

Malaysia's palm oil demand to sustain despite Indonesia's export levy waive

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Demand for Malaysia's palm oil will continue to rise globally despite Indonesia's decision to waive its palm oil export levy to cut bloated stockpiles, said Plantation Industries and Commodities Minister Zuraida Kamaruddin.

She gave her assurance that market jitters, if there were any, would only be temporary.

"Whatever it is, the world needs palm oil. The only thing is that, of course, our palm oil price will be more expensive than Indonesia's because they have a sufficient labour force and enough access. Hence, the production is cheaper.

"This situation, however, is just temporary so I'm not too worried about that," she told Bernama.

After announcing a three-week export ban, the Indonesian government has

decided to scrap the export levy, effective July 15 to August 31, 2022, for palm oil and palm oil products.

The Indonesian government said that this was its attempt to boost exports and ease high inventories.

Recently, Zuraida said the ministry remained optimistic that China would be increasing its palm oil imports.

Her deputy minister Wee Jeck Seng had also said that the ministry would monitor the development of the palm oil industry.

“The development would affect Malaysia, which is one of the largest producers of palm oil products.

“We will look at this matter seriously because it does affect the export (of Malaysia’s palm oil),” he said.

Plantation Industries and Commodities Minister Zuraida Kamaruddin

Meanwhile, Zuraida expressed optimism about securing RM300 billion worth of exports from the agricommodity sector this year.

She said the ministry is keeping its target intact ahead of the three-day Malaysia International Agricommodity Expo and Summit (MIACES) on July 26, 2022.

Zuraida said the target was an increase of an additional RM100 billion compared to a total export value of RM204 billion last year and RM84 billion in 2020.

“The target is achievable and MIACES will help to contribute and add towards the total RM300 billion export value for 2022,” she noted.

The minister elaborated that the summit would be a better platform to showcase the achievements and the ongoings of the agricommodity despite the attacks and pressure from the United States and the European Union on forced labour allegations.

The event will be participated by 39 countries with more than 200 booths by both local and international industry players.

The summit will also feature conferences, business matchings, roundtable discussions and B2B meetings to gain exposure, expand investment potential and maximise their business productivity gains in international markets.

As the event’s host country, MIACES will be focusing on the palm oil, rubber,

timber, cocoa, pepper and kenaf sectors, which are among the main drivers of the national economy.

This year's MIACES is themed "Advancing Agricommodity in Sustainable Ecosystem" and will be held at the Malaysia International Trade and Exhibition Centre (MITEC).

- Bernama

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