

“Exploring Opportunities in Developing Markets”

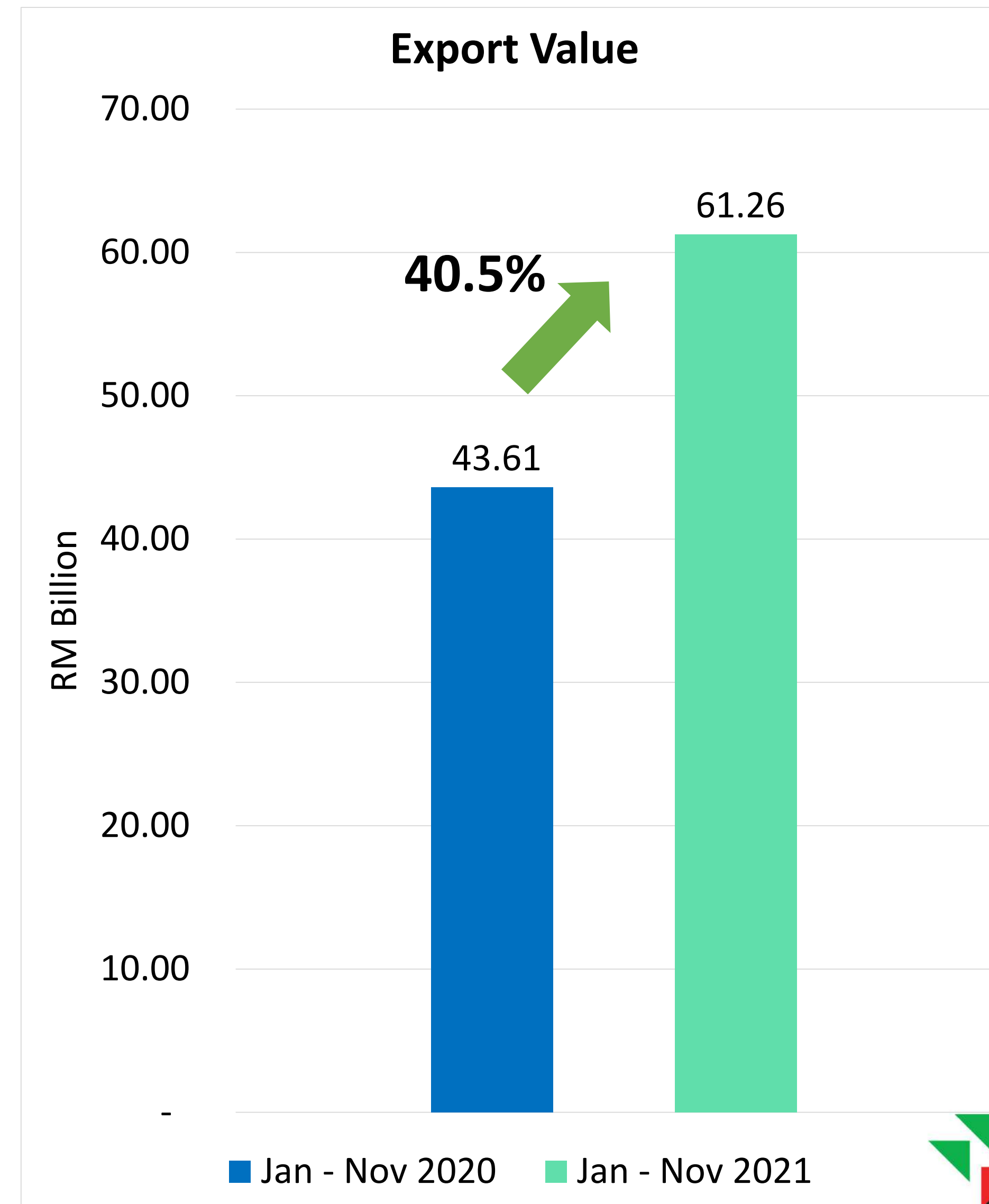
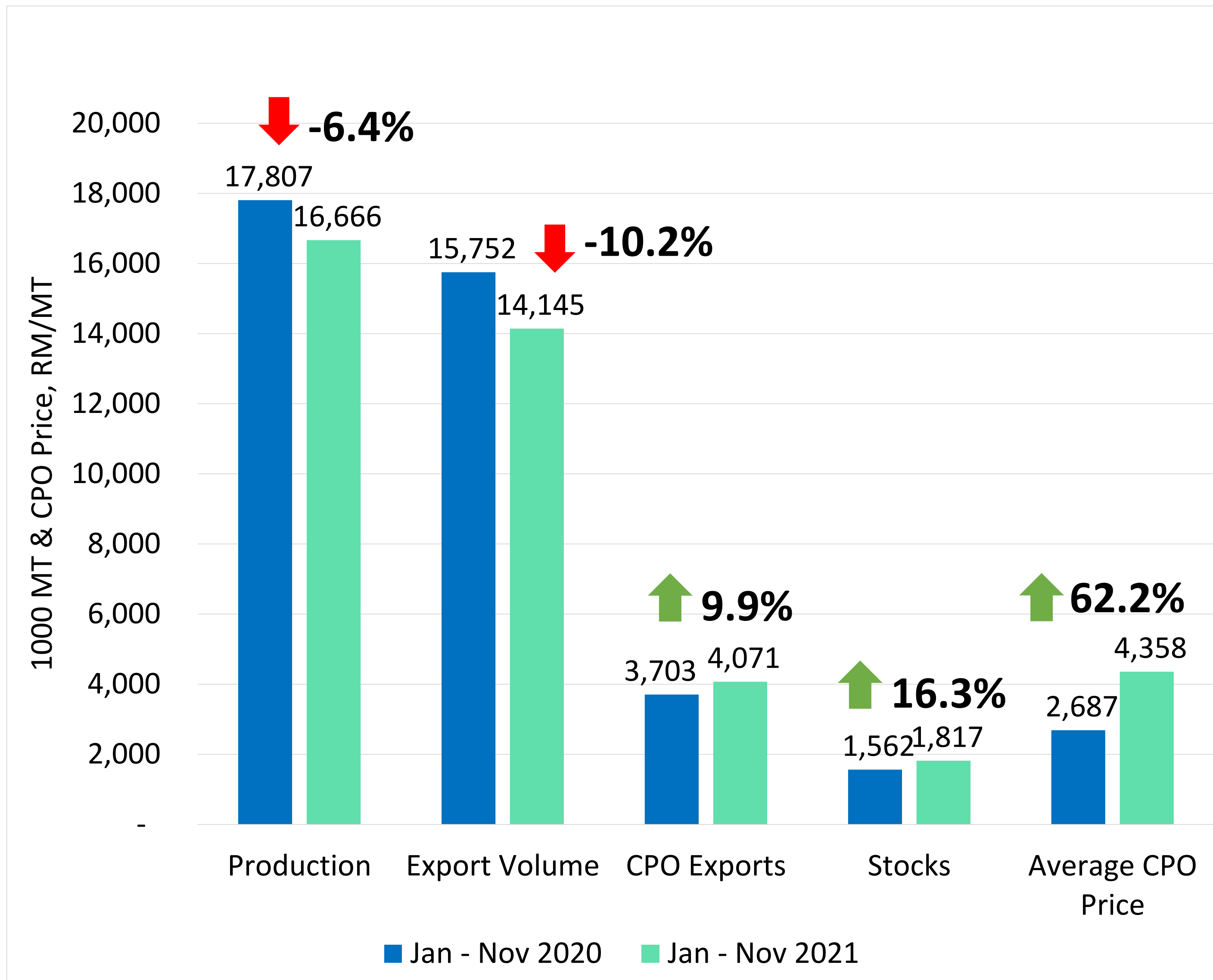
Reach & Remind 2022

