	47.6
Tunisia	-	-	-	-	1.0	9.4
Total	1.1	2.3	7.7	70.9	401.4	597.1
Southern Africa						
Botswana	-	-	-	-	-	n.a.
Lesotho	-	-	-	-	-	n.a.
Namibia	-	-	-	-	-	n.a.
South Africa	0.03	1.9	2.7	16.8	65.5	58.3
Swaziland	-	-	-	-	-	n.a.
Total	0.03	1.9	2.7	16.8	65.5	58.3
Western Africa						
Benin	-	-	-	1.1	0.5	-
Cape Verde	-	-	-	-	-	n.a.
Gambia	-	-	-	-	-	n.a.
Ghana	0.8	3.5	5.0	1.0	6.2	8.4
Guinea	-	-	-	-	-	n.a.
Guinea-Bissau	-	-	-	-	-	n.a.
Ivory Coast	-	-	-	-	7.3	4.0
Liberia	0.02	-	-	0.4	-	n.a.
Mali	0.2	-	-	-	-	0.6
Mauritania	-	-	1.6	1.5	0.2	-
Niger	1.0	0.2	3.5	8.0	12.1	11.9
Nigeria	-	-	20.0	73.0	8.0	134.5

(continued from page 4)

Region	1970	1975	1980	1985	1990	1993
Hungary	0.4	-	-	-	0.1	5.7
Poland	1.5	14.6	10.3	10.7	7.1	27.1
Romania	-	-	-	-	7.4	0.1
Total	6.1	17.2	10.5	12.6	27.4	63.4
Northern Europe						
Denmark	4.6	8.3	14.1	12.6	59.2	58.0
Finland	0.1	2.6	2.4	3.7	6.3	7.9
Iceland	-	-	-	-	0.03	n.a.
Ireland	3.9	3.5	7.0	2.4	3.8	7.4
Norway	0.1	1.1	4.8	7.9	9.8	11.4
Sweden	4.6	14.2	17.6	9.7	29.6	37.4
United Kingdom	162.7	205.8	183.4	217.9	368.6	430.0
Total	176.0	235.5	229.3	254.2	477.3	552.1
Southern Europe						
Albania	-	-	-	-	-	n.a.
Greece	-	2.4	-	0.3	14.4	19.0
Italy	42.9	51.1	60.6	98.3	142.0	175.0
Portugal	19.3	15.8	17.4	13.0	34.6	44.3
Spain	4.3	5.3	17.2	11.5	44.5	90.0
Yugoslavia	0.2	0.7	3.4	4.8	4.3	1.4
Total	66.7	75.3	98.6	127.9	239.8	329.7
Western Europe						
Austria	3.2	6.5	7.6	9.3	16.1	19.0
Belgium-Lux	25.5	29.7	41.2	47.6	95.8	110.0
France	41.1	49.9	72.5	62.9	71.7	74.9
West Germany	115.9	209.8	173.6	154.0	369.1**	358.3**
Netherlands	89.3	185.6	204.0	174.1	354	419.6
Switzerland	2.6	4.5	7.1	3.5	4.2	5.7
Total	277.6	486.0	506.0	451.4	909.7	987.5
Oceania						
Australia-New Zealand						
Australia	5.8	13.8	38.4	51.6	80.7	91.8
New Zealand	0.03	2.2	3.0	6.6	9.0	12.5
Total	5.8	16.0	41.4	58.2	89.7	104.3
Melanesia						
Fiji	-	0.1	-	0.2	0.1	n.a.
Papua New Guinea	-	-	0.1	0.5	1.9	n.a.
Total	0.0	0.1	0.1	0.7	2.0	n.a.
Micronesia-Polynesia						
Micronesia	-	-	-	-	-	n.a.
Polynesia	-	-	-	0.02	-	n.a.
Total	0.0	0.0	0.0	0.02	0.0	0.0
CIS	-	-	101.5	237.1	201.8	55.2
Others	31.9	145.6	214.9	277.4	412.7	450.7
World Total	922.7	2 059.0	3 675.0	3 723.3	8 629.5	9 688.2

