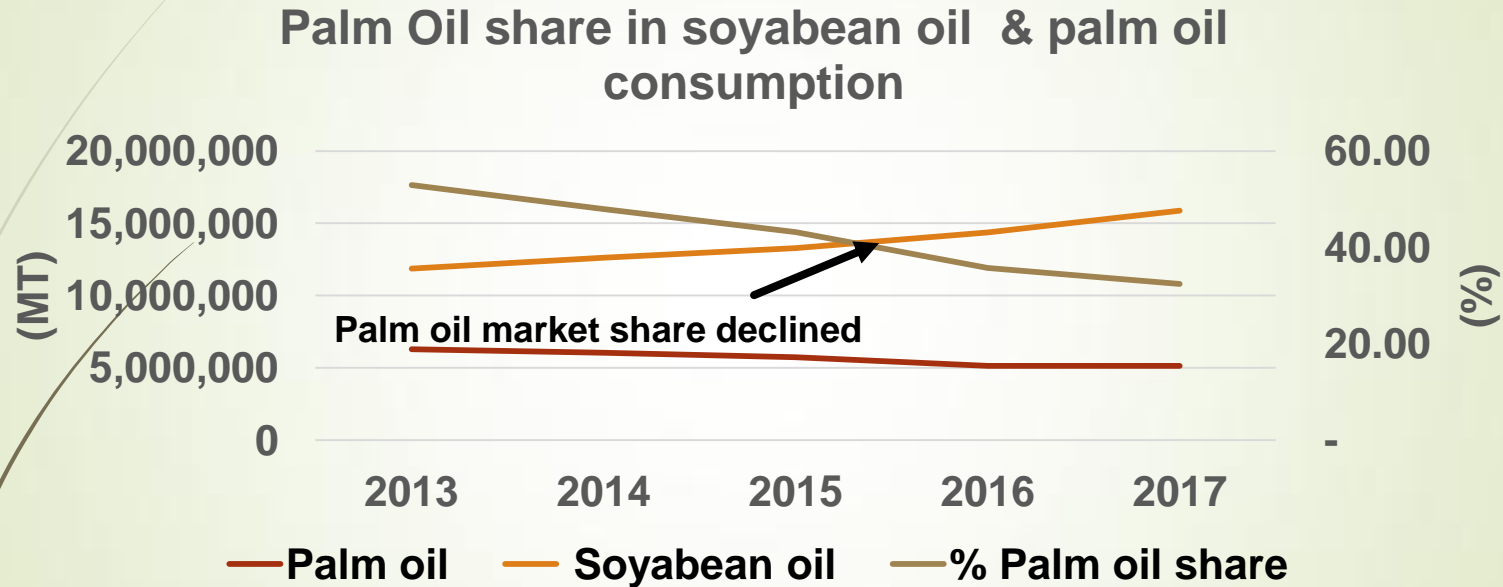


# CHINA PALM OIL MARKET - CHALLENGES, ISSUES & OPPORTUNITIES



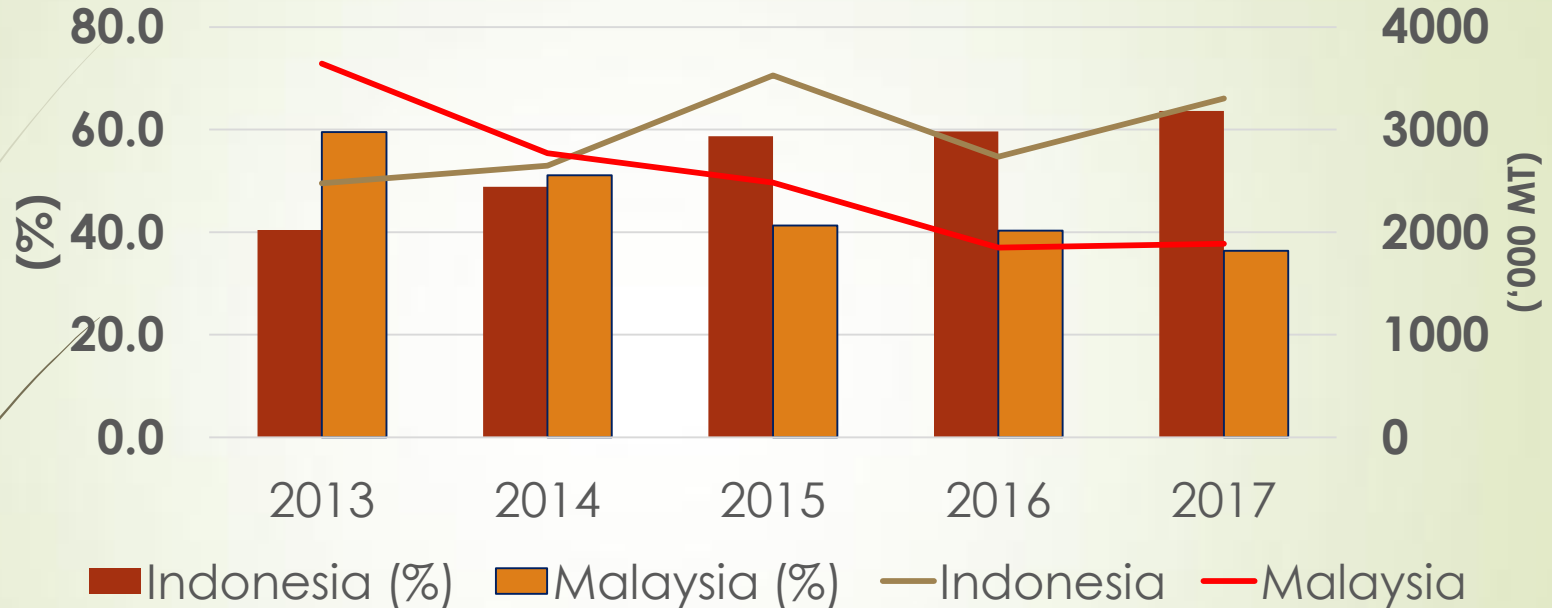
# Impact of rising soybean oil production

## Issue 1. Declining market share of palm oil consumption



Source : Oilworld

## Issue 2 : Malaysia And Indonesia Palm oil Export & Market Share



Source : Oilworld

Malaysia's market share decline since 2013 due to the price competitiveness of Indonesia palm oil.