**5 January, Le Meridien Hotel
Putra Jaya**

**Faisal Iqbal
Director, Marketing & Market
Development, MPOC**



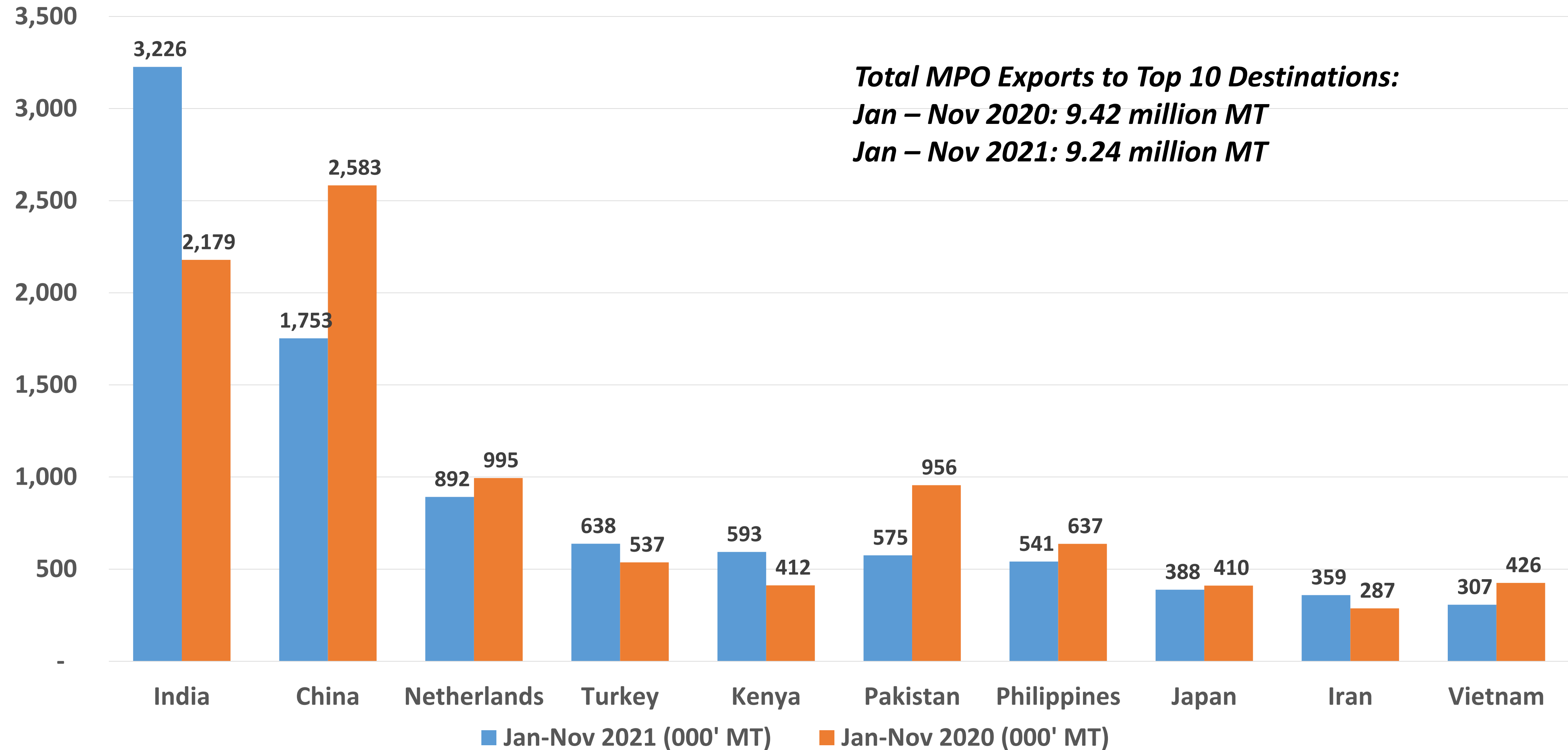
MPO Sector Performance – (Jan – Nov 2021)



Source: MPOB



MPO Export Performance in Top 10 Markets in 2021



Key Issues & Challenges

01

Protectionist Policies

Protectionist policies in the form of non-tariff barriers, restriction / ban in palm oil usage in different industries are happening frequently in several markets. Recent cases include Withhold Release Order (WRO) by US CBP, ban on palm oil fractions by Sri Lanka, change in PV value by Tajikistan, proposal to ban palm oil in food and confectionary in Ukraine.

02

Negative Consumer Perception

NGO driven campaigns against palm oil have picked up recently which has adversely impacted consumer perception. Recent articles attacking palm oil on health grounds has impacted markets in Asia and Africa which were not affected by issues pertaining to sustainability and deforestation.

03

Low Awareness of Palm Oil & its Attributes

Despite of being an essential ingredient in a wide variety of food and non-food products, a broad group of SME manufacturers have low awareness of palm oil and its nutritional/functional attributes in both new and developing markets / sectors.

