

# **MALAYSIAN PALM OIL IN MIDDLE EAST AND NORTH AFRICA MARKET**

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# PRESENTATION OUTLINES

OILS AND FATS SCENARIO

PALM OIL IN THE REGION

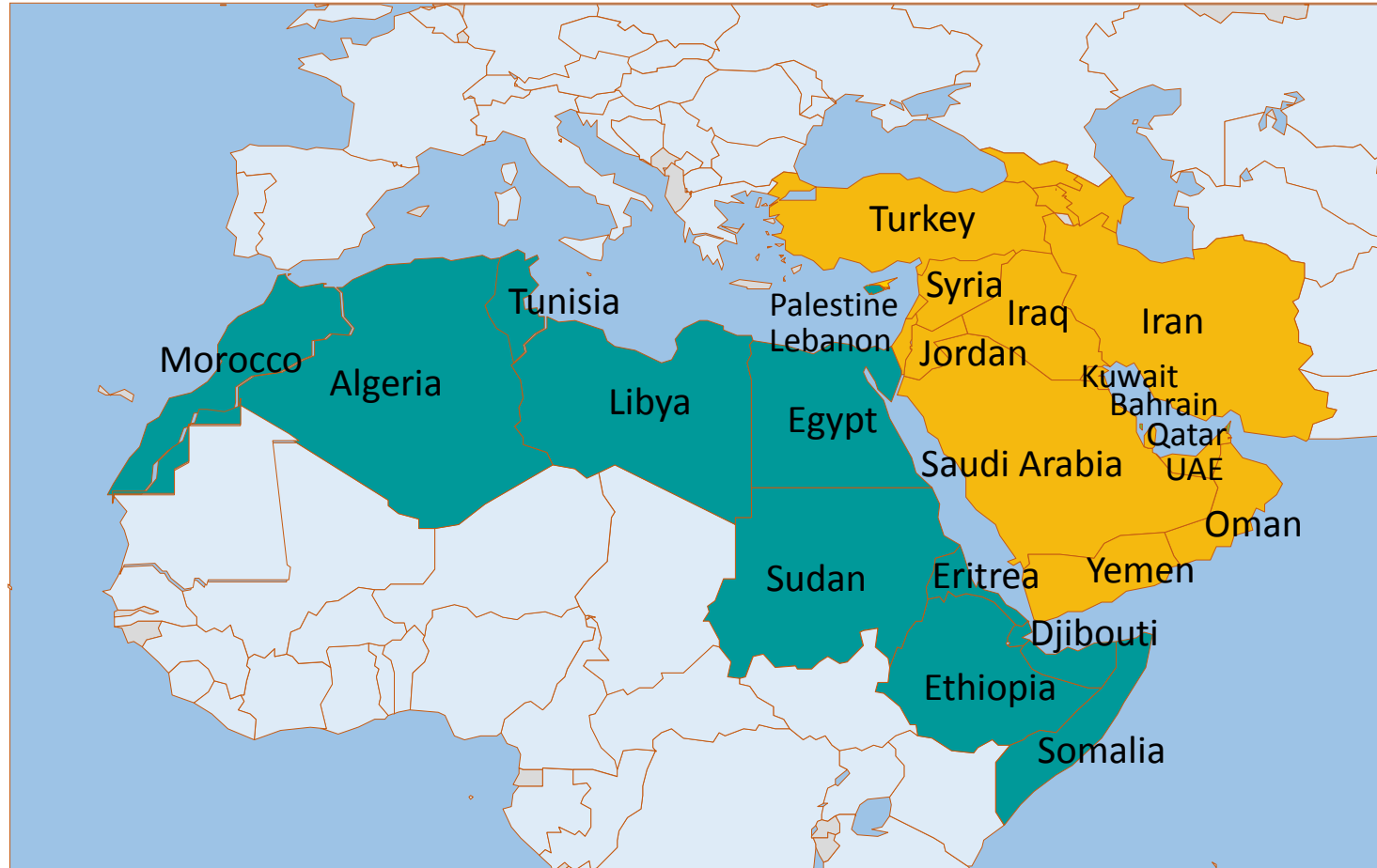
MALAYSIAN PALM OIL

POTENTIALS

CONCLUSION



# MENA MARKET COVERAGE



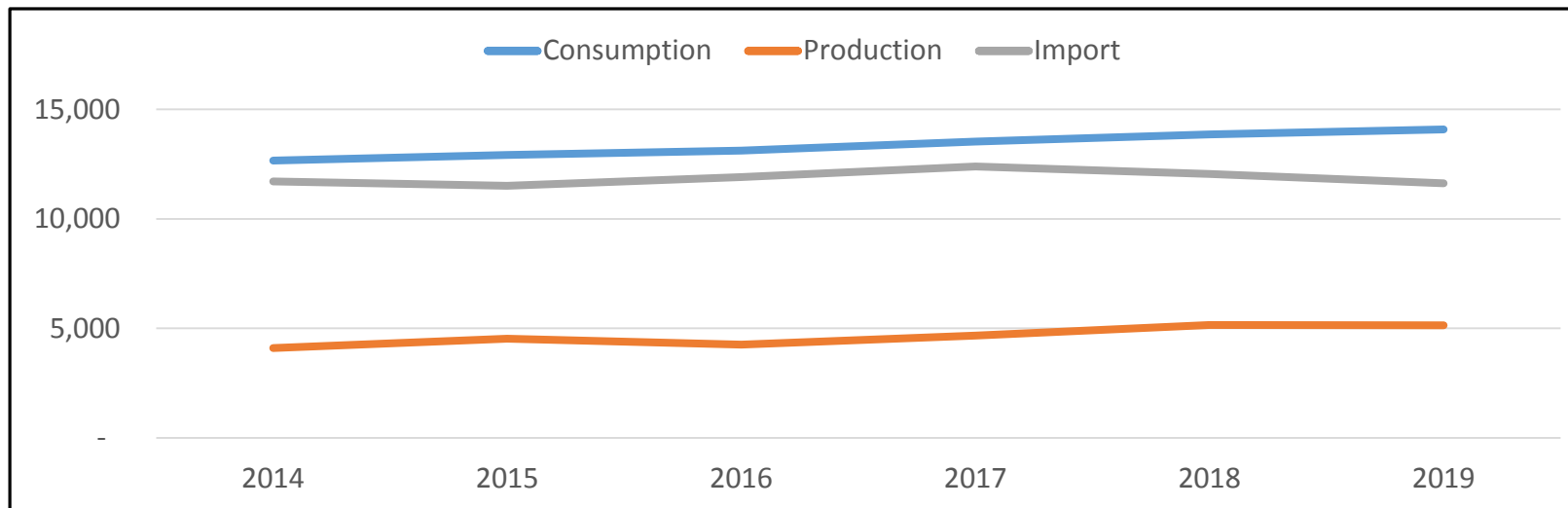
MPOC defines MENA as the region covering these 24 countries.

It is home for over 700 million people or 9% of the world's population (2019)



# MENA OILS AND FATS SUPPLY AND DEMAND (‘000 MT)

	2014	2015	2016	2017	2018	2019
Consumption	12,669	12,918	13,111	13,530	13,851	14,089
Production	4,100	4,530	4,254	4,672	5,147	5,134
Import	10,859	10,643	11,007	11,333	10,934	11,631



Source: Oilworld

- Due to lack of agriculture land, the region cannot produce much of oilseed.
- Locally produced oils and fats comes mostly from imported oilseed.
- Most of the domestic consumption is actually met through imports.