# Opportunity 1 : US-China trade war enhance prospect for palm oil import

1. Additional 25% tariff imposed on soybean imports from US restrict soybean imports on 6<sup>th</sup> July, 2018

## USA, Brazil and Argentina soybean exports In 2017 ('000 MT)

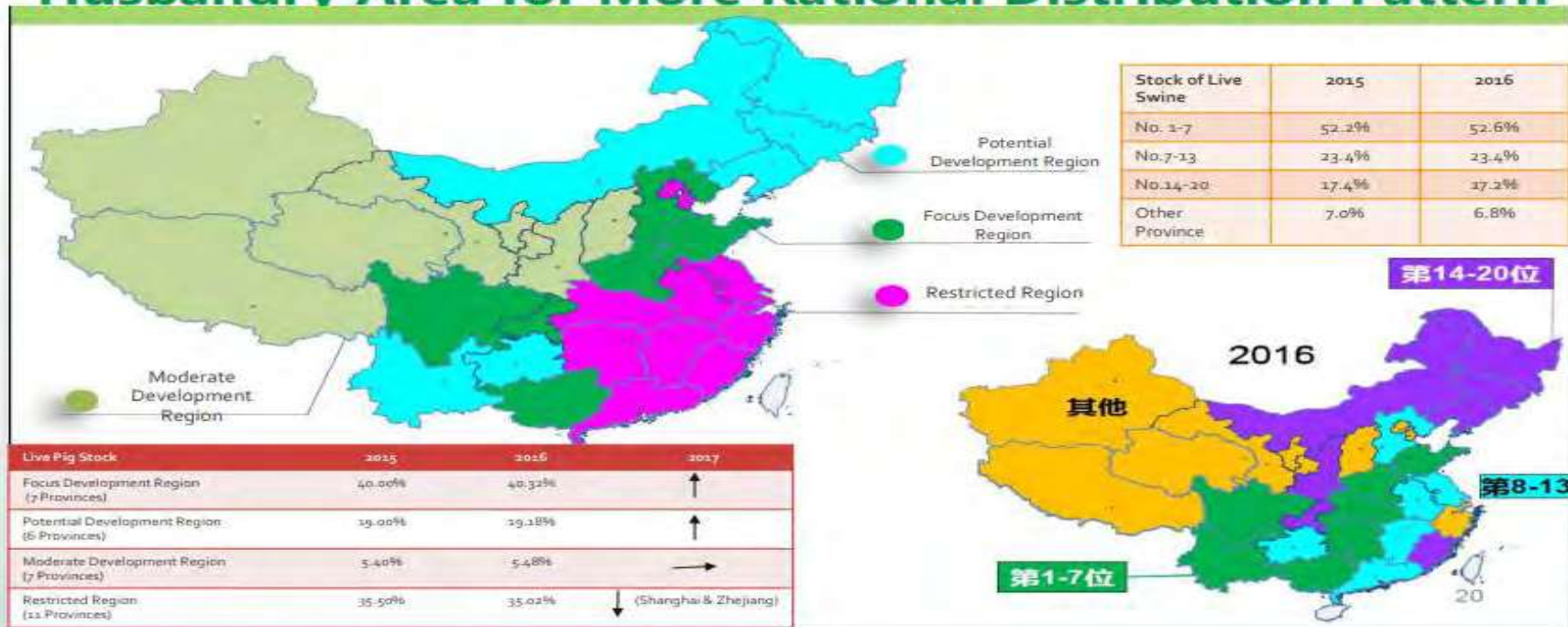
|               | USA      | Brazil   | Argentina |
|---------------|----------|----------|-----------|
| China         | 31,997.6 | 53,797.0 | 6,603.3   |
| Other country | 23,655.3 | 14,357.8 | 796.7     |
| Total         | 55,652.9 | 68,154.8 | 7,400.0   |

Source : Oilworld

- It appears that there would not be enough soybean from Brazil and Argentina to fully replace the soybean imported from USA. In 2017, China imported 31.9 million MT of soybean from US.
- In addition to the 25% additional tariff imposed on soybean imports from USA, China imposed further 10% tariff on soybean oil and soymeal on 24 September, 2018. The additional tariff of

# Opportunities 2 : Shift in swine farms generate opportunities for more palm oil import

## New Changes: Relocation of Livestock Husbandry Area for More Rational Distribution Pattern



Regional Shift on Swine Farms is Taking Place with More Moving to North and Western Regions

## Opportunities 3 : Region that offers good prospect for higher palm oil export



- China Halal Hub in North West China
- North-east region ( Helongjiang, Jilin, Liaoning area) is dominated by soybean oil usage.
- The Central and southern region provinces which are located near



THANK YOU  
FOR FURTHER DELIBERATION