04

Trade Disruptions

Prolonged Covid-19 related restrictions and lockdowns have disrupted trade in 2020 and early 2021. Most countries have started opening all sectors of economy which has seen trade picking up. However, recent spike in covid cases and the spread of a new variant in several countries is casting doubts on prospects of hosting physical activities and large scale marketing/promotional events in 2022.



Core Strategy



Make MPOC an Information Hub

Making MPOC an information hub by providing timely, accurate and relevant information to the industry for better understanding of market issues and opportunities



Opportunities in the Emerging Markets

Asia Pacific

Key Markets in Asia Pacific

Asia Pacific consists of markets in ASEAN, North East Asia and Oceania. Key markets in the region include China, Philippines, Japan, South Korea, Vietnam and Myanmar.

Oil & Fats Scenario 2020

- Total Oils & Fats Consumption: 75,960,000 MT
- Total Oils & Fats Imports: 24,309,000 MT
- Total Palm Oil Imports: 13,195,000 MT
- Total MPO Imports: 5,556,840 MT / 3,845,004 MT (Jan-Nov 2021)

Areas of Growth

- Key sectors of growth in this region are foodservice (Philippines/Vietnam), consumer cooking oil market (Philippines), packed food (Japan) and biodiesel sectors (South Korea).
- The following are the projected CAGR in these sectors in the next 5 years:
 - Food Service sector in the Philippines: 4.67% / Projected Value USD 9.3 billion
 - Edible oils market in the Philippines : 4.74% / Projected value USD2.36 billion
 - Food Service sector in Vietnam: 8.65% / Projected Value USD 37.28 billion
 - Packed food sector in Japan: 3.6% / Projected Value USD 204 billion
- South Korea is increasing its biofuels blending mandate to 5 % (B5) by 2030, from 3% (B3) now.
- After the rebound of the economic downturn due to political crisis, Myanmar is expected to continue the steady growth in their palm oil import.

Middle East & North Africa

Key Markets in MENA Region

MENA region contributes nearly 15% of the total palm oil exports from Malaysia. Key markets in the region include Iran, Saudi Arabia, Turkey, Algeria, Djibouti, Egypt, Sudan.

Oil & Fats Scenario 2020

- Total Oils & Fats Consumption: 14,653,900 MT
- Total Oils & Fats Imports: 11,951,500 MT
- Total Palm Oil Imports: 4,888,000 MT
- Total MPO Imports: 2,164,615 MT / 1,915,922 MT (Jan-Nov 2021)

Areas of Growth

- **Middle East** – Market is seeing a shift of demand from B2C to B2B post covid-19 impact. This region is set to see boost in demand due to global events like Expo Dubai, FIFA 2022, religious tourism and more.
- **North Africa** – Potential for enhancing palm oil usage in as a solid fat, HORECA and oleochemicals sectors in Algeria, Morocco and Tunisia. Palm oil will be promoted as technically and economically better than the other hydrogenated oils.
- **Turkey** – Confectionery products increased approx. 50% between 2010 – 2020. This sector will continue its growth pattern and palm oil consumption will continue to grow. Turkey is also positioned strategically to explore re-export opportunities to Balkans and Central Asian region.
- **Egypt** – Palm olein is on an upward trend to meet the growing demand in the HORECA sector especially after the improvement of tourism which was severely impacted by COVID 19 last 2 years. Increase of palm olein blending in cooking oil is also another sector of growth in Egypt.

Sub-Saharan Africa

Key Markets in SSA Region

SSA region also contributes nearly 15% of the total palm oil exports from Malaysia. Key markets in the region include Benin, Ghana, Kenya, Mozambique, Nigeria, South Africa, Tanzania, Togo

Oil & Fats Scenario 2020

- Total Oils & Fats Consumption: 10,844,100 MT
- Total Oils & Fats Imports: 6,846,200 MT
- Total Palm Oil Imports: 5,737,600 MT
- Total MPO Imports: 2,702,381 / 2,418,662 MT (Jan-Nov 2021)