# MENA – OILS AND FATS CONSUMPTION

	2014	2015	2016	2017	2018	2019	5-Year CAGR
Middle East	7,565.4	,7608.3	7,730.9	7,905.7	8,106.6	8,136.9	1.47%
North Africa	5,058.1	5,261.7	5,333.7	5,582.1	5,760.8	5,952.2	22.74%
<b>Total Consumption</b>	<b>12,624</b>	<b>12,870</b>	<b>13,065</b>	<b>13,488</b>	<b>13,867</b>	<b>14,089</b>	<b>2.22%</b>

	Consumption Volume	% of Region's Consumption
Turkey	2,763,800	34.0%
Iran	2,055,500	25.3%
Saudi Arabia	932,500	11.5%
Iraq	817,400	10.0%
UAE	306,600	3.8%
		84.5%

	Consumption Volume	% of Region's Consumption
Egypt	2,423,100	40.7%
Algeria	1,067,900	17.9%
morocco	860,100	14.5%
Ethiopia	539,200	9.1%
Sudan	491,800	8.3%
		90.4%

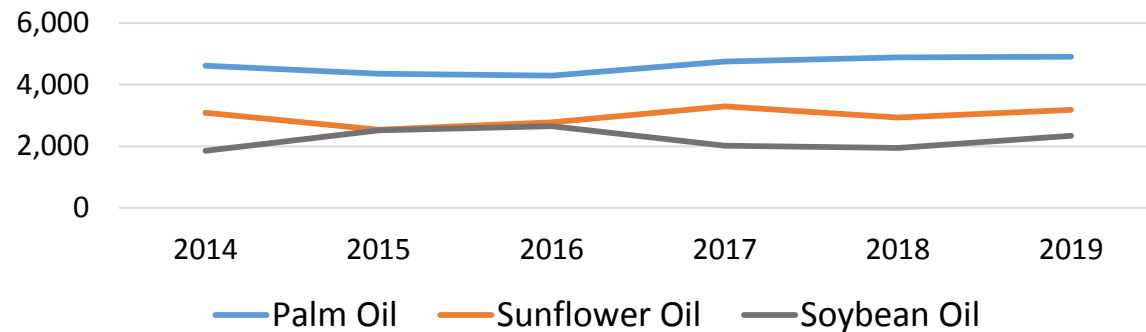
Source: Oilworld



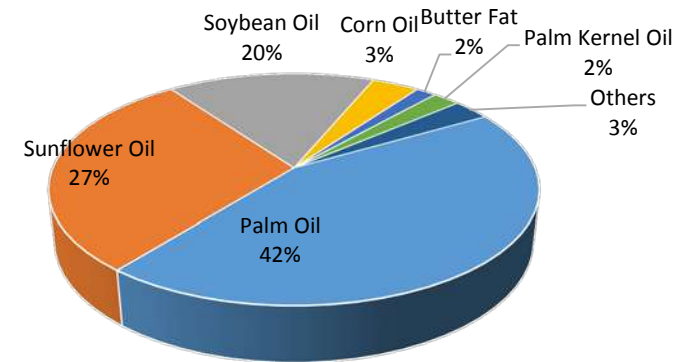
# Oils and Fats Import

MENA – OILS AND FATS IMPORT						
	2014	2015	2016	2017	2018	2019
Palm Oil	4,612	4,353	4,296	4,753	4,884	4,906
Sunflower Oil	3,085	2,536	2,777	3,294	2,929	3,186
Soybean Oil	1,849	2,519	2,656	2,017	1,945	2,338
Corn Oil	440	449	521	556	426	399
Butter Fat	256	227	232	173	198	190
Palm Kernel Oil	277	258	237	224	220	267
Others	340	301	288	316	332	345
	10,859	10,643	11,007	11,333	10,934	11,631