Source: Oil World
FAONote:** Inclusive German Dem. Rep.
n.a. - Not available

TABLE 2. WORLD IMPORT OF OILS AND FATS BY REGIONS 1970-1993 ('000 tonne)

Region	1970	1975	1980	1985	1990	1993
ASIA						
East Asia						
China	24.0	129.0	383.0	205.0	2 406.0	1 532.0
Japan	340.0	368.0	418.0	376.0	566.0	616.0
Hong Kong	50.7	50.4	86.2	110.0	274.0	269.0
Dem. Peo. Rep. of Korea	8.9	6.4	10.0	9.0	34.0	32.0
South Korea	58.6	110.2	191.9	275.0	437.0	420.0
Mongolia	0.7	0.8	1.5	2.1	0.8	n.a.
Taiwan	-	-	2.3	107.0	183.0	242.0
Total	482.9	664.8	1 092.9	1 084.1	3 900.8	3 111.0
SOUTH ASIA						
South Eastern Asia						
Brunei	1.2	1.4	1.7	3.7	4.5	n.a.
Dem. Kampuchea	0.7	-	5.6	-	4.5	10.9
East Timor	-	-	-	-	-	n.a.
Indonesia	0.9	4.7	15.3	52.0	44.0	212.0
Lao Peo. Dem. Rep.	0.1	0.1	-	-	-	-
Myanmar	11.1	13.6	35.3	34.0	138.0	182.0
Malaysia	33.4	24.5	28.9	300.0	132.0	367.0
Philippines	26.9	15.5	42.2	23.0	44.0	86.0
Singapore	178.0	167.6	808.3	1 238.0	1 072.0	844.0
Thailand	10.4	13.0	96.4	24.0	40.0	54.0
Vietnam	18.8	36.5	7.8	4.8	13.0	25.0
Total	281.5	276.9	1 041.5	1 679.5	1 492	1 780.9
SOUTHERN ASIA						
Afghanistan	0.2	0.9	0.6	15.5	1.3	n.a.
Bangladesh	80.2	84.4	184.1	282.0	386.0	387.0
Bhutan	0.3	0.3	0.4	0.4	-	n.a.
India	153.6	51.8	1 404.0	1 303.0	735.0	270.0
Iran	138.1	266.7	392.5	477.0	573.0	673.0
Nepal	-	-	4.1	9.9	9.5	n.a.
Pakistan	137.5	261.2	438.1	838.0	1 152.0	1 540.0
Sri Lanka	7.8	2.7	5.0	17.0	32.0	69.0
Total	517.7	668.0	2 428.8	2 942.8	2 888.8	2 939.0
WESTERN ASIA						
Arab Countries						
Bahrain	1.3	0.7	3.8	7.2	7.0	30.0
Dem. Yemen	10.7	1.1	0.8	15.3	-	n.a.
Iraq	67.2	131.2	142.7	235.0	272.0	186.0
Jordan	7.4	5.4	25.9	17.0	65.0	100.0
Kuwait	3.0	2.9	25.4	150.0	26.0	31.0
Lebanon	12.7	17.3	31.2	40.0	45.0	52.0
Oman	0.9	1.9	6.1	7.2	22.0	30.0
Qatar	2.1	1.2	2.1	6.6	8.0	7.3
Saudi Arabia	6.2	16.5	198.0	167.0	252.0	297.0
Syrian Arab Rep.	7.8	16.0	37.9	77.0	43.0	52.0
United Arab Emirate	-	2.5	29.1	37.0	55.0	92.0
Yemen	1.3	0.9	22.3	44.4	104.0	125.0
Total	120.6	197.6	525.3	803.7	899.0	1 002.3
Non-Arab Countries						
Cyprus	8.8	11.6	13.8	26.0	27.4	19.5
Israel	21.3	17.7	15.5	29.0	24.0	28.0
Turkey	17.9	142.7	169.4	314.0	656.0	881.0
Total	48.0	172.0	198.7	369.0	707.4	928.5

(continued from page 6)

