

MALAYSIAN PALM OIL

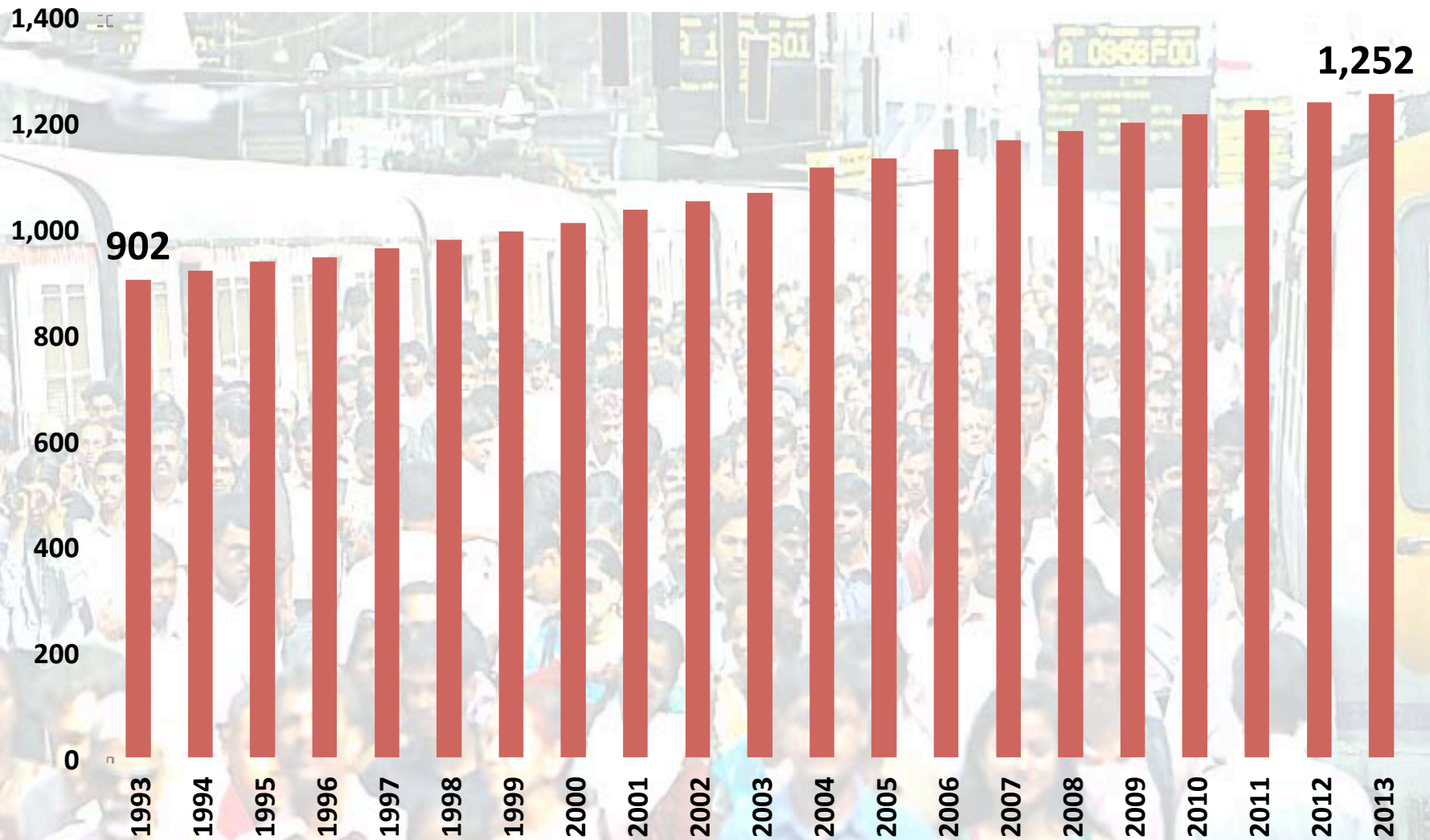
**Contributing Towards Improving
Socio Economic Conditions of the
Indian Population**