MAJOR OILS AND FATS IMPORT TRENDS



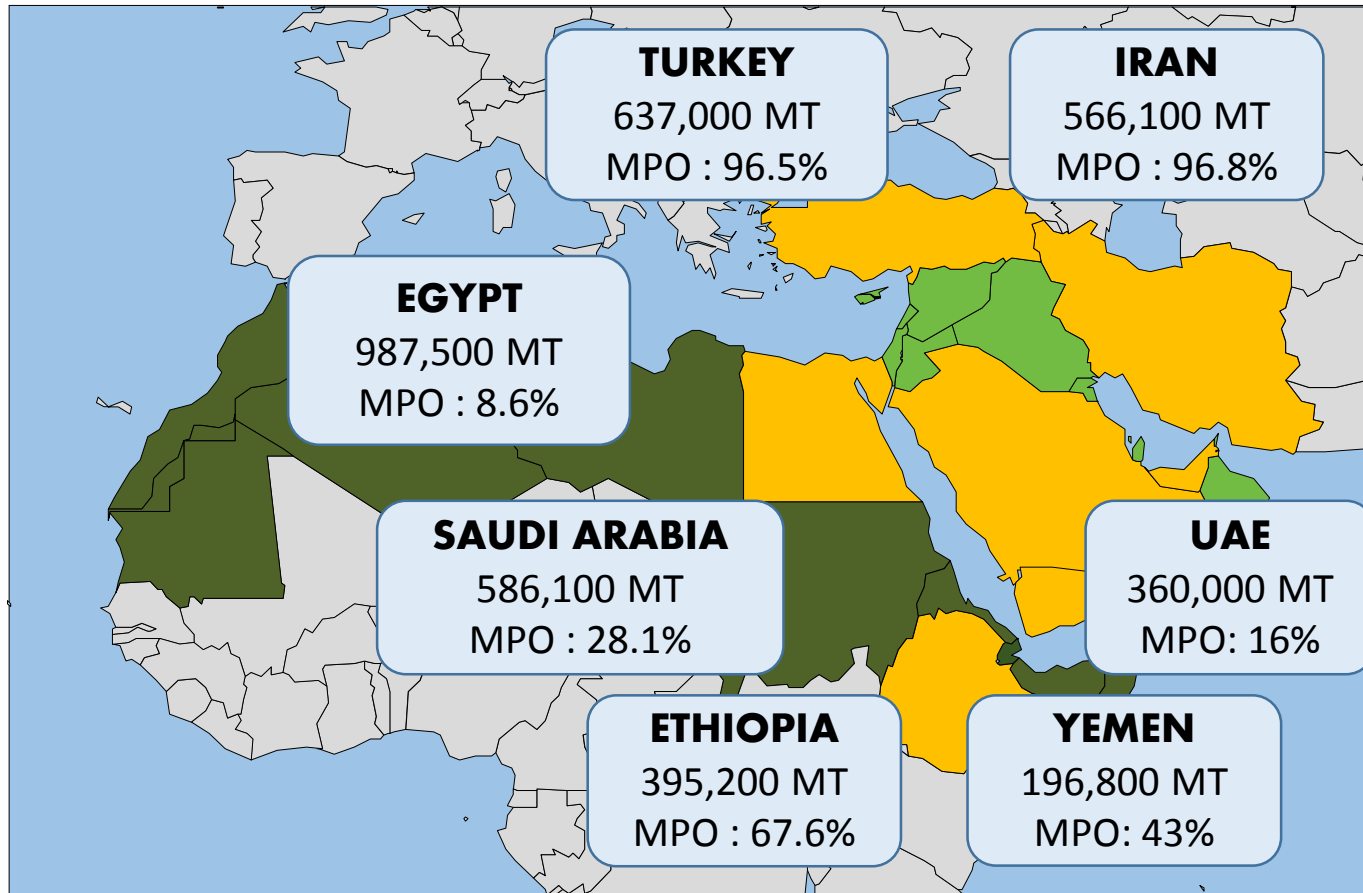
MENA OILS FATS IMPORT 2019



Source: Oilworld



# MENA – Main Palm Oil Importing Countries



2019 ('000 MT)			
1.	Egypt	988	20.1%
2.	Turkey	637	13.0%
3.	Saudi Arabia	586	11.9%
4.	Iran	566	11.5%
5.	Ethiopia	395	8.1%
6.	UAE	360	7.3%
7.	Yemen	197	4.0%
8.	Oman	193	3.9%
9.	Sudan	184	3.8%
10.	Iraq	179	3.6%
11.	Algeria	158	3.2%
12.	Somalia	143	2.9%
	Others	320	6.5%
	<b>Total</b>	<b>4906</b>	<b>100%</b>



