



# The Middle East – Identifying Opportunities for Enhancing MPO Exports

**Muhammad Kharibi Zainal Ariffin,  
MPOC KSA**



# Market Overview



Country	Population (millions)	Self Sufficiency	Per Capita Consumption (kg)
Saudi Arabia	35	0%	27
Yemen	30	0%	9
Jordan	10	0%	20
UAE	10	0%	31
Lebanon	7	0%	29
Oman	5	0%	25
Palestine	5	N/A	N/A
Kuwait	4	0%	27
Qatar	3	N/A	27
Bahrain	2	N/A	N/A

Source: Oil World

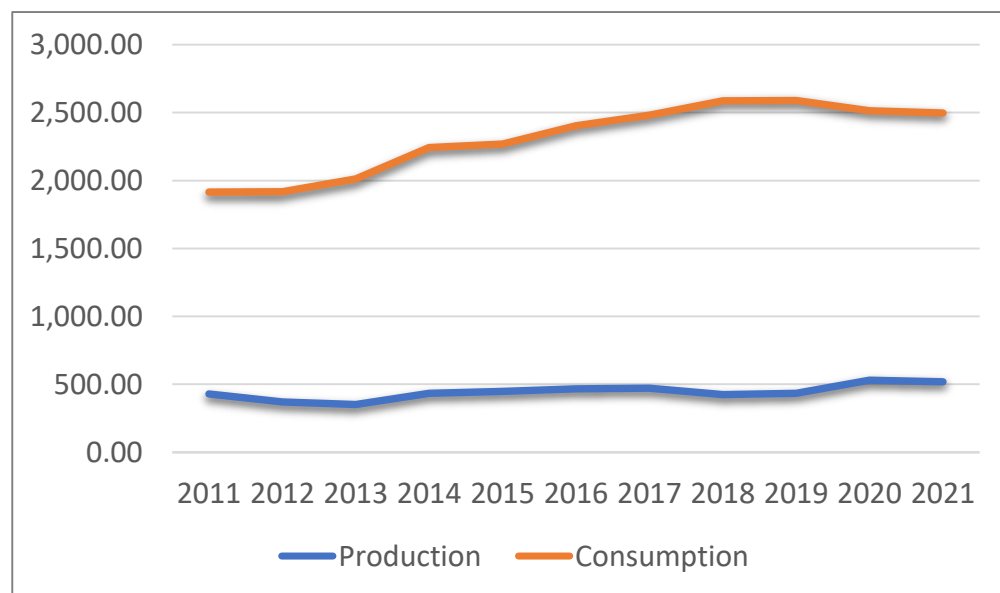


# Oils & Fats S&D of Middle East Region ('000 MT)



	2017	2018	2019	2020	2021
Consumption	1,829.70	1,981.30	1,981.40	1,983.10	1,976.90
Production*	409.00	355.40	378.9	531.30	519.70
Import	2,263.40	2,474.50	2,522.20	2,435.70	2,489.60