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Malaysian Palm Oil Council**

Outline of Paper

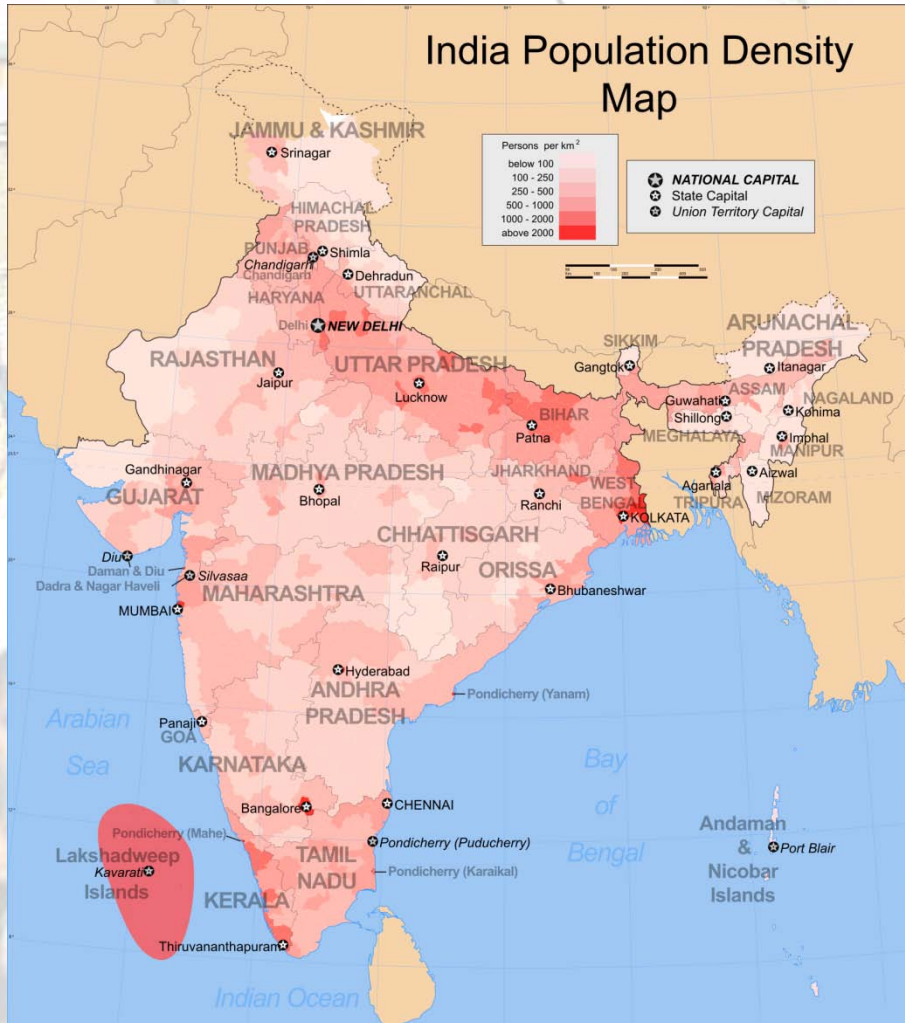
- Country Background
- Socio Economic Issues in India
- Palm Oil Contribution towards improving socio economic conditions of the country
- India Socio Economic Challenges 2015 and Beyond
- Conclusion

India Population (Million)



