

Malaysia's Palm Oil Remains Intact Despite Softening CPO Prices

Export of Malaysian palm oil and palm oil-based products rose by 55.2% to RM67.48 billion between January and June this year from RM43.47 billion during the corresponding period in 2021.

Of the value, 66.1% of the export earnings were contributed by palm oil which amounted to RM44.63 billion compared with only RM28.8 billion in the same period last year.

Plantation Industries and Commodities Minister Datuk Zuraida Kamaruddin, in a statement, said: "In terms of volume, the export of palm oil and palm oil-based products between January and June this year rose by 2.8% to 11.47 metric tonnes (MT) from 11.15 million MT a year ago.

"Malaysia recorded strong exports despite the drop in crude palm oil (CPO) production in the first half (1H) of 2022. Based on statistics by the Malaysian Palm Oil Board (MPOB), crude palm oil (CPO) production fell by 1.1% to 8.27 MT during the period compared with 8.36 metric tonnes during 1H 2021.

She explained that the fall is attributed to the dip in fresh fruit bunch (FFB) yield by 3.6% to 6.9 tonnes per hectare during the January-June 2022 period compared with 7.16 tonnes per hectare in the same period last year.

Meanwhile, the sharp rise in export earnings is partly due to the spike in CPO prices, both domestically and abroad. Between January and June 2022, CPO prices rose by 55.9% to RM6,330 per MT from RM4,061.50 per MT during the same period in 2021.

According to the **Department of Statistics Malaysia (DOSM)**, export earnings for palm oil and palm oil-based products between January and May this year rose to RM56.47 billion, or an increase of 58.8% compared with the five months in 2021.

"The Ministry and I are pleased with the encouraging figures achieved during the first six months of 2022 as planters – both smallholders and listed plantation companies – were able to capitalise on the spike in CPO prices to generate higher revenue.

Obviously, a surge in revenue that translates into better earnings is most welcomed as this would also contribute toward various sources of taxation that will ultimately enable the Keluarga Malaysia Government to carry out relevant socio-economic programmes that are deemed vital to expedite Malaysia's economic recovery from the economic fallout following the COVID-19 pandemic, she said.

Zuraida added it is also gratifying to note that Malaysia's golden crop has gained wide global acceptance, as demonstrated by the encouraging export during 1H 2022. This is partly due to greater acceptance of the commodity globally, including that from non-traditional markets.

We attribute this to the success of MPIC's campaign "The Global Movement to Champion the Goodness of Palm Oil," which is intended to counter misinformation and false information on our number one commodity, the minister said.

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