

Supply and Disappearance: A Review

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After an increase of 7.3% in 1996 over 1995, the Malaysian palm oil production is forecasted to increase by 3.4% in 1997 to reach 8.7 million tonnes from 8.4 million tonnes produced in 1996. Production in the first five months of 1997 which totalled 3.3 million tonnes exceeded production during the same period of the previous year which was 3.0 million tonnes by 10.6%. Monthly production during January-May 1997 exceeded those of similar months during the previous year (*Table 1*). Production of palm oil in the first two months in 1997 continued to follow its normal trend as in the first two months of the previous year, that is, it was lower than that of December 1996. From March to May 1997, palm oil production continued to increase.

At the beginning of 1997, stocks of palm oil products stood at 794 454 tonnes, and this was lower than that of 1996 by 65 434 tonnes. With production in 1997 estimated at 8.7 million tonnes, total palm oil available for trade is set at 9.5 million tonnes. Compared with 1996, the quantum that will be available for trade in 1997 will be in excess of 215 000 tonnes. Hence, importing countries are ensured of another year of abundant supply of high quality palm oil from Malaysia.

Even though monthly production of palm oil during January-May 1997 had been increasing, monthly ending stocks had been fluctuating on an increasing manner. Ending stock in January was 696 487 tonnes and by the end of May, it was 711 841 tonnes. However, ending stocks till May had not been able to surpass that of beginning stocks in January 1997. Evidently, this was the outcome of greater volumes of palm oil

production during the period. A total of 2.7 million tonnes of palm products were traded during January-May 1997 against 2.6 million tonnes which was traded during the first five months of 1996. Trade during this period in 1997 exceeded that of the same period in 1996 by 4.05%.

Table 2 gives an illustration of the import volumes of the major importers of the Malaysian palm oil. Pakistan was the largest importer of palm oil from Malaysia during the first five months of 1997. The country imported 367 953 tonnes of palm products of which 92% or 339 831 tonnes were of RBD palm oil. Other imported palm products included 12 472 tonnes of RBD palm olein, 9 330 tonnes of PFAD, 3 322 tonnes of PAO and 2 997 tonnes of RBD palm stearin (*Table 3*). Compared with the same period in 1996, there was a decline in imports by 92 858 tonnes. The decline in imports was due to a larger portion of the first half of the year's requirement being secured during the last quarter of 1996. This was to meet the consumer demands during the fasting month of Ramadhan, in the first quarter of 1997.

India, the second largest importer of Malaysian palm products, imported 358 364 tonnes in the first five months of 1997. Imports increased by 86 469 tonnes or 24% over that of the same period in 1996. RBD palm olein imported by the country during the same period in 1997 totalled 310 169 tonnes and accounted for 86% of its total imports; an increase of 69 322 tonnes or by 29% over that of January-May 1996. Other products imported include of crude palm olein (*Table 3*). Increased imports of palm products were attributed to the attractive prices and the necessity of stock building

TABLE 1. MALAYSIAN PALM OIL - SUPPLY 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	759 857	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	6 512 959	7 700 380	859 888
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	616 170	1 304 353	75 305	533 653	608 958	695 395
MAY	695 395	722 096	1 417 491	146 560	555 682	702 242	715 249
JUN	715 249	721 544	1 436 793	81 501	581 372	662 873	773 920
JUL	773 920	722 382	1 496 302	78 602	662 035	740 637	755 665
AUG	755 665	815 446	1 571 111	80 225	687 870	768 095	803 016
SEP	803 016	864 730	1 667 746	123 620	649 688	773 308	894 438
OCT	894 438	884 887	1 779 325	96 091	728 393	824 484	954 841
NOV	954 841	762 539	1 717 380	124 868	636 554	761 422	955 958
DEC	955 965	638 045	1 594 010	146 682	652 874	799 556	794 454
TOTAL _a		8 385 886			7 211 909		
JAN 1997	794 454	579 366	1 372 053	122 260	553 306	675 566	696 487
FEB	696 487	303 415	1 199 902	96 326	380 267	476 593	723 399
MAR	723 399	683 719	1 407 118	137 309	579 642	716 951	690 167
APR	690 167	734 694	1 424 861	146 227	579 211	725 438	699 423
MAY	699 423	790 640	1 490 063	151 616	626 606	778 222	711 841
JUN _b	711 841	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)*

in view of the expected forthcoming oilseed production losses. Lower production of the Kharif crop is anticipated due to the lower than normal monsoon rains received by the country. Furthermore increases in imports were also due to favourable economic growth and rising income and living standard.

Palm products continued to be mainly used in the manufacture of vanaspati.

The European Union (EU) imported 330 951 tonnes of palm products during January-May 1997, was the third largest importer of Malaysian palm oil. Imports

increased by 25 291 tonnes or by 8.3% over that of the same period in 1996. Imports of RBD olein were 94 209 tonnes, RBD palm stearin 84 309 tonnes, RBD palm oil 84 028 tonnes and PFAD 48 657 tonnes.