Source : Oilworld Annual

India Population Density



Density: 10 Largest World Urban Areas
POPULATION DENSITY: 2011: METRIC

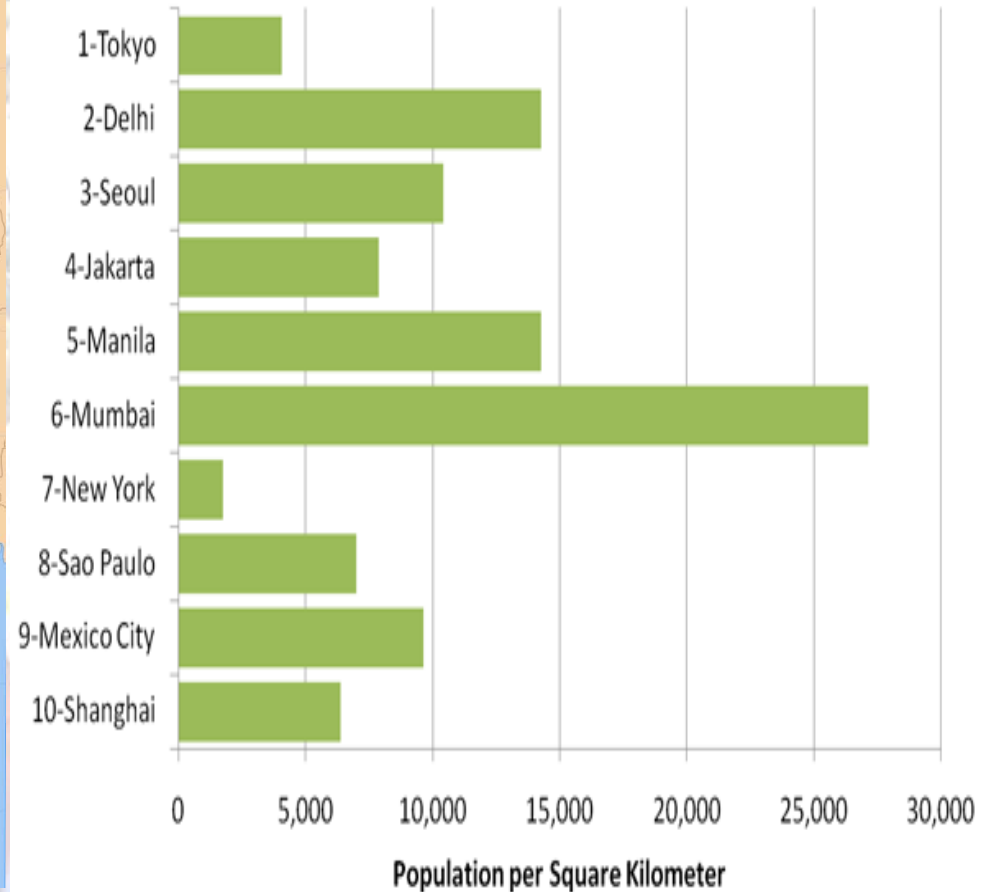


Figure 2

India Economy

	GDP Composition	Labor Force
Agriculture	16.9%	49%
Industry	17%	20%
Services	66.1%	31%

