

Supply and Disappearance: A Review

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Production of palm oil by Malaysia in 1997 continued to increase after increasing in 1996, albeit, at a higher rate. After an increase of 7.3% in 1996 over 1995, production increased by 8.1% in 1997 over 1996. Production of palm oil in 1997 was 9.06 million tonnes while in 1996, it was 8.38 million tonnes, an increase of 676 379 tonnes.

The year started with production in the month of January 1997 at 579 366 tonnes which was smaller than that produced in December the previous year which was at 638 045 tonnes or a decline of 9.2%. However production in the first month of the year was 2.3% greater when compared to that of the corresponding month of the previous year (*Table 1*). Except for December 1997, monthly production during the year were greater than those of the corresponding months of 1996. Peak production occurred in May 1997 at 792 767 tonnes and again in September at 937 222 tonnes. Production of December 1997 was estimated at 623 759 tonnes, a decline of 14 286 tonnes or by 2.2%.

Opening stocks of palm products in 1997 totalled 794 454 tonnes. With production at 9.06 million tonnes total palm oil available for trade during the year was 9.86 million tonnes. Analogous to the peak production months in 1997, peaks in trade also occurred in May and September. The amount of palm products exported in May was 633 507 tonnes after which it declined and peaked again in September at 739 777 tonnes. The total palm oil traded in 1997 was 7.39 million tonnes, an increase of 176 286 tonnes over that of 1996 or by 2.4%. Stocks at the end of the year increased to 962 490 tonnes, an increase of 168 036

tonnes or by 21.15% from the previous year. Production in 1998 is forecast at 8.84 million tonnes, that is, following the long term trend. The decline in production is most likely to occur due to factors such as the haze, the droughts and the palm entering its rest cycle after the high production of 1997. Total palm oil available for trade in 1998 is thus estimated at 9.802 million tonnes which is slightly lower than that available in the previous year. Nevertheless, the amount of palm oil supply from Malaysia in 1998 would be sufficient to meet the demand of the consumers in the world.

Table 2 denotes the major importers of Malaysian palm products for the year 1995 to 1997. Pakistan continued to be the largest importer of Malaysian palm products consecutively for the past three years. A total of 1.08 million tonnes were imported in 1997 and this accounted for 14.7% of the total palm oil exported by Malaysia. The quantum imported by Pakistan in 1997 was however lower when compared with the amount imported in 1996 but was however higher when compared with that of 1995. A total of 920 538 tonnes were imported during the first eleven months of 1997. RBD palm oil accounted for the bulk of imports of which 839 141 tonnes and accounting for 91% of the palm products imported by the country (*Table 3*). The other palm products that were imported included 50 078 tonnes RBD palm olein, 19 486 tonnes palm fatty acid distillates, 8318 tonnes palm acid oil, 3492 tonnes RBD palm stearin and 20 tonnes hydrogenated palm stearin. Compared with the same period in 1996, there was a decline in imports by 80 151 tonnes. Though continuing to be the largest importer of palm products from Malaysia, the

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	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
1995	749 722	7 810 546	8 560 268	1 187 424	6 512 956	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	503 780	1 199 902	96 326	380 267	476 593	723 399
MAR	723 399	684 949	1 407 118	137 309	579 642	716 951	690 167
APR	690 167	738 077	1 424 861	146 227	579 211	725 438	699 423
MAY	699 423	792 767	1 490 063	144 267	633 507	777 774	712 289
JUN	712 289	791 426	1 503 715	91 699	622 210	713 909	789 806
JUL	789 806	833 302	1 623 108	117 847	735 557	853 404	769 704
AUG	769 704	859 234	1 628 938	159 600	660 559	820 159	808 779
SEP	808 779	937 222	1 746 001	99 654	739 777	839 431	906 507
OCT	906 570	917 660	1 824 230	176 343	619 483	795 826	1 028 404
NOV	1 028 404	800 723	1 829 127	54 141	640 418	694 559	1 134 568
DEC ^b	1 134 568	623 759	1 758 327	151 579	644 258	795 837	962 490
TOTAL		9 062 265			7 388 195		

^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)*

decline in imports by Pakistan was attributed to the sharp increase in oilseed production especially that of cottonseed. However, imports in 1998 are expected to continue to be high due to the drought conditions above normal especially during April to September associated with the El Nino, the occasional warming of surface waters in the central and eastern Pasific Ocean. The atmosphere is heated and conditions are favourable for precipitation to occur there.