Region	1970	1975	1980	1985	1990	1993
AFRICA						
Eastern Africa						
Burundi	-	0.2	2.3	3.5	0.8	n.a.
Comoros	0.01	0.02	0.01	-	0.12	n.a.
Ethiopia	2.8	1.2	7.7	31.0	42.0	39.0
Kenya	25.8	34.2	91.6	96.0	180.0	151.0
Madagascar	5.2	10.2	19.3	13.0	19.0	21.0
Malawi	3.2	3.9	6.4	7.3	10.1	n.a.
Mauritius	12.6	11.5	22.0	20.0	23.0	17.0
Mozambique	3.4	2.6	11.8	16.0	89.0	38.0
Reunion	5.4	7.0	9.8	9.9	11.4	n.a.
Rwanda	-	0.5	2.4	4.5	11.1	9.5
Somalia	6.3	4.6	18.5	22.0	12.0	9.0
Uganda	6.8	2.0	0.2	1.0	16.0	24.0
United Rep. of Tanzania	12.0	12.4	11.6	20.0	48.0	65.0
Zambia	15.3	4.4	10.9	4.0	13.0	8.0
Zimbabwe	-	-	17.8	17.0	33.0	26.0
Total	98.6	94.7	232.3	265.2	508.5	407.5
Middle Africa						
Angola	5.7	0.8	33.4	30.0	44.0	25.0
Cameroon	1.7	3.4	4.8	12.0	18.0	14.0
Central African Rep.	1.9	0.2	0.4	0.1	1.6	n.a.
Chad	1.2	0.5	-	0.1	-	n.a.
Congo	0.9	1.6	2.0	9.4	1.8	n.a.
Equatorial Guinea	-	-	-	-	1.2	n.a.
Gabon	1.2	2.7	2.4	2.2	6.8	7.6
Zaire	1.5	1.9	0.6	0.8	n.a.	-
Total	14.1	11.1	43.6	54.4	74.2	46.6
Northern Africa						
Algeria	78.9	190.0	297.5	410.0	437.0	404.0
Egypt	165.7	400.4	502.5	737.0	819.0	939.0
Libya Arab Jamahiriya	20.7	27.3	88.2	55.0	82.0	83.0
Morocco	102.0	186.8	189.0	243.0	194.0	241.0
Sudan	3.5	1.4	5.3	61.0	72.0	58.0
Tunisia	30.7	68.0	86.2	97.0	137.0	161.0
Total	401.5	873.9	1 168.7	1 603.0	1 741.0	1 896.0
Southern Africa						
Botswana	-	-	3.9	3.0	8.7	n.a.
Lesotho	-	-	-	-	-	n.a.
Namibia	-	-	-	-	-	n.a.
South Africa	63.8	56.5	96.4	248.0	273.0	312.0
Swaziland	0.1	0.4	0.1	0.1	1.2	n.a.
Total	63.9	56.9	100.4	251.1	282.9	312.0
Western Africa						
Benin	0.1	0.1	0.4	1.3	3.8	n.a.
Cape Verde	1.1	2.4	2.0	2.2	2.7	n.a.
Gambia	0.02	2.0	0.02	0.03	4.7	n.a.
Ghana	15.6	19.4	12.1	6.9	8.0	15.0
Guinea	-	-	1.3	3.4	7.3	n.a.
Guinea-Bissau	0.2	0.4	0.6	1.9	1.4	n.a.
Ivory Coast	6.0	2.5	8.2	-	11.0	15.0
Liberia	0.7	0.7	3.4	4.9	2.9	n.a.
Mali	0.3	0.2	0.3	-	0.8	0.6
Mauritania	1.7	3.1	7.7	4.0	8.8	11.9
Niger	1.9	0.4	3.6	8.0	12.0	12.0
Nigeria	1.2	19.3	217.4	127.0	47.0	168.0

(continued from page 7)