Socio Economic Issues in India

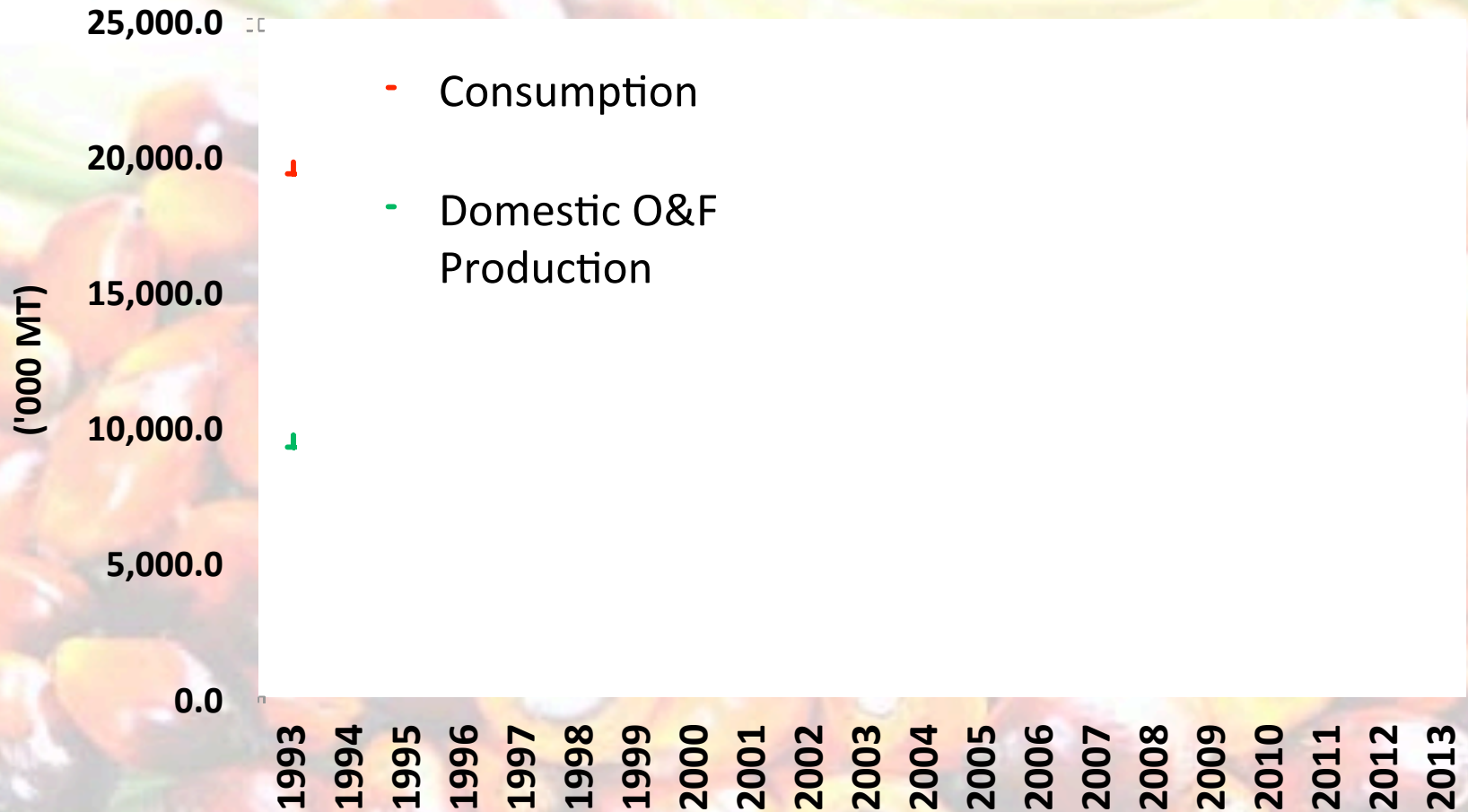
- Huge Population
 - 2nd largest world population after China
 - Estimated Birth Rate 1.24% (WHO)
- Poverty (large section of the population live below poverty line)
- Unemployment
- High Inflation