China emerged as the second largest importer of Malaysian palm products in 1997 replacing the position held by India

previously. Imports by China in 1997 totalled 1.06 million tonnes, increasing by 188 778 tonnes (*Table 2*) or by 21.6%. The country accounted for 14.4% of the total palm oil exported by Malaysia. A great portion of the imports of China comprised of RBD palm olein, which at 715 257 tonnes for the first eleven months of 1997, accounted for 72% of the Malaysian palm products (*Table 3*). Other major palm products imported included 80 081 tonnes RBD palm oil, 72 178 tonnes crude palm olein, 66 780 tonnes RBD palm stearin, 55 349 tonnes bleached palm oil and 4000 tonnes crude palm stearin. Imports of China surged

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

Countries	1995	1996	1997
India	742 405	1 027 048	956 624
Pakistan	1 059 335	1 159 406	1 083 698
China PR	1 046 890	873 616	1 062 394
EU (15)	664 877	738 130	729 118
- UK	(87 345)	(74 686)	(58 137)
- Netherlands	(267 039)	(341 638)	(350 872)
- Spain	(86 240)	(50 740)	(73 472)
USA	80 845	105 197	114 049
Indonesia	78 755	93 297	100 901
Egypt	298 488	346 919	333 511
UAE	59 580	80 242	106 462
Saudi Arabia	146 819	149 019	130 087
Singapore	366 378	240 269	283 716
Japan	322 870	359 809	358 847
Jordan	192 827	111 627	230 737
Rep. of Korea	154 232	183 691	182 883
Australia	88 590	88 752	95 577
Turkey	174 699	163 035	229 397
Hong Kong	130 325	336 178	215 319
Yemen	65 347	68 585	48 815
Myanmar	196 509	188 361	158 921
Bangladesh	15 227	102 887	141 666
South Africa	152 613	1 73 473	187 699
Rest of the World	475 345	622 371	637 774
Grand Total	6 512 956	7 211 909	7 388 195

Note:

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

EEC - 12 countries till 1994

EU - 15 countries effective 1995

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

Countries	1995	1996	Jan-Nov 1996	Jan-Nov 1997
CHINA PR	1 046 890.35	873 615.95	764 458.36	993 933.83
- CPL	1499.84	34 031.78	31 032.83	72 178.41
- RBDPO	102 350.86	111 691.02	100 516.22	80 081.59
- RBDPS	158 553.13	55 764.12	48 771.16	66 780.40
- RBDPL	780 139.82	642 442.36	558 375.41	715 257.10
- CO	2999.91	-	-	38.00
- PFAD	53.28	-	-	249.43
- RBDHS	66.00	-	-	-
- HPS	33.00	-	-	-
- BPO	1194.51	26 707.10	22 783.17	55 349.81
- RPO	-	2979.57	2979.57	-
- CPS	-	-	-	3999.09
PAKISTAN	1 059 334.74	1 159 405.75	1 065 697.46	920 538.49
- RBDPO	919 075.73	1 054 705.20	970 828.12	839 141.28
- RBDPS	4987.38	5481.67	5481.67	3492.73
- RBDPL	87 260.11	45 399.11	38 796.21	50 078.56
- PFAD	31 199.51	41 458.89	39 060.58	19 486.99
- PAO	15 756.31	11 756.65	10 926.65	8318.93
- NBDPO	57.76	101.08	101.08	-
- NBDPL	-	8.50	8.50	-
- NBPL	-	494.65	494.65	-
- CO	992.94	-	-	-
- HPS	5.00	-	-	20.00
INDIA	74 240.51	1 027 048.11	975 650.65	895 499.50
- CPO	361.85	-	-	-
- RBDPO	7483.95	20 366.95	19 867.43	32 670.86
- RBDPS	9669.46	1885.69	1313.12	3249.48
- CPL	199.49	11 540.42	11 540.42	5703.26
- RBDPL	658 145.57	922 244.22	880 007.07	761 060.24
- PFAD	45 441.28	35 440.92	32 332.48	58 941.53
- CPS	21 083.61	34 698.82	29 719.04	32 037.93
- CO	19.30	58.14	58.14	1149.93
- HPFA	-	599.75	599.75	546.81
- PAO	-	213.20	213.20	-
- HPS	-	-	-	73.46
- RBDHS	-	-	-	66.00
EU	664 877.09	738 130.07	662 827.30	659 305.49
- CPO	423.24	21 816.17	6550.29	-
- NBDPO	1895.64	8401.54	8401.54	11 168.50
- RBDPO	142 645.84	186 107.28	171 176.21	149 081.98
- CPS	4704.10	4047.12	4047.12	841.42
- RBDPS	135 595.40	181 700.30	164 813.98	184 871.77
- NBDPL	13 406.06	9338.45	8337.63	3458.48
- RBDPL	229 362.79	202 368.35	191 600.01	204 440.39
- PFAD	107 416.91	88 692.88	74 808.54	75 280.45
- HPFAD	4423.83	2024.82	1519.98	1498.28
- CO	2013.08	194.68	194.68	-
- RBDHPO	131.60	-	-	498.41
- HPFA	1580.21	535.59	510.84	757.18
- PAO	19 980.28	30 112.29	28 076.51	25 827.57
- RBDHS	546.58	250.37	250.37	-