Areas of Growth

- **Population Growth** – Continuous growth in population drives the demand on palm oil in this region. Locally produced oils and fats including locally produced palm oil is not enough to meet the needs and therefore demand for price competitive imported palm oil is there.
- **FMCG & Personal Care** – Increase in the use of palm oil in these sectors in major cities like Lagos, Accra, Maputo, Nairobi, Luanda, Kinshasa, and Johannesburg. This trend is likely to continue due to urbanization and infrastructure development.
- **Re-Export Hubs** – Kenya and Mozambique has been registering consistent growth in MPO imports in the past two years. These two markets have seen surge in crude palm oil / olein imports which is due to uptake in local consumption as well as demand from landlocked countries like Rwanda, Burundi, and Democratic Republic of Congo.
- **AfCFTA** – With the implementation of African Continental Free Trade Area in January 2021, regulations of the movement of goods within the African countries is expected to be consistent, therefore, creating less logistical barriers for palm oil.



Key Promotional Programmes 2022

POTS[®]

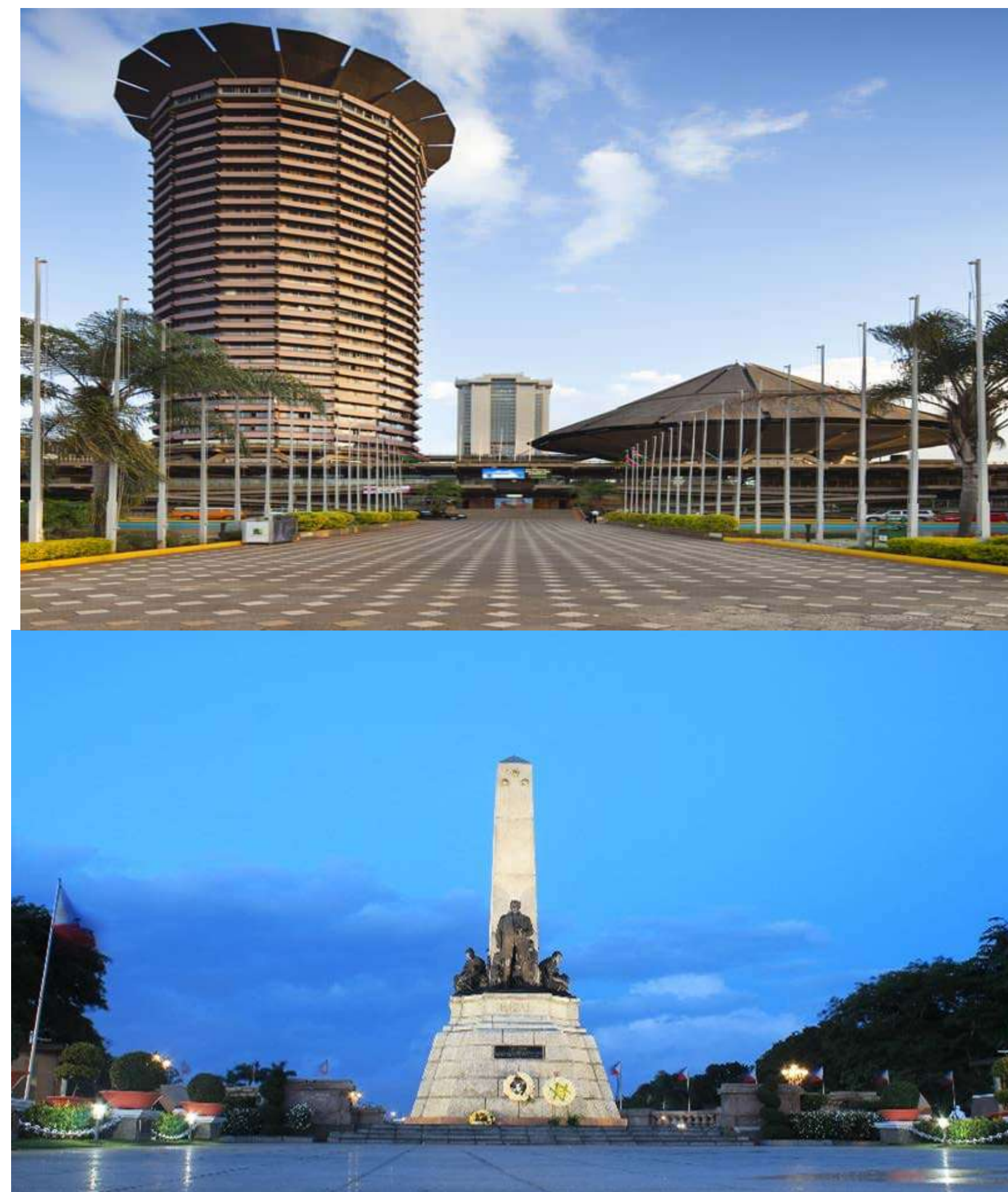
Regional POTS in the Philippines & Kenya