Region	1970	1975	1980	1985	1990	1993
Senegal	6.8	13.4	32.6	63.3	57.0	102.0
Sierra Leone	3.1	2.2	4.9	0.8	4.6	n.a
Togo	0.9	0.4	1.9	2.8	2.8	n.a
Upper Volta	0.1	1.3	4.0	-	-	n.a
Total	39.7	67.8	300.4	226.5	174.8	324.5
AMERICAS						
Latin America						
Caribbean						
Barbados	3.3	2.1	2.2	2.4	3.4	n.a
Cuba	169.2	201.3	207.5	229.0	297.0	100.0
Dominican Rep.	23.4	38.4	40.8	81.0	100.0	116.0
Guadeloupe	2.5	4.6	4.8	6.5	6.9	n.a
Haiti	16.3	14.1	35.6	39.0	82.0	75.0
Jamaica	17.4	22.2	20.7	24.0	22.0	19.0
Martinique	2.7	4.5	5.7	5.7	6.7	n.a
Puerto Rico	-	-	-	-	0.1	n.a
Trinidad and Tobago	10.7	11.0	15.4	17.1	4.1	n.a
Windward Island	-	-	-	-	-	n.a
Other Caribbean	-	-	-	-	-	n.a
Total	245.5	298.2	332.7	404.7	522.2	310.0
Central America						
Costa Rica	7.2	8.0	12.9	9.8	3.2	n.a
El Salvador	13.5	13.3	29.9	57.0	76.0	90.0
Guatemala	15.7	8.3	14.4	48.0	83.0	80.0
Honduras	9.7	8.5	17.8	9.2	6.0	15.0
Mexico	33.1	41.6	211.0	272.0	735.0	967.0
Nicaragua	6.0	6.8	29.6	37.0	34.0	41.0
Panama	10.4	13.4	37.0	23.0	25.0	n.a
Total	95.6	99.9	352.6	456.0	962.2	1193.0
Temperate South America						
Argentina	7.0	3.0	4.0	2.0	6.0	18.0
Chile	58.9	38.0	80.5	87.0	91.0	110.0
Uruguay	0.2	11.0	11.9	10.0	11.0	11.0
Total	66.1	52.0	96.4	99.0	108.0	139.0
Tropical South America						
Bolivia	26.8	5.5	24.2	22.5	6.0	n.a
Brazil	60.0	52.0	144.0	152.0	105.0	278.0
Colombia	35.0	47.8	135.9	146.0	132.0	194.0
Ecuador	29.2	26.2	58.3	48.0	50.0	66.0
Guyana	2.8	3.5	3.1	3.0	0.5	n.a
Paraguay	-	-	-	0.3	-	n.a
Peru	51.8	68.2	89.6	54.0	86.0	150.0
Suriname	4.6	2.9	3.3	2.4	3.3	n.a
Venezuela	32.6	107.3	218.8	280.0	300.0	371.0
Total	242.8	313.4	677.2	708.2	682.8	1 059.0
Northern America						
Canada	133.0	154.0	109.0	120.0	138.0	184.0
USA	465.0	1015.0	693.0	938.0	1 140.0	1339.0
Total	598.0	1 169.0	802.0	1 058.0	1 278.0	1523.0
EUROPE						
Eastern Europe						
Bulgaria	10.9	24.8	14.5	20.0	23.0	34.0
Czechoslovakia	72.0	63.0	25.5	50.0	56.0	45.0

(continued from page 8)