\* From domestic and imported oilseeds

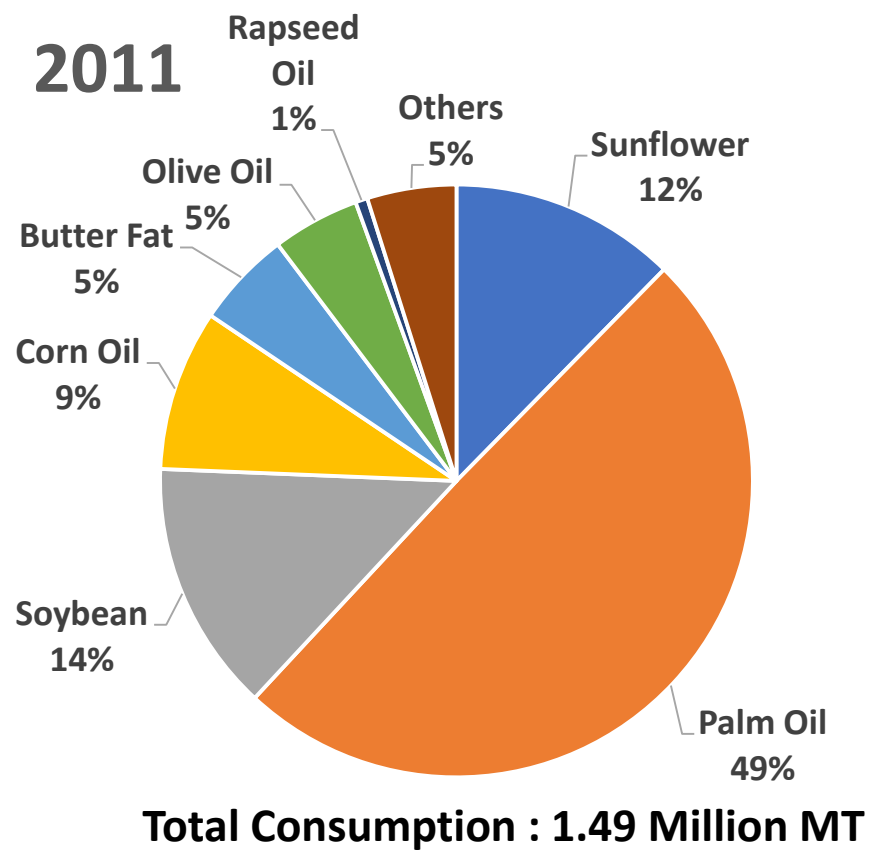


	Consumption Volume	% of Region's Consumption
<b>Saudi Arabia</b>	887.50	45%
<b>UAE</b>	334.80	17%
<b>Yemen</b>	277.10	14%
<b>Jordan</b>	183.60	9%
<b>Oman</b>	148.20	7%
	<b>1,831.20</b>	<b>92%</b>