Palm Oil in Addressing Socio Economic Issues in India

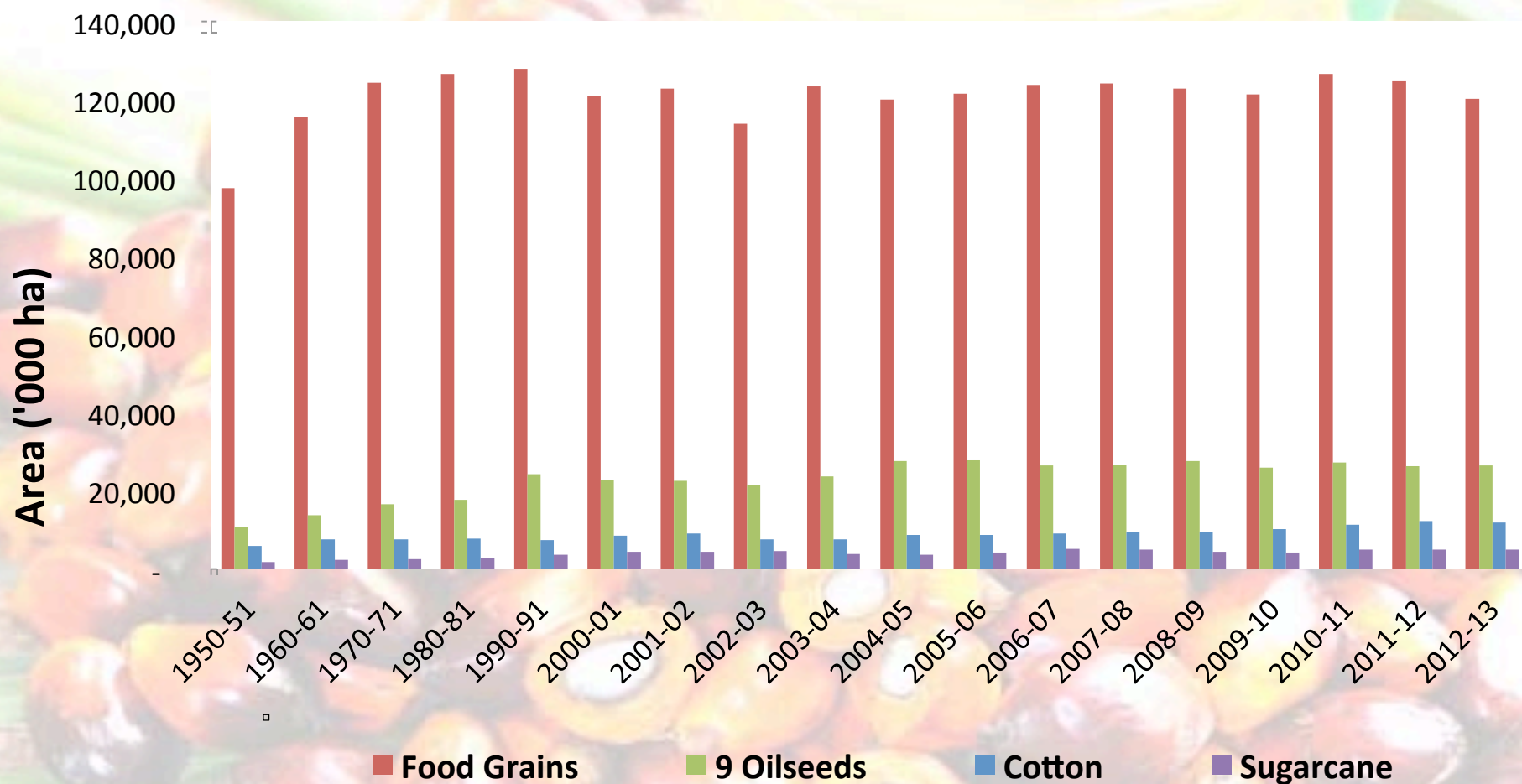
HUGE POPULATION

Issues	Solution Through Palm Oil
<p>Due to growing population, India needs to produce sufficient oils and fats to feed the growing needs. Since domestic oils and fats production unable to meet the requirement, India will have to import.</p>	<p>High palm oil yield and higher productivity would provide food security and narrowing oils and fats supply – demand gap</p>