Dates: 16 June 2022 (Manila, Philippines) ;
15 November 2022 (Nairobi, Kenya)

Target: Trade, Industry, Government, Consumer, Medical Fraternity

Focus Area : Specialty Fats, Solid Fats and Downstream products

Modus Operandi: 1-Day at conference and seminar featuring bilateral engagements, dialogue sessions, BizMatch, Bilateral Engagement, Networking Dinner.





The following markets have been identified for TEMPO 2022:

Algiers, Algeria

Date: 16 May 2022

Target: HORECA sector, food manufacturers, edible oil importers/traders, MPO fats exporters

Kyiv, Ukraine

Date: 19 May 2022

Target: HORECA sector, food manufacturers, edible oil importers/traders, MPO fats exporters

Modus Operandi: Half day seminar followed by market interaction and business development. This event is focused on laying the groundwork for business development in regions with high potential for Malaysian palm oil imports

Participation in Trade Exhibitions

MPOC will participate in international trade exhibitions to connect with international buyers/suppliers and to provide a platform for Malaysian exporters to showcase their products and services under the umbrella of MPOC.

Proposed Exhibition Participation in 2022

- 1- Gulfood (13 – 18 February, Dubai)
- 2- SIAL (15 – 19 October, Paris)

Modus Operandi

- MPOC will participate in exhibition within MATRADE Pavilion in major exhibitions like Gulfood and SIAL.
- Malaysian industry players will be invited to join MPOC on a subsidized cost-sharing basis.
- Industry interaction and engagement activities like ‘Luncheon /Pocket Talks’ and ‘BizMatch’ will be organized on the sidelines of these events.