With imports of 319 308 tonnes in the first five months of 1997, China was the fourth largest importer of Malaysian palm products as compared to being third during the same period in the previous year. Imports had declined by 7 341 tonnes or by 2.2%. The country imported 229 615 tonnes

of RBD olein during this period in 1997 which accounted for 72% of imports of Malaysian palm products. Imports are expected to surge in the second half of the year due to insufficient rains received in the major soybean growing areas.

The situation of imports of Malaysian palm products by major importing countries are as shown in *Tables 2* and *3*. Based on the above observation, the outlook for palm oil products looks promising.

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

Countries	1995	1996	Jan-May 1996	Jan-May 1997
India	742405	1027048	271895	358364.54
Pakistan	1059335	1159406	460811	367953.78
China PR	1046890	873616	326649	319308.40
EU (15)	664877	738130	305660	330951.53
- UK	(87345)	(74686)	(28228)	(38837.90)
- Netherlands	(267039)	(341638)	(138862)	(142230.84)
- Spain	(86240)	(50740)	(20847)	(31686.24)
USA	80845	105197	28002	40224.18
Indonesia	78755	93297	9468	73224.78
Egypt	298488	346919	169296	98499.56
UAE	59580	80242	36896	34848.50
Saudi Arabia	146819	149019	53419	52458.25
Singapore	366378	240270	108255	87215.79
Japan	322870	359809	140504	140124.01
Jordan	192827	111626	34217	131214.65
Rep. of Korea	154232	183690	68664	61916.04
Australia	88590	88752	36244	36468.58
Turkey	174699	163035	50157	67214.85
Yemen	65347	68585	17868	40709.76
Myanmar	196509	188361	82524	81081.55
Bangladesh	15227	102887	37147	48448.50
South Africa	152631	1732473	65189	68701.45
Rest of the World	605652	958550	310258	280103.32
Grand Total	6512956	7211909	2613123	2719032.02

Note:

- () Figure in brackets denote sub-totals for EEC.

EEC - 12 countries till 1994

EU - 15 countries effective 1995

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

Countries	1995	1996	Jan-May 1996	Jan-May 1997
PAKISTAN	1059334.74	1159405.75	460811.17	367953.78
- RBDPO	919075.73	1054705.20	416269.21	339831.32
- RBDPS	4987.38	5481.67	499.85	2997.20
- RBDPL	87260.11	45399.11	20971.96	12472.63
- PFAD	31199.51	41458.89	16963.90	9330.59
- PAO	15756.31	11756.65	5996.67	3322.04
- NBDPO	57.76	101.08	101.08	-
- NBDPL	-	8.50	8.50	-
- NBPL	-	494.65	-	-
- CO	992.94	-	-	-
- HPS	5.00	-	-	-
INDIA	742404.51	1027048.11	271895.09	358364.54
- CPO	361.85	-	-	-
- RBDPO	7483.95	20366.95	2469.41	9766.20
- RBDPS	9669.49	1885.69	806.39	-
- CPL	199.49	11540.92	6961.08	335.73
- RBDPL	658145.57	922244.22	240847.86	310169.08
- PFAD	45441.28	35440.92	10692.40	19021.24
- CPS	21083.61	34698.82	10117.95	19072.29
- CO	19.30	58.14	-	-
- HPFA	-	599.75	-	-
- PAO	-	213.20	-	-
CHINA PR	1046890.35	873615.95	326648.79	319308.40
- CPL	1499.84	34031.78	2999.85	22587.48
- RBDPO	102350.86	111691.02	45358.45	38181.79
- RBDPS	158553.13	55764.12	25745.34	20745.12
- RBDPL	780139.82	642442.36	244625.49	229615.08
- CO	2999.91	-	-	38.00
- PFAD	53.28	-	-	249.43
- RBDHS	66.00	-	-	-
- HPS	33.00	-	-	-
- BPO	1194.51	26707.10	7919.66	7891.50
- RPO	-	2979.57	-	-
EU	664877.09	738130.07	305660.05	330951.53
- CPO	423.24	21816.17	-	-
- NBDPO	1895.64	8401.54	499.04	2757.58
- RBDPO	142645.84	186107.28	87527.57	84028.64
- CPS	4704.10	4047.12	2334.75	-
- RBDPS	135595.40	181700.30	70011.96	84309.22
- NBDPL	13406.06	9338.45	5496.45	2862.22
- RBDPL	229362.79	202368.35	96518.67	94209.38
- PFAD	107416.91	88692.88	28652.16	48657.53
- HPFAD	4423.83	2024.82	1015.38	954.29
- CO	2013.08	194.68	113.51	-
- RBDHPO	131.60	-	-	-
- HPFA	1580.21	535.59	510.84	-
- PAO	19980.28	30112.92	12729.35	13136.37
- RBDHS	546.58	250.37	250.37	-
- RBDHSF	-	19.00	-	-
- HPS	253.48	-	-	-
- CPL	473.82	1000.60	-	-
- NPL	-	1520.00	-	36.48
- NPO	24.23	-	-	-

