

# Supply and Disappearance: A Review

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**P**roduction of palm oil by Malaysia increased to 7.810 million tonnes from 7.22 million tonnes in 1994 or by 8.17%. It appears that production in 1996 would be maintained at 7.8 million tonnes due to the stress imposed on the trees in 1995. In the first half of 1996, production was unexpectedly high brought about by the high production in the second half of 1995. Hence the palms are expected to take a slight rest in the second half of the year.

The year 1996 started with January production being less than that of December 1995 by 13% and a decline of 8% when compared over the corresponding month of the previous year (*Table 1*). Production in January 1996 was 566 447 tonnes and dropped further to 428 014 tonnes in February 1996. Production started to increase from March 1996 onwards. Total production of palm oil for the period January-June 1996 was 3 698 129 tonnes. This showed an increase of 207 663 tonnes or a 6% increase over the same period in 1995.

Total palm oil available for trade by Malaysia in 1996 is expected to be 8.66 million tonnes, an increase of 99 620 tonnes over that made available the previous year which was 8 560 268 tonnes. These were based on expected production during the year and the carry over of stocks into the year.

Ending stocks which stood at 859 888 tonnes in December 1995 continued to decline during January-May 1996.

Ending stock in May 1996 was 714 638 tonnes. For the period January-May 1996, Malaysia exported 2 606 645 tonnes of palm oil, an increase of 30 780 tonnes when compared to the same period in 1995. The increase was mainly due to lower prices of palm oil during this period.

Pakistan with imports of 460,811 tonnes was the largest importer of Malaysian palm products during January-May 1996 (*Table 2*). Her imports increased by 24% from 371 191 tonnes or by 89 620 tonnes compared to January-May 1995. Her imports comprised mainly of 416 269 tonnes RBD palm oil, 20 971 tonnes RBD palm olein and 16 963 tonnes palm fatty acid distillates (*Table 3*). The other palm products imported included RBD palm stearin, NBD palm oil, cooking oil (CO) and hydrogenated palm stearin. Most of the palm products imported continued to be utilized in the formulation of vanaspati while palm acid distillate and palm acid oil were imported for the production of soap. Imports of palm oil and also other vegetable oils are expected to be higher in the second half of 1996 due to reduction of import tax on all vegetable oils from 65% to 45% in July 1996.

China was the second largest importer of Malaysian palm products during the first five months of 1996 with imports of 326 649 tonnes. This however was a drastic decline of 324 136 tonnes or by 49.8% over imports of the corresponding period the previous year. Her imports comprised mainly of 244 625 tonnes RBD palm olein, 25 745 tonnes RBD palm stearin and 45 358 tonnes RBD

palm oil. Other palm products imported are as shown in *Table 3*. The decline in imports of palm oil into China was attributed to the discriminatory tariff structure it faced. The import tariff on palm oil was 18%, while for soyabean it was 13% and groundnut oil 9.7%. China's import of Malaysian palm oil is expected to reach about one million tonnes from 1.05 million tonnes last year. The bulk of the increase in imports is expected in the second half of the year due to the severe floods along the Yangtze river in July which affected the oilseed and grain crops of the year.

The European Union importing 305 660 tonnes was the third largest importer during this period in 1996. Amongst the major palm products imported were 96 518 tonnes RBD palm olein 87 526 tonnes RBD palm oil, 70 011 tonnes RBD palm stearin and 28 652 tonnes palm fatty acid distillate. Among the EU countries, Netherlands, on its own is the seventh largest importer of Malaysian palm oil. The other palm products imported by EU are as illustrated in *Table 3*. There has been an increase in her imports by 18% when compared to the same period in 1995.

India was the fourth largest importer of palm oil during this period. Her imports totalled 271 895 tonnes which was an increase of 138 353 tonnes or by 104% over imports during the first five months of 1995. The increase in imports was brought about by the unsatisfactory rainfall received by the country and that stocks of oilseeds in the country were depleting thus requiring replenishment. The major palm products imported were RBD palm olein which totalled 240 848

tonnes, 10 692 tonnes PFAD, 10,117 tonnes crude palm stearin and 6,961 tonnes crude palm olein. Her other imports, as shown in *Table 3*, included RBD palm oil and RBD palm stearin.