Trade Networking Visit

Location: South Africa, Nigeria, Mozambique

Date: 18 – 29 July 2022

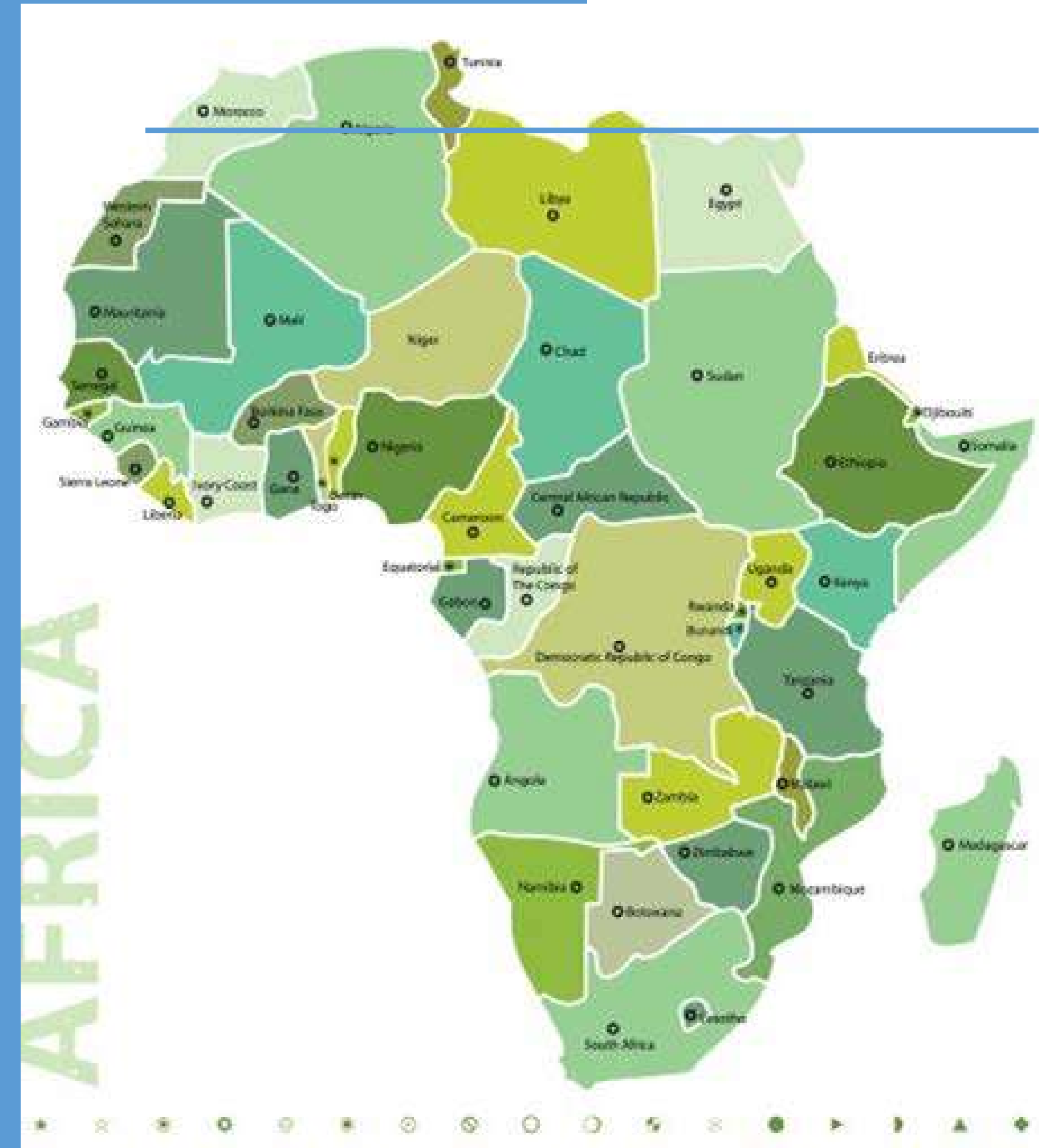
A trade development visit will be organized to the potential markets in the African region to enhance the penetration of palm oil-based finished products and specialty fats in this growing market.