Source: Oil World

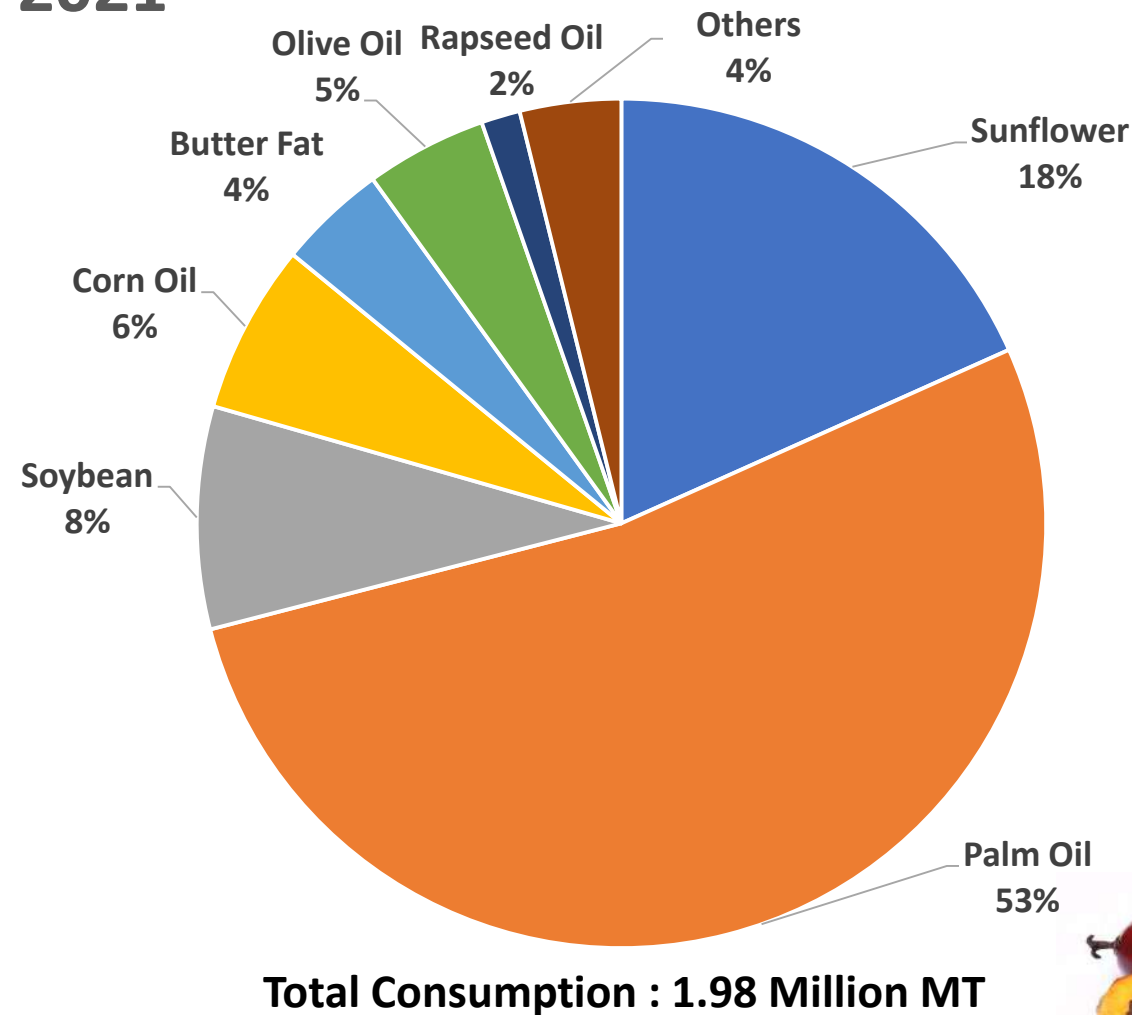


# Consumption Pattern (2011 & 2021)



Source: Oil World

### 2021

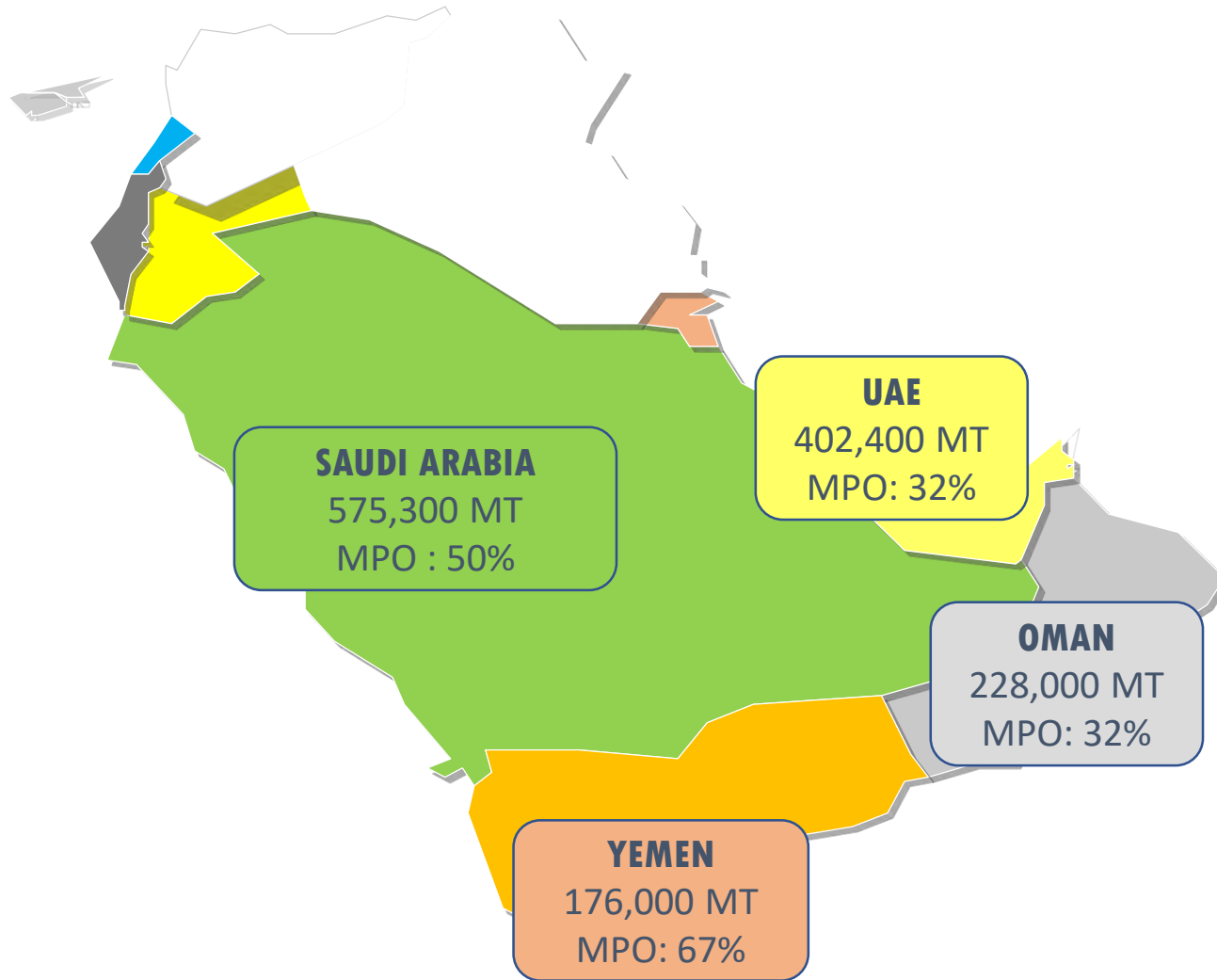




# **Palm Oil** **Performance** **in the Middle East**



# MIDDLE EAST – Palm Oil Import



	Import 2021 (MT)	%
1. Saudi Arabia	575,300	37.9%
2. UAE	402,400	26.5%
3. Oman	228,000	15.0%
4. Yemen	176,000	11.6%
5. Jordan	37,500	2.5%
6. Kuwait	30,000	2.0%
7. Lebanon	25,300	1.7%
8. Qatar	24,600	1.6%
9. Bahrain	18,500	1.2%
10. Palestine	Na	
	<b>1,517,600</b>	



# MPO Exports (Jan – June 2022)



	Country	Jan – June 2022	Jan – June 2021	Change (MT)	Change (%)
1.	Saudi Arabia	354,263	251,358	102,905	40.9%
2.	U.A.E	204,623	130,758	73,865	56.5%
3.	Oman	61,983	55,215	6,768	12.3%
4.	Jordan	28,873	24,780	4,093	16.5%
5.	Qatar	18,621	13,832	4,790	34.6%
6.	Kuwait	17,043	14,709	2,334	15.9%
7.	Bahrain	3,670	3,393	277	8.2%