Egypt with imports of 169 296 tonnes was the fifth largest importer of Malaysian palm products during the period. Her imports had increased when compared to 86 437 tonnes imported during the same period the previous year. Her imports during this period in 1996 comprised 91 945 tonnes of RBD palm oil, 39 171 tonnes RBD palm stearin and 28 273 tonnes RBD palm olein. A total of 8 923 tonnes of CPO was also imported during the period.

Japan, the sixth largest importer of Malaysian palm products imported 140 504 tonnes during the period giving an increase of 3.4% over the corresponding period of 1995. Her major imports comprised 69 038 tonnes of RBD palm oil, 48 457 tonnes RBD palm olein, 12 567 tonnes CPO and 10 361 tonnes RBD palm stearin. Other products imported are as shown in *Table 3*.

During the five months of 1996, Singapore was the eighth largest importer of palm products from Malaysia. However most of the imports were reexported. The imports during the five months in 1996 totalled 108 255 tonnes, a decline of 35% against imports of the corresponding period in 1995 which totalled 166,064 tonnes. The majority of the imports during January-May 1996 were RBD palm olein which totalled 77,355 tonnes or a decrease of 42% over the same period in 1995. Other palm products imported are as shown in *Table 3*.

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

Year	SUPPLY			DISAPPEARANCE			Ending Stock
	Beginning Stock	Production	Total	Adjusting Balance	Exports	Total	
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	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
JAN 1995	749 722	617 293	1 367 015	106 044	452 594	558 638	808 377
FEB	808 377	529 512	1 337 889	97 715	524 776	622 491	715 398
MAR	715 398	572 200	1 287 598	50 770	535 660	586 660	701 168
APR	701 168	581 098	1 282 266	76 641	540 645	617 286	664 981
MAY	664 981	579 553	1 244 534	156 380	522 190	678 570	565 964
JUN	565 964	610 810	1 176 774	56 199	550 517	606 716	570 058
JUL	570 058	677 293	1 247 351	82 273	565 208	647 481	599 870
AUG	599 870	702 085	1 301 955	145 249	582 750	727 999	573 956
SEP	573 956	777 018	1 350 974	125 933	578 772	704 705	646 269
OCT	646 269	768 440	1 414 709	93 603	615 089	708 690	706 017
NOV	706 017	743 251	1 449 268	103 955	546 914	650 869	798 399
DEC	798 399	651 993	1 450 392	92 663	497 841	590 504	859 888
<b>TOTAL<sup>a</sup></b>		<b>7 810 546</b>			<b>6 512 956</b>		
JAN 1996	859 888	566 447	1 426 335	76 458	520 452	596 910	826 425
FEB	826 425	428 014	1 254 439	91 549	435 425	526 974	727 465
MAR	727 465	643 586	1 371 051	114 957	567 911	682 868	688 183
APR	688 183	615 676	1 303 859	75 486	533 233	608 719	695 140
MAY	695 140	722 852	1 417 992	150 767	552 587	703 354	714 638
JUN	714 638	721 554	1 436 192	92 548	569 727	662 275	773 917
JUL <sup>b</sup>	773 917	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)