Region	1970	1975	1980	1985	1990	1993
German Dem. Rep.	141.5	111.0	98.3	109.0	-	-
Hungary	40.3	29.6	12.5	9.0	18.0	14.0
Poland	145.2	129.8	180.5	170.0	83.0	175.0
Romania	5.9	18.4	9.7	11.0	79.0	20.0
Total	415.8	376.6	341.0	369.0	259.0	288.0
Northern Europe						
Denmark	24.6	41.5	87.2	129.0	228.0	232.0
Finland	6.2	12.1	16.6	17.0	25.0	26.0
Iceland	1.2	1.4	1.4	2.0	1.0	1.0
Norway	22.2	12.6	55.2	69.0	94.0	192.0
Sweden	79.9	75.4	100.6	114.0	150.0	137.0
United Kingdom	1 230.4	1 215.7	1 137.0	1 224.0	1 225.0	1 223.0
Total	1393.4	1 390.8	1 452.8	1 610.0	1 789.0	1 875.0
Southern Europe						
Albania	-	3.5	16.6	10.3	31.0	13.0
Greece	10.1	20.2	12.6	13.0	79.0	85.0
Italy	415.1	466.1	580.2	804.0	934.0	977.0
Portugal	44.3	44.6	26.8	31.0	72.0	106.0
Spain	99.7	216.2	196.9	151.0	416.0	441.0
Yugoslavia	59.6	138.3	118.0	86.0	39.0	-
Total	628.8	888.9	951.1	1 159.3	1 618.0	1 661.0
Western Europe						
Austria	79.4	83.1	92.3	108.0	119.0	110.0
Belgium-Lux	287.5	334.8	486.9	595.0	730.0	673.0
France	461.6	627.2	901.8	805.0	834.0	822.0
West Germany	690.4	647.0	1 069.1	1 302.0	1 508.0**	1 235.0**
Netherlands	512.8	674.0	1 086.4	1 311.0	1 424.0	1 568.0
Switzerland	62.7	69.0	89.8	62.0	64.0	74.0
Total	2 094.4	2 435.1	3 726.3	4 183.0	4 679.0	4 482.0
OCEANIA						
Australia-New Zealand						
Australia	40.9	50.6	98.9	88.0	158.0	196.0
New Zealand	4.3	13.5	24.0	30.0	45.0	55.0
Total	45.2	64.1	122.9	118.0	203.0	251.0
Melanesia						
Fiji	5.6	4.4	10.6	11.0	11.0	13.0
Papua New Guinea	1.1	1.6	2.4	5.0	7.1	n.a
Total	6.7	6.0	13.0	16.0	18.1	13.0
Micronesia-Polynesia						
Micronesia	-	-	-	-	-	-
Polynesia	1.9	2.0	1.5	3.6	4.1	n.a
Total	1.9	2.0	1.5	3.6	4.1	0.0
CIS	88.0	145.0	805.0	1 359.0	1 090.0	372.0
Others	847.1	951.3	708.9	734.9	934.2	1 102.7
WORLD TOTAL	8 838.0	11 276.0	17 516.0	21 558.0	26 817.0	27 007.0

SOURCE: Oil World FAO

Note: ** Inclusive German Dem. Rep.

n.a Not available

oilseeds in the country. In 1994, the Government is allowing free imports of RBD olein under open general licence while imports of other vegetable oils are through the State Trading Corporation.

The third largest importer of palm oil in 1993 was the South East Asian region. Imports of palm oil have increased from 146 000 tonnes in 1970 to 1.287 million tonnes in 1993. However, most of the countries in the region re-exported the oil. Among these are Singapore, Malaysia and Indonesia.

The Arab countries of Western Asia have also accepted palm oil in their diets. Imports of palm products have increased from 68 900 tonnes in 1970 to 626 500 tonnes in 1993. Total imports of oils and fats increased from 120 600 tonnes in 1970 to 1.002 million tonnes in 1993 thus increasing the market share for palm products from 57% to 62.5%. Among the major importers of palm products are Saudi Arabia, Iraq and Yemen.

For the non-Arab countries of Western Asia, Turkey was the largest importer of palm oil in 1993. Her imports then were 252 500 tonnes of palm oil while the total imports of oils and fats were 881 000 tonnes. Palm products are utilized in the formulation of solid fats and are also blended with other liquid oils and hydrogenated. The solid fats produced are margarine, shortening and vegetable ghee. There are no technical problems in the usage of palm products but price plays an important part in determining the oils to be used.

EUROPE

The region of Europe comprising Eastern Europe, Northern Europe, Southern Europe and Western Europe was the world's second largest importer of palm products in 1993. Imports of palm products by the region increased from 526 400 tonnes in 1970 to 1.93 million in 1993. During this period imports of oils and fats increased from 4.53 million tonnes to 8.306 million tonnes. This illustrated that the market share of palm products had also increased from 11.6% in 1970 to 23% in 1993.

Among the sub-regions of Europe, Western Europe was the largest importer of palm products. Her imports increased from 277 000 tonnes in 1970 to 987 500 tonnes in 1993. Among the major importers were the Netherlands and Germany. Northern Europe was the second largest importer of palm products in Europe in 1993 and the United Kingdom was the largest importer. Imports of palm oil products

in Europe increased due to their attractive price and the shift from the use of oils or fats containing high *trans* fatty acids or saturated animal fats which have been subjected to full blown publicity on being high in cholesterol and leading to heart diseases. It has been illustrated from a survey conducted by WHO in 1988 that all countries in Europe showed the highest death rate due to ischaemic heart disease and cerebrovascular disease which are partly attributed to the high consumption of animal fats.