- RBDHSF	-	19.00	19.00	-
- HPS	253.48	-	-	26.00
- CPL	473.82	1000.60	1000.60	-
- NPL	-	1520.00	1520.00	91.20
- NPO	24.23	-	-	21.18
- NBPO	-	-	-	1442.68

JAPAN	322 870.40	359 809.11	324 834.01	324 518.78
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- CPO	6600.01	33 744.57	27 142.72	28 303.51
- RBDPO	146 979.25	176 405.01	159 525.84	144 799.55
- RBDPS	34 870.72	32 237.32	30 170.19	25 889.53
- NBDPL	303.65	-	-	-
- RBDPL	132 365.08	116 817.60	107 390.65	124 621.38
- PFAD	202.53	513.00	513.00	41.33
- CO	927.67	33.65	33.65	23.80
- RBDHPL	206.29	-	-	-
- NBDPO	299.68	-	-	-
- NPL	54.70	19.72	19.72	38.88
- HPS	49.72	-	-	2.50
- RBDHS	-	20.00	20.00	-
- RBDHSF	11.10	-	-	-
- CPL	-	18.24	18.24	798.30

EGYPT	298 488.15	346 919.44	312 118.72	298 681.09
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- CPO	8970.06	12 423.72	12 423.72	-
- RBDPO	203 499.55	216 300.63	183 990.37	220 683.58
- RBDPS	65 584.72	78 083.88	76 588.76	53 080.87
- RBDPL	20 433.82	40 111.21	39 115.87	20 521.23
- HPO	-	-	-	400.00
- CO	-	-	-	20.73
- PFAD	-	-	-	-
- CPS	-	-	-	3974.68

SINGAPORE	366 378.35	240 269.21	223 626.72	255 483.31
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- CPO	17.65	-	-	-
- CPL	213.99	6520.02	2021.59	3007.95
- NBDPO	455.18	315.78	315.78	22.80
- RBDPO	7719.87	13 933.32	12 544.63	5945.09
- NBDPS	16.64	-	-	-
- RBDPS	37 290.82	17 444.98	16 438.92	10 376.33
- NBDPL	11.40	-	-	-
- RBDPL	281 215.18	161 521.91	153 071.69	232 053.40
- PFAD	34 686.38	38 115.97	36 928.69	3710.00
- CO	845.98	1465.71	1353.90	99.96
- RBDHPO	219.91	-	-	-
- RBDHPL	249.27	113.58	113.58	-
- RBDHS	83.00	-	-	-
- HPL	-	100.00	100.00	140.00
- HPS	400.77	439.53	439.53	39.78
- HPO	497.15	259.00	259.00	80.00
- CPS	2238.56	-	-	-
- BPO	205.20	-	-	-
- NBPO	11.40	-	-	-
- NPL	-	39.41	39.41	-
- OTHERS	-	-	-	8.00