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

Countries	1994	1995	Jan-May 1995	Jan-May 1996
India	217 432	742 4905	133 542	271 895
Pakistan	1 140 716	1 059 335	371 191	460 811
China PR	1 341 221	1 046 890	650 784	326 649
EU (15)	635 740	664 877	259 349	305 660
– UK	(137 669)	(873 345)	(36 569)	(28 228)
– Netherlands	(277 477)	(267 039)	(104 327)	(139 652)
– Spain	(51 390)	(86 240)	(30 780)	(23 845)
USA	160 994	80 845	25 985	27 019
Indonesia	112 203	78 755	5 332	9 456
Egypt	359 278	298 488	86 437	169 296
UAE	63 194	59 580	22 568	34 595
Saudi Arabia	134 275	146 819	68 266	53 420
Singapore	376 697	366 378	166 064	108 255
Japan	338 749	322 870	135 919	140 504
Jordan	197 380	192 827	61 655	34 217
Rep. of Korea	170 975	154 232	63 173	68 664
Australia	98 863	88 590	33 761	35 244
Turkey	198 207	174 699	59 964	50 157
Yemen	63 152	65 347	27 883	17 868
Myanmar	173 864	196 509	81 326	82 524
Bangladesh	68 236	15 227	–	37 146
South Africa	115 613	152 631	57 449	65 069
Rest of the World	783 449	605 652	252 359	311 579
<b>Grand Total</b>	<b>6 750 238</b>	<b>6 512 956</b>	<b>2 563 007</b>	<b>2 610 028</b>

Note:

– ( ) Figures in brackets denote sub-totals for EEC.

EEC – 12 countries till 1994.

EU – 15 countries effective 1995

Source: PORLA

TABLE 3. MALAYSIAN EXPORTS OF PALM OIL TO MAJOR DESTINATIONS (tonnes)

Countries	1994	1995	Jan-May 1995	Jan-May 1996
<b>PAKISTAN</b>	<b>1 140 715.61</b>	<b>1 059 334.74</b>	<b>371 191.11</b>	<b>460 811.17</b>
- RBDPO	988 443.96	919 075.73	297 668.50	416 269.21
- RBDPS	1 911.78	4 987.38	2 493.96	499.85
- RBDPL	71 697.04	87 260.11	56 885.31	20 971.96
- PFAD	52 334.57	31 199.51	8 616.52	16 963.90
- PAO	26 212.74	15 756.31	5 483.50	5 996.67
- NBDPO	57.76	57.76	43.32	101.08
- NBDPL	57.76	-	-	8.50
- CO	-	992.94	-	-
- HPS	-	5.00	-	-
<b>CHINA PR</b>	<b>1 341 221.44</b>	<b>1 046 890.35</b>	<b>650 783.84</b>	<b>326 648.79</b>
- CPL	14 434.43	1 499.84	1 449.84	2 999.85
- RBDPO	181 825.15	102 350.86	53 909.62	45 358.45
- RBDPS	168 712.26	158 553.13	83 484.98	25 745.34
- RBDPL	976 194.88	780 139.82	508 539.21	244 625.49
- CO	-	2 999.91	2 999.91	-
- NBDPL	54.72	-	-	-
- PFAD	-	53.28	53.28	-
- RBDHS	-	66.00	264.00	-
- HPS	-	33.00	33.00	-
- BPO	-	1 194.51	-	7 919.66
<b>INDIA</b>	<b>217 431.89</b>	<b>742 404.51</b>	<b>133 542.11</b>	<b>271 895.09</b>
- CPO	548.95	361.85	163.58	-
- RBDPO	1 060.41	7 483.95	775.71	2 469.41
- RBDPS	4 840.24	9 669.46	-	806.39
- CPL	202.92	199.49	199.49	6 961.08
- RBDPL	153 307.21	658 145.57	97 598.82	240 847.86
- PFAD	33 350.44	45 441.28	26 630.88	10 692.40
- CPS	23 771.35	21 083.61	7 253.81	10 117.95
- RBDHS	51.00	-	33.00	-
- CO	-	19.30	-	-
- NPL	299.37	-	-	-
- HPFAD	-	-	886.82	-
<b>EU</b>	<b>635 739.67</b>	<b>664 877.09</b>	<b>259 348.79</b>	<b>305 659.45</b>
- CPO	7 788.27	423.24	423.24	-
- NDBPO	1 743.89	1 895.64	947.50	499.04
- RBDPO	158 783.30	142 645.84	51 273.01	87 526.97
- CPS	2 753.11	4 704.10	-	2 334.75
- RBDPS	123 142.80	135 595.40	41 223.31	70 011.96
- NBDPL	24 377.02	13 406.06	7 129.22	5 496.45
- RBDPL	204 993.72	229 362.79	98 027.30	96 518.67
- PFAD	92 758.33	107 416.91	44 032.80	28 652.16
- HPFAD	4 772.67	4 423.83	2 842.72	1 015.38
- CO	14.59	2 013.08	815.50	113.51
- RBDHPO	20.00	131.60	18.80	-
- HPFA	735.57	1 580.21	554.19	510.84
- PAO	13 839.40	19 980.28	11 033.07	12 729.35
- RBDHS	-	546.58	530.08	250.37
- HPS	17.00	253.48	-	-
- CPL	-	473.82	473.82	-
- NPO	-	24.23	24.23	-