In Southern Europe, Italy and Spain are large importers of palm products. Imports of Italy in 1993 totalled 175 000 tonnes while Spain imported 90 000 tonnes. Imports of Spain have more or less doubled from 44 500 tonnes in 1990 while its market share has increased to 20% from 11%. Palm oil is utilized for the manufacture of shortening and margarine, palm olein for frying and palm stearin for oleochemical and soap manufacture. Imports of Portugal have also been picking up. She imported 44 300 tonnes in 1993 compared to 19 300 tonnes in 1970. Palm products are used in the manufacture of margarines, shortenings and frying oils in Portugal.

Eastern Europe comprising Bulgaria, Czechoslovakia, Hungary, Poland and Romania are small importers of oils and fats. Total imports of oils and fats by the region in 1993 were 288 000 tonnes where the market share of palm oil was 22% or 63 400 tonnes. Products mainly sunflowerseed oil and rapeseed oil are hydrogenated for the manufacture of margarines and shortenings. Palm products are being promoted as cost-effective substitutes. The region has been facing severe economic crisis and once the economy is liberalized, it is anticipated that imports would increase. Presently, the per capita disappearance of oils and fats is about 25 kg/annum against 40 kg/annum in Western Europe.

AFRICA

Africa is the third largest region importing palm oil. Imports have increased from 18 630 tonnes in 1970 to 1.104 million tonnes in 1993. Imports of oils and fats increased from 618 000 tonnes in 1970 to 2.976 million tonnes in 1993. The import market share of palm oil has increased from 3% in 1970 to 37% in 1993.

North Africa, comprising Algeria, Egypt, Libya, Morocco, Sudan and Tunisia which imported 597 300 tonnes of palm oil was the largest importer in the African region in 1993. Of the total palm oil imported in 1993, 77% was imported by Egypt. Imports

by Egypt started to pick up in 1985 after technical problems related to palm oil were solved. Initially, imports have been picking up very slowly, but aided by favourable prices and technical know-how, imports reached 462 900 tonnes in 1993 from 38 700 tonnes in 1995. Palm oil is being used in the manufacture of shortening/vegetable ghee, palm olein as cooking or frying oil and palm stearin for soap.

Imports of palm oil by Algeria increased from 6 000 tonnes in 1990 to 70 000 tonnes by 1993. This was attributed to the success of trial production of palm based products in Algeria.

Sudan is also an important market for palm oil in North Africa. However, imports have been declining due to political instability within the country. Import increased from 28 600 tonnes in 1985 to 60 300 tonnes in 1990 before declining to reach 47 600 tonnes in 1993.

Imports of palm products by East Africa have also increased from 11 100 tonnes in 1970 to 248 300 tonnes in 1993. Among the East African countries, Kenya is the largest importer of palm oil. Her imports in 1993 were 130 000 tonnes which accounted for 86% of the total imports of oils and fats by the country.

Western Africa is also a significant importer of palm oil. The major importer is Nigeria which at one time was the world's largest producer and exporter of palm oil. Presently, palm oil production by the country is insufficient to meet local requirements. This was due to agriculture being neglected during the petroleum boom of the 70's. Palm oil imports by Nigeria were 80% of her total imports of oils and fats in 1993. Her imports of palm oil then totalled 134 500 tonnes.

South Africa in the Southern African region imported 312 000 tonnes of oils and fats of which palm oil was 58 300 tonnes and accounting for 18.6% of total imports of oils and fats in 1993. Imports of palm oil in 1970 was only about 30 tonnes or about 0.05% of total imports of oils and fats. Numerous enquiries have been received from South Africa pertaining to the incorporation of greater proportions of palm products into manufactured products. Once this technical information is relayed, the market acceptance of palm oil in the region would be further expanded.

Countries in Middle Africa are minor importers of palm products. Nonetheless, most of these countries also have their own oil palm cultivation.

