

**Malaysia's Palm Oil Export Earnings To Reach RM85 Billion This Year**  
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KUALA LUMPUR, Jan 19 (Bernama) -- Malaysia's palm oil export earnings is expected to reach RM85 billion this year against an estimated RM80.39 billion in 2011, due to an uptrend in the price.

Minister of Plantation Industries and Commodities Tan Sri Bernard Dompok said production is also expected to rise to more than 19 million tonnes this year, from the 18.9 million tonnes previously.

"Palm oil production for 2012 will see an increase as planters, who have been waiting for the crop to mature, will be able to reap a harvest now as some of it does.

"This will ensure more production for the market," he told reporters after officiating the "Palm Oil Economic Review and Outlook Seminar 2012", here today.

Meanwhile, in his opening speech, Dompok advised all concerned to increase productivity and fully utilise the downstream sector, to ensure Malaysia's competitiveness in the market with land becoming scarce for the planting of oil palm.

"The palm oil industry charted strong growth last year and it is imperative that we undertake measures to increase productivity and competitiveness.

"Value addition is a way forward for the palm oil industry to boost its competitiveness in comparison with other competing oils and fats," he added.

Dompok urged the industry to venture into diversified niche products, which have a higher market demand and premium prices.

"In this regard, the government encourages the industry to venture into new areas such as advanced oleochemical products, utilisation of biomass and production of phytonutrients.

"By venturing into the diversified niche downstream activities, value added industries will be further strengthened. This is indeed the way forward for the industry," he said.

In a separate note, the Malaysia Palm Oil Board director-general Choo Yuen May said the crude palm oil (CPO) price may remain firm this year, due to the steady Brent crude oil price, arising from geo-political instability in producing countries and in the Middle East.

She said uncertainty in weather conditions in major soybean oil producing countries, may lend support to the CPO price.

Soybean oil is the closest competitor to CPO.

"Demand for B5 implementation in the central region in Malaysia, which is expected to reach 120,000 tonnes, will also be a factor pushing up the CPO price," she added.

Choo said production will increase this year, supported by favourable weather conditions, higher fresh fruit bunch yields and an increase in the total maturing areas.

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