JORDAN	192 827.20	111 626.46	111 626.48	230 738.52
- RBDPO	61 238.44	56 093.16	56 093.18	151 863.84
- RBDPS	50 359.96	22 013.77	22 013.77	28 483.95
- RBDPL	79 322.98	28 882.29	28 882.29	49 882.92
- PFAD	1905.82	4637.24	4637.24	507.81
TURKEY	174 699.43	163 034.83	137 431.49	216 047.91
- RBDPO	79 526.04	80 652.47	67 717.17	115 694.95
- RBDPS	16 568.43	21 121.43	15 553.08	30 279.56
- RBDPL	75 748.70	60 107.90	53 069.82	65 882.78
- PFAD	2836.26	999.81	999.81	3190.76
- NBDPS	-	-	-	999.86
- RBDHPO	-	2.50	2.50	-
- RBDHS	-	16.50	16.50	-
- RBDHSF	-	11.00	11.00	-
- CO	20.00	123.22	61.61	-
S. AFRICA	152 613.39	173 472.83	158 490.82	169 650.18
- CPL	-	5663.87	5663.87	1081.17
- RBDPO	3379.02	3349.28	2849.39	2988.97
- RBDPS	47 415.75	80 258.33	70 328.68	92 367.09
- RBDPL	65 297.39	55 952.32	52 143.58	45 574.04
- PFAD	25 096.52	23 035.08	23 035.08	25 563.89
- CO	10 015.16	1367.44	848.64	210.59
- PAO	-	995.28	995.28	248.60
- RBDHPL	332.14	1799.78	1799.78	822.94
- HPL	1077.41	1031.95	807.02	523.68
- HPO	-	19.5	19.50	20.00
- CPS	-	-	-	249.21
S. KOREA	154 231.85	183 690.46	162 590.86	163 281.60
- RBDPO	86 269.38	103 215.13	92 678.09	93 187.94
- HPS	499.87	16.50	16.50	-
- RBDPS	21 596.28	33 214.58	26 767.20	17 706.84
- RBDPL	45 833.32	43 749.24	40 238.06	52 062.32
- CPS	-	1499.01	1499.01	-
- HPL	-	1496.00	892.00	308.00
- RBDHS	33.00	-	-	16.50
- NBDPL	-	500.00	500.00	-
MYANMAR	196 509.20	188 360.65	166 268.02	147 273.90
- RBDPO	1670.44	16 962.08	16 942.88	-
- RBDPS	4365.50	2464.62	2464.62	-
- RBDPL	188 991.12	166 054.01	143 980.58	141 664.76
- PFAD	1149.35	173.58	173.58	393.72
- CO	332.79	173.58	173.58	393.72
- PAO	-	390.72	390.72	-
- CPS	-	1504.61	1504.61	1799.75

Notes to *Table 3*.

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 Olein
NBDPO - Neutralised Bleached Deodorized Palm Oil
NBDPS - Neutralized 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
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

due to the insufficient rains received in major soyabean growing areas. Low oil stocks in the country and insufficient domestic production were also factors contributing to the increase in imports by the country.

The third largest importer of palm oil during the year was India. Imports in 1997 totalled 956 624 tonnes and accounted for 12.9% of the total palm oil exported by Malaysia (*Table 2*). However, imports had declined when compared to the previous year where 1 027 048 tonnes were imported. The decline was by 70 424 tonnes or by 6.8%. The bulk of the palm products imported in the first eleven months of 1997 was RBD palm olein which at 761 060 tonnes accounted for 85% of the country's palm oil imports from Malaysia. The other major palm products imported were 58 941 tonnes PFAD, 32 670 tonnes RBD palm oil and 32 037 tonnes crude palm stearin. Imports of other palm products are as shown in *Table 3*.

The European Union was the fourth largest importer of palm oil products from Malaysia in 1997. Imports however declined from 738 130 tonnes in 1996 to 729 118 tonnes in 1997 (*Table 2*). Of the countries in the EU, Netherlands continued to be the largest importer of Malaysian palm oil with imports at 350 872 tonnes. On its own, Netherlands was the fifth largest importer of palm oil from Malaysia. Total imports of palm products by the EU from Malaysia for the period January to November 1997 totalled 659 305 tonnes where RBD palm olein accounted for the bulks of its imports. A total of 204 440 tonnes of RBD palm olein were imported. This accounted for 31% of its imports of Malaysian palm products. The quantum of the other major palm products imported were 184 871 tonnes RBD palm stearin and 149 081 tonnes RBD palm oil. Imports of other palm products are as illustrated in *Table 3*.

Imports of Malaysian palm products by the other major importing countries are also shown in *Tables 2 and 3*.