AMERICAS

The Americas comprising countries in the Caribbean, Central America, Temperate South America, Tropical South America and Northern America imported 446 400 tonnes of palm oil in 1993. Her imports in 1970 were 79 130 tonnes. Total imports of oils and fats increased from 1.248 million tonnes to 4.224 million tonnes in 1970 and 1993 respectively. Hence during the period, the market share of palm oil has increased from 6.3% to 10.5%.

Till 1993, the USA in Northern America has been the largest importer of palm oil in the Americas. However, imports have declined from 213 000 tonnes in 1985 to 129 400 tonnes in 1993. The decline was brought about by the anti-palm oil campaign waged by the American Soya Bean Association due to the increasing price discounts of palm oil against soya bean oil especially in 1986. As experienced in the second half of 1970's, wide price discounts of palm oil against soya bean oil had put pressure on soya bean producers who felt threatened as their product was being displaced as an uncompetitive product. Presently, the anti-palm oil sentiment and campaign is at its lowest level compared to 1987-89 and it is expected that the market share of palm oil will improve.

Mexico in Central America is the second largest importer of palm oil in the Americas. Imports increased from 2 900 tonnes in 1985 to reach 95 000 tonnes in 1993 giving a palm oil import share of 0.1% and 9.8% respectively. The main factors leading to increased imports of palm oil were the price competitiveness of palm products *vis-a-vis* other oils and fats, increased knowledge regarding technical-know-how on palm products for the formulation of margarine, shortening, soap and cooking oil.

The increase in acceptance of palm oil in the other regions and countries are also shown in *Table 1*.

CONCLUSION

It has been found that more and more countries in the world have been importing increasing quantities of palm products. The market share of imports of palm products to total oils and fats has also increased.

Factors attributing to the increase in worldwide market acceptance of palm products are the versatility of palm products for use in various applications, its price competitiveness over other oils and fats, increased technical knowledge on the manufacture of products using palm oil as the base material as well

as its nutritional benefits over animal fats and oils that undergo hydrogenation.

It is felt that the share of palm products in imports and consumption would further increase when consumers are further informed about the advantages offered by palm products.

West Asian Market – Developments and Prospects

Iftikhar Ahmad

INTRODUCTION

Countries of the West Asian region are the major markets for Malaysian palm oil. In 1993, the region as a whole imported 2.6 million tonnes of palm oil. The region is deficient in its requirements for oils and fats and has to import about 70% of its needs. Palm oil is the major vegetable oil imported and consumed by the regional countries. The regional imports of palm oil have gone up from 1.15 million tonnes in 1985 to 2.5 million tonnes in 1993 thus registering a growth rate of 14.34% per annum.

This phenomenal growth of palm oil in the regional markets was made possible as a result of the promotional efforts undertaken by the Malaysian palm oil industry. Due to these efforts the trade and technical barriers have been mostly removed. Palm oil has been accepted as a general purpose vegetable oil for food and non-food applications.

This paper reviews the regional oils and fats situation in relation to the patterns of imports and consumption, the future prospects and the opportunities for greater market acceptance of palm oil.

OILS AND FATS SITUATION

Production

From the perspective of oils and fats production (*Table 1*), the West Asian countries can be divided into the following two groups:

Non-Producing	Producing
Iraq	Egypt
Jordan	Iran
Kuwait	Syria
Lebanon	Turkey
S. Arabia	Pakistan
U.A.E	
Gulf States (Bahrain, Oman, Qatar)	

The major vegetable oil produced by the regional countries is cottonseed oil. This is followed by sunflower oil, soya bean oil and some quantities of olive oil. During the period of 1985–1992 the regional production of oils and fats has grown from 1.52 million tonnes to 2.12 million tonnes, registering an average growth of 4.92% per annum.

IMPORTS OF OILS AND FATS

The major oils and fats imported by the West Asia region (*Table 2*) are palm oil, soya bean oil, corn oil, sunflower oil, butter and tallow. The imports of oils and fats by the region have increased from 3.2 million tonnes to 4.9 million tonnes during 1985–1993 by registering an average increase of 5.82% per annum. The imported oils and fats constituted a share of about 70% in the total regional disappearances. The imports of oils and fats were made by the private sector in most countries. However, in some countries like Pakistan, Egypt and Iran the imports were made by both private and public sectors.