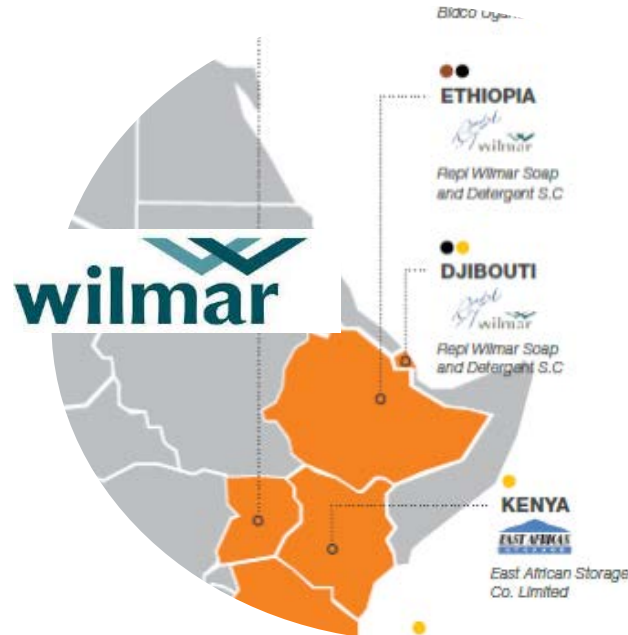


# Major Players in the Region



IFFCO

Etihad Food Industries  
Company Limited, Iraq



Specialty Fats  
Soap & Detergent

Tank Terminal  
Soap & Detergent





# MENA Market Potential

**Population** remains the main indicator of palm oil export potentials. The region has 700 million people in 2019 or 9% of the total world population. While the per capita consumption gap is wider, if each of the country manage to meet the world average per capita consumption of 29kgs, it translated into 20.3 million MT of oils and fats (At the moment the region consumed 14 Million MT of oils and fats)

700  
Million  
people

**Sufficiency** – In term oils and fats domestic production, the region do not produce sufficient oilseed due to their geographical condition and other limitations. Domestic and imported oilseed only manage to meet 37% of the total requirement, thus remaining balance has to be fulfilled through imports.

37%  
Sufficient

**Palm Oil Consumption** accounted for 30% of the total oils and fats consumption in the region. Sunflower and soybean oils accounted for 31% and 26% respectively.

30%  
Palm oil



# Anti-Palm Oil in the Middle East

Generally, palm oil is seen as unhealthy among the professionals especially from policy makers in the Middle East, GCC countries

This is due to misconceptions that the solid state of palm oil (which is also manufactured into vegetable ghee) also has trans fats from partial hydrogenation (like other seeds oil)

Consumers generally see palm oil as unhealthy due to saturated fats content

Environment sustainability and biodiversity is not generally discussed in this region. Reflected in the social media post engagements where consumers responds more to nutritional posts than environmental posts

No anti-palm oil campaign is being done openly



# No Palm Oil Label - Turkey

In its attempt to gain a market niche over Nutella, the market leader of chocolate spread in Turkey, a local company used 'No Palm Oil' label to create a false advantage of its product – Nuga

A formal complaint has already been made to the local Ministry as Turkish food guideline prohibited the use of labels that is not part of the ingredient unless it's health related i.e. allergies

No anti-palm oil movements but negative perception among consumers especially after the issue was stirred by a health celebrity in 2015 that was quickly rebutted by pro-palm oil experts

Consumers' views are generally still negative on palm oil



# Trans Fat Ban – Saudi Arabia

To prevent non-communicable diseases among the Saudis, FDA and Ministry of Health has taken the same approach to ban partially hydrogenated vegetable oil starting 2020

While this is good and serves as an opportunity for palm oil like in the USA, but palm oil is also mistaken to be hydrogenated due to its solid state and negative take on saturated fats

No anti palm oil campaigns and neutral perception among consumers

Multiple programs have been made in Saudi Arabia to improve negative perception especially among government authorities







# Market Expansion Plan and Strategy

Establish partnership with importers in the region and create platform for local establishment of MPO in the region to cater to small markets / buyers and serve market with foreign exchange constraints



Taking advantage of regional cooperation by establishing Malaysian entity in potential business hub – i.e Egypt or Turkey

Create awareness of palm oil's nutritional and functional aspects through MPOC organized events



# Thank You



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