Modus Operandi

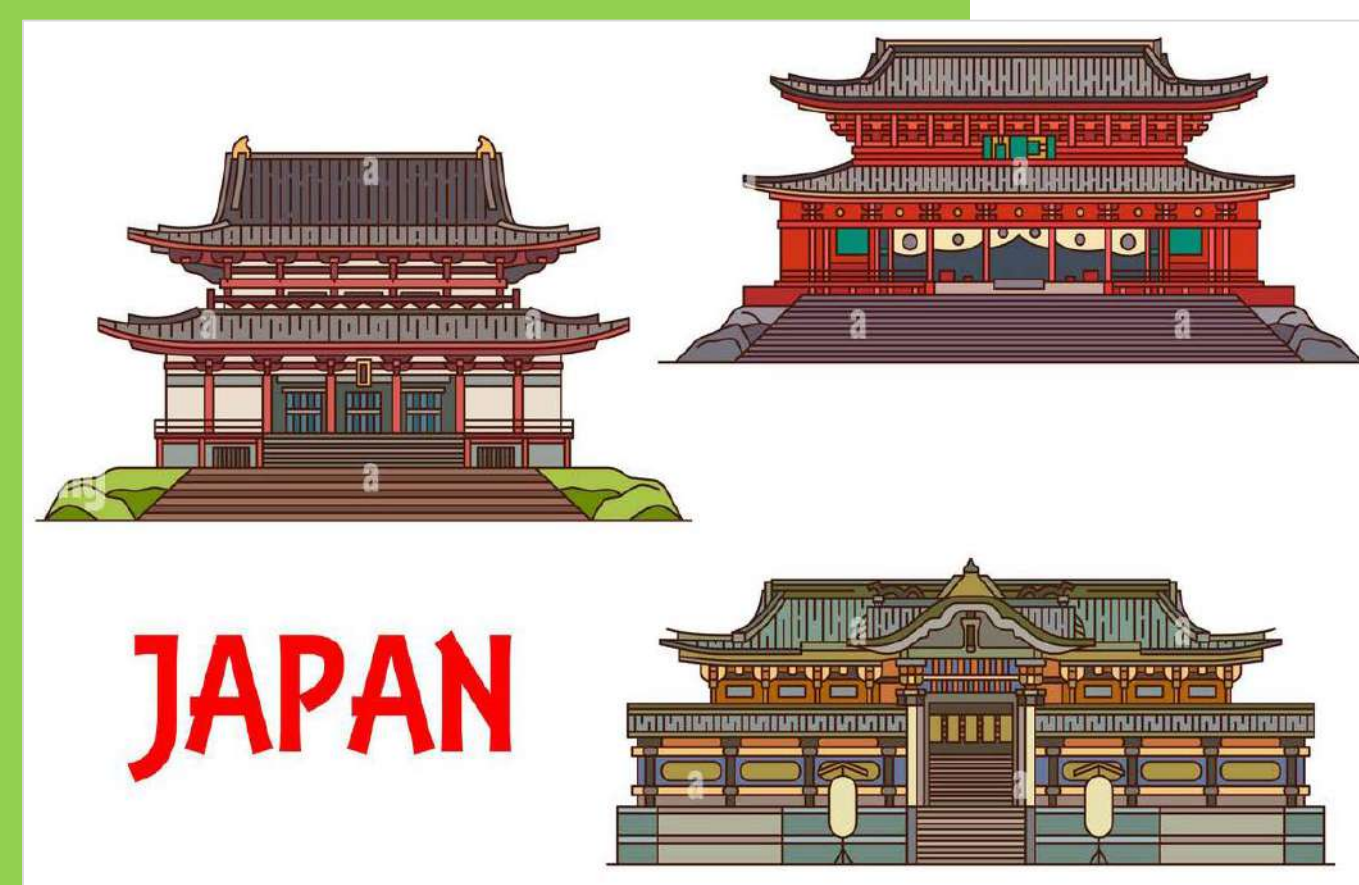
Malaysian industry members will be invited to join MPOC for this Trade Networking Visit. Following activities will be organized to enhance engagement between Malaysian exporters and local industry stakeholders:

- Networking Luncheon/Dinner Talks
- Factory Visits
- Meeting with Trade Associations and BizMatch

This activity is aimed as a catalyst for business development in regions with high potential



MPO Seminar Series in Vietnam, Cambodia & Japan



Date: May & September 2022

Target Audience:

Local Oils and Fats Industry Members, Government Agencies and MPO Exporters

Modus Operandi

- Create technical seminars on palm oil application in the frying, bakery, confectionery market and HORECA sectors in Vietnam & Cambodia
- Organize a seminar on palm oil roles in specialty fats markets in Japan
- Market visit to local manufacturing plants and palm oil user companies.
- Create a BizMatch platform for buyers and Malaysian sellers.

Stakeholders Engagement in Uzbekistan & Kazakhstan



Uzbekistan and Kazakhstan are the largest palm oil market in Central Asian countries and recent visit to these markets suggests that there is an immediate need for increasing awareness about the health and nutritional attributes of palm oil among policy makers and government agencies.

Date: September

Location: Tashkent, Uzbekistan

Target: Government Agencies, Media, Food Industry

Modus Operandi



Workshops with MoH, Chamber of Commerce, Standards Institutes



Networking with industry to address food applications and functional attributes



Explore the opportunity of ex-warehouse sale of MPO products in Tashkent to overcome challenges of high freight and logistics/supply chain.

Palm Oil Networking Roadshows in Eastern Europe

MPOC will organize a roadshow in Eastern Europe, particularly in Romania, Bulgaria and Greece. These markets have the potential to expand its palm oil applications, both in food and non-food sectors. The aim of the roadshow is to further create business opportunities among the local and Malaysian industry members

Date: May – June 2022

Location: Romania, Bulgaria, Greece

Target: Food and Non-Food sector & HORECA Industry

Modus Operandi

- ✓ Networking opportunities will be created for the industry members through roundtable discussion, mini-seminars and networking lunch / dinner
- ✓ Structured BizMatch session will be organized between Malaysian industry players and potential customers
- ✓ Consumers and users will be engaged through activations and integrated social media activities



MPOC Focus in 2022



Join Us!

Thank You

faisal@mpoc.org.my

www.mpoc.org.my