**TABLE 3. MALAYSIAN EXPORTS OF PALM OIL TO MAJOR DESTINATIONS (tonnes) CONT'D**

<b>Countries</b>	<b>1994</b>	<b>1995</b>	<b>Jan-May 1995</b>	<b>Jan-May 1996</b>
<b>SINGAPORE</b>	<b>376 696.87</b>	<b>366 378.35</b>	<b>166 063.54</b>	<b>108 255.16</b>
- CPO	12 185.30	17.65	-	-
- CPL	1 940.50	213 99	-	2 021.59
- NBDPO	372.14	455.18	322.37	108.30
- RBDPO	24 348.10	7 719.87	2 651.02	5 001.70
- NBDPS	22.05	16.64	16.64	-
- RBDPS	39 973.52	37 290.82	11 847.61	7 344.60
- NBDPL	51.30	11.40	-	-
- RBDPL	258 818.71	281 215.18	133 743.08	77 355.00
- PFAD	30 931.93	34 686.38	16 494.73	15 642.77
- CO	2 220.48	845.98	335.11	427.35
- RBDHPO	137.99	219.91	17.10	-
- PAO	129.23	-	-	-
- RBDHPL	216.22	249.27	140.00	-
- RBDHS	-	83.00	51.00	-
- HPL	-	-	-	60.00
- HPS	741.33	400.77	220.17	121.88
- HPO	607.19	497.15	224.71	171.97
- CPS	4 000.88	2 238.56	-	-
- BPO	-	205.20	-	-
- NBPO	-	11.40	-	-
<b>JAPAN</b>	<b>338 748.73</b>	<b>322 870.40</b>	<b>135 918.90</b>	<b>140 504.37</b>
- CPO	18 915.94	6 600.01	5 585.32	12 567.09
- RBDPO	158 700.64	146 979.25	61 701.09	69 037.70
- RBDPS	45 702.31	34 870.72	15 807.35	10 361.04
- NBDPL	1 456.87	303.65	-	-
- RBDPL	112 839.25	132 365.08	51 633.98	48 457.13
- PFAD	8.64	202.53	202.53	-
- CO	39.07	927.67	859.15	23.45
- RBDHPL	347.48	206.29	101.88	-
- NPO	498.45	-	-	-
- HPL	202.88	-	-	-
- NBDPO	19.39	299.68	-	-
- RBDHPO	17.81	-	-	-
- NPL	-	54.70	37.60	19.72
- HPS	-	49.72	-	-
- RBDHSF	-	11.10	-	-
- RBDHS	-	-	-	20.00
- CPL	-	-	-	18.24
<b>EGYPT</b>	<b>359 278.39</b>	<b>298 488.15</b>	<b>86 437.32</b>	<b>169 296.14</b>
- CPO	1 404.03	8 970.06	-	8 923.77
- RBDPO	190 050.36	203 499.55	63 391.89	91 944.84
- RBDPS	103 872.27	65 684.72	16 806.77	39 170.74
- RBDPL	63 951.73	20 433.82	6 238.66	28 273.45
- PFAD	-	-	-	983.34
<b>MYANMAR</b>	<b>173 864.38</b>	<b>196 509.20</b>	<b>81 325.69</b>	<b>82 524.14</b>
- RBDPO	98.63	1 670.44	-	3 651.71
- RBDPS	1 773.09	4 365.50	499.64	-
- RBDPL	171 729.80	188 881.12	80 493.57	77 989.55
- PFAD	249.89	1 149.35	99.92	486.16
- CO	12.97	332.79	232.56	6.00
- PAO	-	-	-	390.72

