

# The Indian Dilemma

29<sup>TH</sup> OCTOBER, 2014



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# Overview



- Domestic Production



- Imports



- Excess Refining Capacity



- Down Stream Processing



- GOI Policies



- Sustainability



# Domestic Production

Has India overlooked the oilseed sector?

- Low Productivity
- Rising Demand

Can oil palm development be the possible solution?

- Land use efficiency
- Long term supply assurance



# Challenges Facing Oil Palm Development

- Fragmented Land Holdings
- Land Ceiling Act
- Need for Corporate Participation
- Technology & Expertise



# Excess Refining Capacity

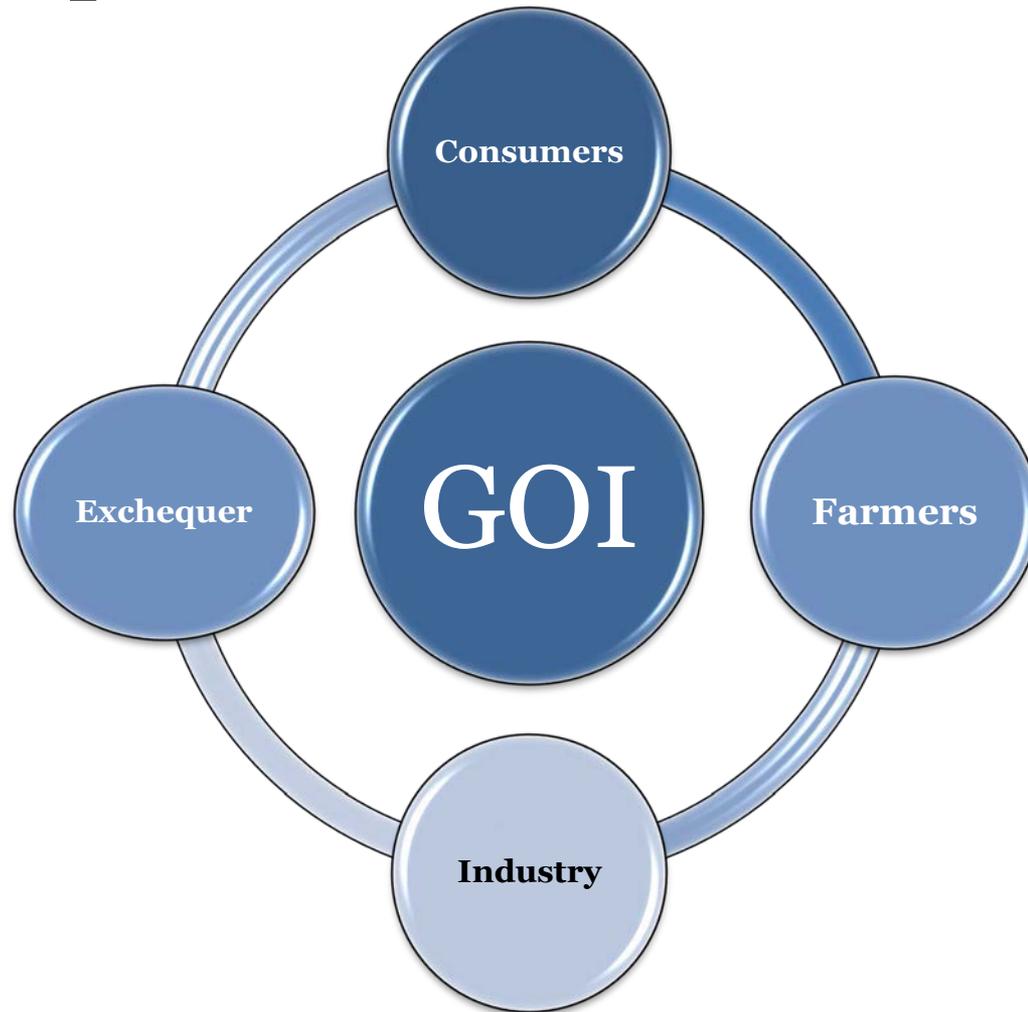
- Differential in crude and refined duties led to fast growth
- 40% Utilisation
- Natural progression
- Survival of the fittest !



# Downstream Processing

- Based on demand from key user segments, total oleochemical consumption in India is estimated to grow at a CAGR of 6% over FY13-20 to reach 1,480,000 MT in FY20.
- Oleochemical demand excluding soaps is expected to grow from 268,000 MT to 524,000 MT, growing at a CAGR of 10% over FY13-20.
- Among the various end-user industries, oleochemical demand from Detergents and Pharma is expected to grow the fastest at a CAGR of 13% and 15%, respectively over FY13-20. Oleochemical demand from Soaps and Rubber are expected to be grow the slowest at 4-5% CAGR over FY13-20.

# GOI Compulsions





# Conclusion

The dilemma facing the Indian Government is control inflation in the interest of the common man

**OR**

Increase productivity through better returns to the farmers.



## **Way Forward...**

- No short term solutions
- Optimum utilisation of scarce resources
- GOI policies need to strike a balance between various interests
- Demand driven imports shall continue to rise