8.	Yemen Arab Rep.	13,393	71,530	(58,137)	-81.3%
9.	Lebanon	4,924	7,994	(3,070)	-38.4%
10.	Palestine	163	233	(60)	-26.8%
		<b>707,557</b>	<b>573,793</b>	<b>133,764</b>	<b>23.3%</b>

Source: MPOB







# **Palm Oil** **Opportunities** **in the Middle** **East**





# Factors Making Middle East an Attractive Destination



ECONOMIC RECOVERY  
POST PANDEMIC



GOVERNMENT  
INITIATIVE TO INVITE  
FOREIGN INVESTORS



RESUME OF  
ACTIVITIES SUCH AS  
TOURISM, SOCIAL  
GATHERING,  
FESTIVALS



INTERNATIONAL EVENTS • EXPO  
2020 DUBAI • FIFA 2022 in DOHA  
• 2024 WORLD AQUATIC  
CHAMPIONSHIP in DOHA • ASIA  
GAMES 2030

SAUDI ARABIA VISION 2030 ARE  
ALREADY IN PLACE TO BOOST  
THE DEMAND





# Middle East Market - New Sector



## HOUSEHOLD CONSUMER SECTOR

The recent conflict between Russia and Ukraine has affected sunflower oil consumers in the region. the future of sunflower oil supply is uncertain.