SINGAPORE	366378.35	240269.21	108255.16	87215.79
- PO	17.65	-	-	-
- CPL	213.99	6520.02	2021.59	1016.19
- NBDPO	455.18	315.78	108.30	0.00
- RBDPO	7719.87	13933.32	5001.70	3079.91
- NBDPS	16.64	-	-	-
- RBDPS	37290.82	17444.98	7344.60	3151.78
- NBDPL	11.40	-	-	-
- RBDPL	281215.18	161521.91	77355.00	76179.52
- PFAD	34686.38	38115.97	15642.77	3601.22
- CO	845.98	1465.71	427.35	99.39
- RBDHPO	219.91	-	-	-
- RBDHPL	249.27	113.58	-	-
- RBDHS	83.00	-	-	-
- HPL	-	100.00	60.00	40.00
- HPS	400.77	439.53	121.88	39.78
- HPO	497.15	259.00	171.97	0.00
- CPS	2238.56	-	-	-
- BPO	205.20	-	-	-
- NBPO	11.40	-	-	-
- NPL	-	39.41	-	-
- OTHERS	-	-	-	8.00
JAPAN	322870.40	359809.11	140504.37	140124.01
- CPO	6600.01	33744.57	12567.09	13622.49
- RBDPO	146979.25	176405.01	69037.70	67075.34
- RBDPS	38470.72	32237.32	10361.04	10584.17
- NBDPL	303.65	-	12257.66	-
- RBDPL	132365.08	116817.60	36199.47	48011.70
- PFAD	202.53	513.00	-	-
- CO	927.67	33.65	23.45	10.20
- RBDHPL	206.29	-	-	-
- NBDPO	299.68	-	-	-
- NPL	54.70	19.72	19.72	19.31
- HPS	49.72	-	-	2.50
- RBDHS	-	20.00	20.00	-
- RBDHSF	11.10	-	-	-
- CPL	-	18.24	18.24	798.30
EGYPT	298488.15	346919.44	169296.14	98499.56
- CPO	8970.06	12423.72	8923.77	-
- RBDPO	203499.55	216300.63	91942.84	80511.91
- RBDPS	64494.72	78083.88	39172.74	11071.89
- RBDPL	20433.82	40111.21	28273.45	6395.03
- HPO	-	-	-	500.00
- CO	-	-	-	20.73
- PFAD	-	-	983.34	-
MYANMAR	196509.20	188360.65	82524.14	81081.55
- RBDPO	1670.44	16962.08	3651.71	-
- RBDPS	4365.50	2464.62	-	-
- RBDPL	188991.12	166054.01	77989.55	79581.61
- PFAD	1149.35	811.03	486.16	499.95
- CO	332.79	173.58	6.00	-
- PAO	-	390.72	390.00	-
- CPS	-	1504.61	-	999.99
JORDAN	192827.20	111626.46	34217.49	131214.65
- RBDPO	61238.44	56093.16	15656.89	83932.50
- RBDPS	50359.96	22013.77	8069.68	19489.08
- RBDPL	79322.98	28882.29	9356.13	27285.26
- PFAD	1905.82	4637.24	1134.79	507.81

TURKEY	174699.43	163034.83	50157.15	67214.85
- RBDPO	79526.04	80652.47	27234.55	33899.53
- RBDPS	16548.43	21121.43	4694.09	10267.24
- RBDPL	757480.70	60107.90	18194.47	21949.81
- PFAD	2836.26	999.81	-	1098.27
- RBDHPO	-	2.50	2.50	-
- RBDHS	-	16.50	-	-
- RBDHSF	-	11.00	11.00	-
- CO	20.00	123.22	20.54	-
KOREA	154231.85	183690.46	68663.50	61916.04
- RBDPO	86269.38	103215.13	43733.45	40425.73
- HPS	499.87	16.50	-	-
- RBDPS	21596.28	33214.58	64851.21	5019.14
- RBDPL	45833.32	43749.24	17852.10	16471.17
- CPS	-	1499.01	-	-
- HPL	-	1996.00	592.74	-
- RBDHS	33.00	-	-	-
- NBDPL	-	500.00	-	-

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 Fractionated Olein
 NBDPL - Neutralised Bleached Deodorized Palm Oil
 NBDPS - Neutralised Bleached Deodorized Palm Stearin
 RBPO - Refined Bleached Palm Oil
 HPL - Hydrogenated Palm Olein
 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
 RBDHPS - Refined Bleached Deodorized Hydrogenated Palm Olein
 RBDHPS - Refined Bleached Deodorized Hydrogenated Palm Stearin
 HPFAD - Hydrogenated Palm Fatty Acid Distillate
 HPS - Hydrogenated Palm Stearin
 RPS - Refined Palm Stearin
 HPO - Hydrogenated Palm Oil