TABLE 3. MALAYSIAN EXPORTS OF PALM OIL TO MAJOR DESTINATIONS (tonnes) CONT'D

Countries	1994	1995	Jan-May 1995	Jan-May 1996
<b>JORDAN</b>	<b>197 380.49</b>	<b>192 827.20</b>	<b>61 654.61</b>	<b>34 217.49</b>
- RBDPO	138 523.87	61 238.44	25 726.31	15 656.89
- RBDPS	29 563.24	50 359.96	15 153.51	8 069.68
- RBDPL	29 043.50	79 322.98	20 025.85	9 356.13
- PFAD	249.88	1 905.82	748.94	1 134.79
<b>TURKEY</b>	<b>198 206.86</b>	<b>174 699.43</b>	<b>59 963.79</b>	<b>50 157.15</b>
- RBDPO	71 645.95	79 526.04	24 566.43	27 234.55
- RBDPS	23 234.93	16 568.43	5 281.60	4 694.09
- NBDPS	1 004.43	-	-	-
- RBDPL	99 170.58	75 758.70	29 611.98	18 194.47
- PFAD	2 184.87	2 836.26	483.78	-
- RBDHPO	-	-	-	2.50
- RBDHSF	-	-	-	11.00
- HPS	107.50	-	-	-
- PAO	858.60	-	-	-
- CO	-	20.00	2000	20.54
<b>KOREA</b>	<b>170 974.84</b>	<b>154 231.85</b>	<b>63 173.09</b>	<b>68 663.50</b>
- RBDPO	102 683.51	86 269.38	32 939.13	43 733.45
- HPS	-	499.87	-	-
- RBDPS	26 431.98	21 596.28	9 216.58	6 485.21
- RBDPL	41 725.56	45 833.32	20 984.38	17 852.10
- PFAD	16.79	-	-	-
- HPFAD	33.00	-	-	-
- RBDHS	33.00	33.00	33.00	-
- RBDHSF	51.00	-	-	-
- HPL	-	-	-	592.74

## Note:

CPL	- Crude Palm Olein
CPO	- Crude Palm Oil
CPS	- Crude Palm Stearin
NPO	- Neutralised Palm Oil
NPL	- Neutralised Palm Olein
NPS	- Neutralised Palm Stearin
NBDPO	- Neutralised Bleached Deodorized Palm Oil
HPFA	- Hydrogenated Palm Fatty Acid
CO/DBL Olein	- Cooking Oil/Double Olein
NBDPL	- Neutralised Bleached Deodorized Palm Oil
NBDPS	- Neutralised Bleached Deodorized Palm Stearin
RBPO	- Refined Bleached Palm Oil
PAO	- Palm Acid Oil
PFAD	- Palm Fatty Acid Distillate
RBDPO	- Refined Bleached Deodorized Palm Oil
RBDPL	- Refined Bleached Deodorized Palm Olein
RBDPS	- Refined Bleached Deodorized Palm Stearin
RBDHPO	- Refined Bleached Deodorized Hydrogenated Palm Oil
RBDHPL	- Refined Bleached Deodorized hydrogenated Palm Olein
RBDHPS	- Refined Bleached Deodorized Hydrogenated Palm Stearin
HPFAD	- Hydrogenated Palm Fatty Acid Distillate
RBDHS	- Refined Bleached Deodorized Hydrogenated Palm Stearin
HPS	- Hydrogenated Palm Stearin
RPS	- Refined Palm Stearin
HPO	- Hydrogenated Palm Oil

Source: PORLA