To sustain the supply for the sector, it is necessary to look into the substitute where palm oil would be the best option.

Some markets in the region are ready to market palm oil in place of sunflower amidst the sunflower supply uncertainty. In Qatar, palm base cooking oil is now available in all stores including Carrefour.

# Middle East Market – New Sector



## PALM BASED DAIRY REPLACER

Due to cost, performance, availability, and nutritional factors, the replacement of milk fat with palm fat or blends is undertaken by food processors.

Palm oils or their blends, when substituted for milk fat offer good taste stability, improved nutritional value, the desired crystallization behavior, and favorable cost. Most of the products such as creamer and condense milk have used palm oil as their ingredients

Market such as Saudi Arabia, UAE, Oman and Qatar are sourcing palm fat blends as their dairy substitute to take advantage of its competitive cost and its functionalities.







# Investment Opportunities in the Middle East





# Middle East Market – Investment Opportunity



## STORAGE TANK TERMINAL

- Local oils and fats industry players are looking for interested Malaysian investors to invest in the tank storage terminal
- The main objective is to make Saudi Arabia the hub for the Middle East and Eastern African Region
- It will give the investor the advantage in supply and logistic cost
- Country: Saudi Arabia



# Middle East Market – Investment Opportunity



## INVESTMENT IN FOOD SECURITY

- Sanction and Pandemic have prompted Countries in the Region to invest in the Food Security sector such as in oil palm plantations and dairy industry
- Partnership in the cooking oil sector – consumers are more price sensitive due to the rise in the cost of living
- Countries: Saudi Arabia and Qatar



# MPOC Focus Market in 2022- SAUDI ARABIA



## Market Importance

- Saudi Arabia imported almost all of the oils and fats for its local requirement. In the past five years, the average import of Saudi Arabia's oils and fats was around 910,000 tonnes per year.
- Saudi Arabia is the biggest market in the GCC region.
- Saudi Arabia Vision 2030 has given the opportunity to other industries other than petroleum such as tourism, recreation, education, and health.
- They also have opened the door for foreign investors to invest in the country. Their main goal is to be like Dubai in the future.

## Market Potentials

- The food retail outlets in Saudi Arabia carry a broad range of options for consumers such as domestically processed foods, imported specialty food products, and organic food products. Consumers prefer to shop at supermarkets and hypermarkets as these food stores also provide an outing for families. There are a lot of new outing spots being established since the Saudi government lift up the social restriction.
- Saudi Arabia is expecting to receive an increasing number of tourists in the future. They are expecting 100 million visitors in 2030. Good news for the HORECA sector
- The shortage of sunflower supply will provide the best opportunity for palm-based cooking oil to penetrate the market. Companies such as Savola, Mazola and United Flowers are seriously looking into this market sector.

## Market Initiatives

- MPOC is in talking with Saudi's leading importer to collaborate and launch a consumer campaign for image enhancement and promoting palm olein in consumer packs in the Saudi Arabia market.



# Conclusion



- Middle East region has been recognized as the area for further expansion of MPO. Its reliance on oils and fats imports as well as its potential as a palm oil hub makes it versatile for any joint investment.
- Palm oil is the main edible oil imported into the region. The growing HORECA sector in Saudi Arabia, UAE, and Qatar provide great opportunities for Malaysian palm oil to fulfil this growing demand.
- With the right strategy Malaysian companies has the opportunity to tap into the consumer market in the region.
- Countries like Saudi Arabia and Qatar are looking for the right partners to invest in their food security program
- MPOC is seriously looking at the region and will initiate more joint efforts with oils and players in the region to continuously promote MPO market expansion.







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[kharibi@mpoc.org.my](mailto:kharibi@mpoc.org.my)  
[www.mpoc.org.my](http://www.mpoc.org.my)

