

Malaysia signs deals to boost palm oil exports to China and India

PUTRAJAYA: Malaysia yesterday struck key palm oil partnership deals with two major supply chain managers in the United Arab Emirates (UAE) and China to facilitate greater palm oil penetration in China, India and the Indian sub-continent.

The deals were sealed through the Bohai Commodity Exchange (BOCE) Malaysia/Asean platform, which inked two memoranda of understanding (MoUs) with Dubai-based Hakan Agro DMCC and China's BOCE Global here.

The event was witnessed by Prime Minister Tun Dr Mahathir Mohamad, Primary Industries Minister Teresa Kok and Foreign Minister Datuk Saifuddin Abdullah.

Kok said this marked a significant partnership with two major supply chain managers in the UAE and China.

"Hakan Agro DMCC of Dubai is a major player in the commodities supply chain and has extensive business exposure in the Indian subcontinent, the Middle

East and the UAE.

"Already well entrenched in the commodities trade, Hakan Agro DMCC is confident that it will facilitate the export of more than one million tonnes of Malaysian palm oil in their core markets in the Indian subcontinent in 2020.

"Its enthusiasm has been fortified by the knowledge that the ministry and Malaysian Palm Oil Council are embarking on an aggressive diversification of Malaysian palm oil into new markets," she said after the signing of the MoUs.

Present was Bohai Commodity Exchange Malaysia/Asean chairman Datuk Seri Khairudin Abu Hassan.

China's BOCE, Kok added, which signed the second MoU, had reported a rising demand for Malaysian palm oil and other commodities.

"It aims to import about 1.5 million tonnes into China by next year. They are primarily targeting inner regions of China which are



Prime Minister Tun Dr Mahathir Mohamad with (from left) Bohai Commodity Exchange China chairman Yan Dong Sheng, Primary Industries Minister Teresa Kok, Foreign Minister Datuk Saifuddin Abdullah, Bohai Commodity Exchange Malaysia/Asean chairman Datuk Seri Khairudin Abu Hassan and Hakan Agro DMCC managing director Sudhakar Tomar in Putrajaya yesterday. PIC BY MOHD FADLI HAMZAH.

less exposed to palm oil, yet offer significant growth potential due to the large population in the inner regions and that are also registering significant economic growth.

"I am pleased that such well established and experienced international supply chain managers are stepping in to help Malaysia diversify its palm oil markets."

Given the pressure Malaysia faces from the European Union's potential displacement of palm

biofuel and the recent spat with Indian oils and fats trade associations, Kok said the latest developments were "timely".

"On top of India and China, I am confident that Malaysia will find new and alternative markets for palm oil with growth targeted in Asean, Africa and the Middle East.

"Buoyed by the recent healthy spike in palm oil prices, the industry is ready to prove many detractors wrong."

Much was said when an Indian

trade association announced a boycott of Malaysian palm oil, Kok added.

"This also came back to back at a time when Malaysia had increased its palm oil exports to India to record levels of over four million tonnes due to the advantageous tax structure in India.

"Our market performance in India this year, up to next month, is projected to increase by at least 80 per cent minimum compared with Indian import statistics last year."