Increase Dependency on Oils and Fats Imports

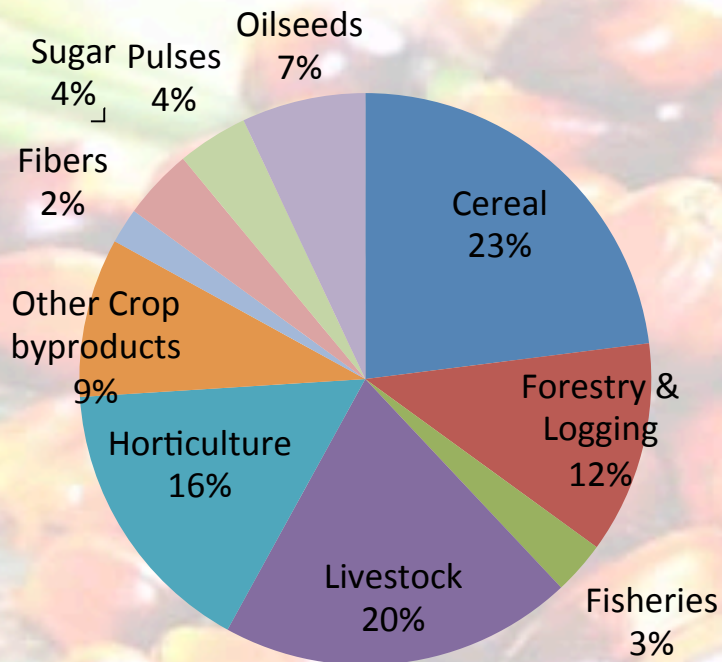


India : Area Under Major Crop

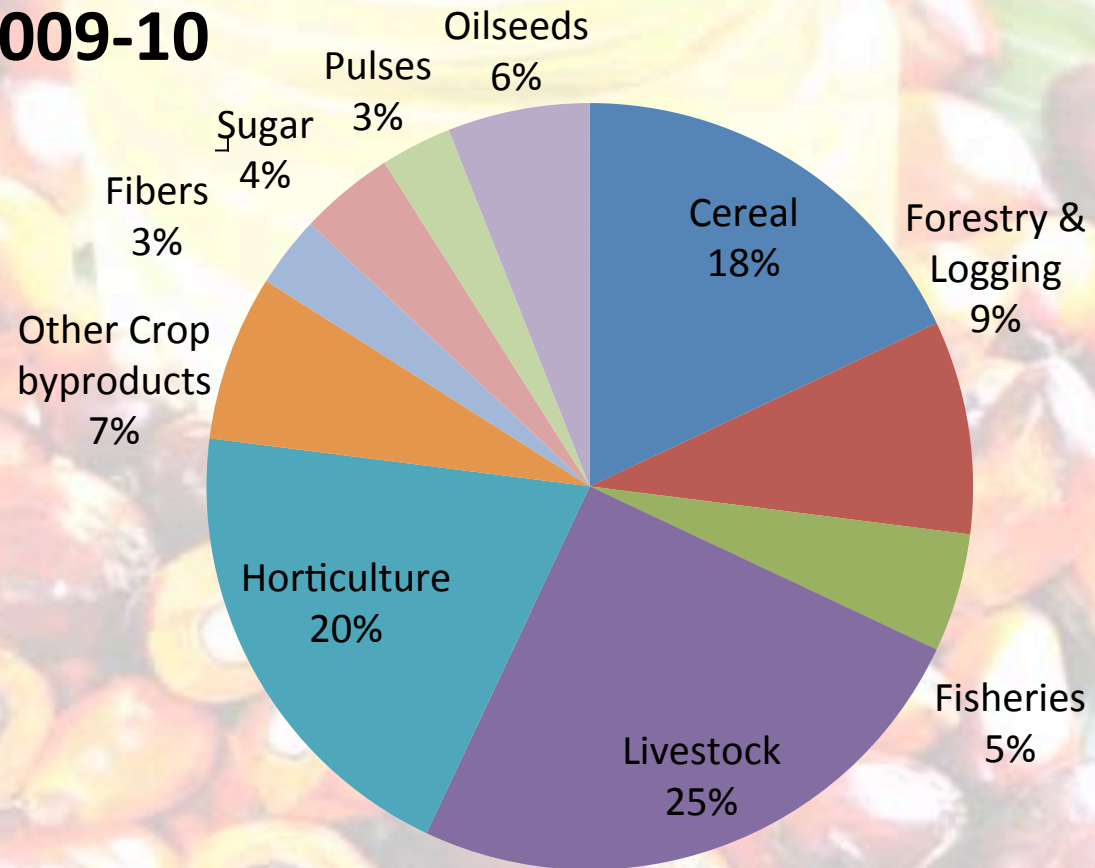


India: Composition (%) of Output of Agriculture & Allied Sectors

1990 - 91

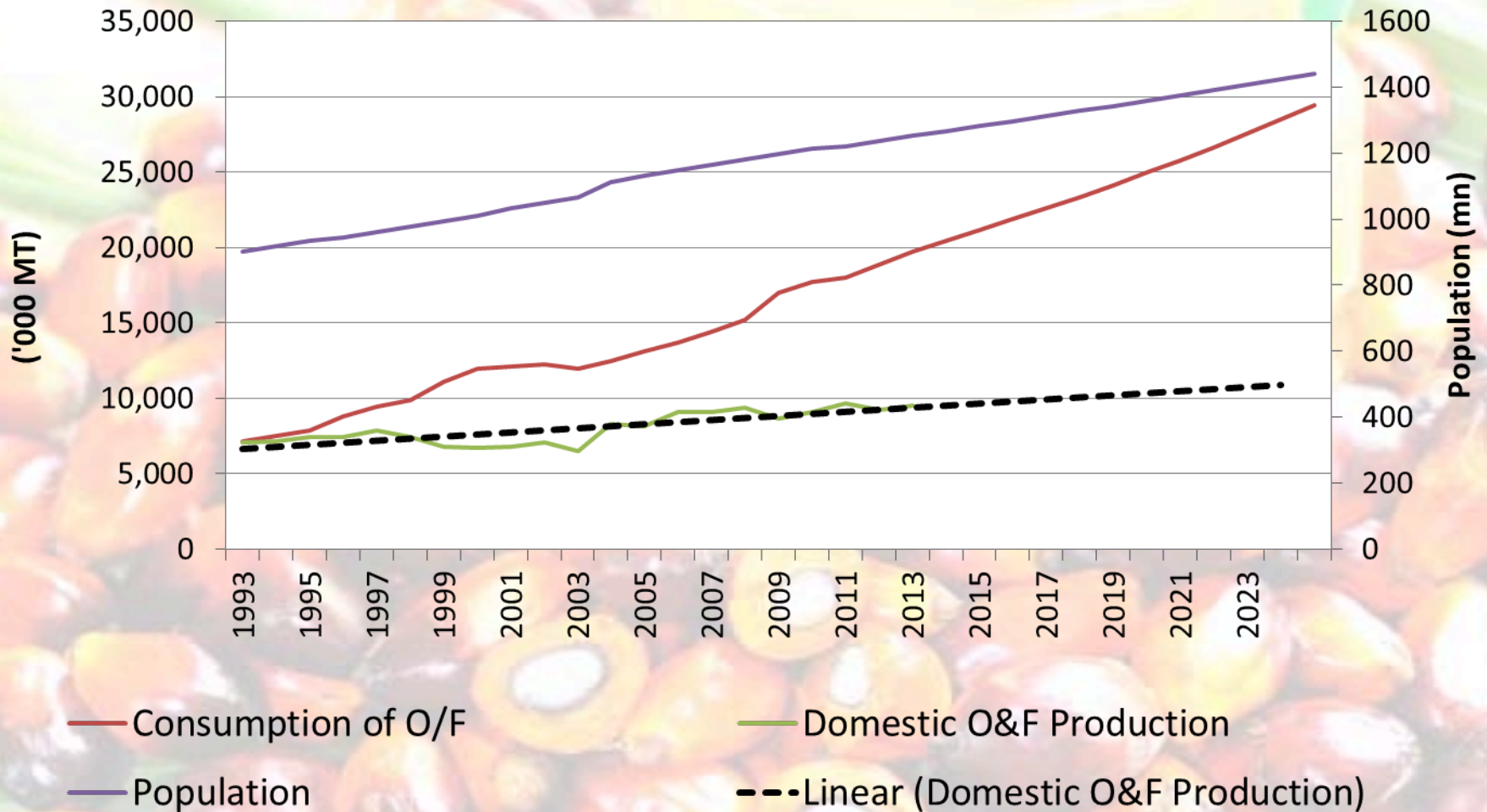


2009-10



Source: Central Statistic Office

India as the Net Importer of Oils and Fats



India – Per capita Consumption of Edible Oils (Kg/Annum)

Year	Rural	Urban
1993-94	4.5	6.81
2004-05	5.84	8.03
2009-10	7.74	9.95

Palm Oil in Addressing Socio Economic Issues in India

POVERTY

Issues

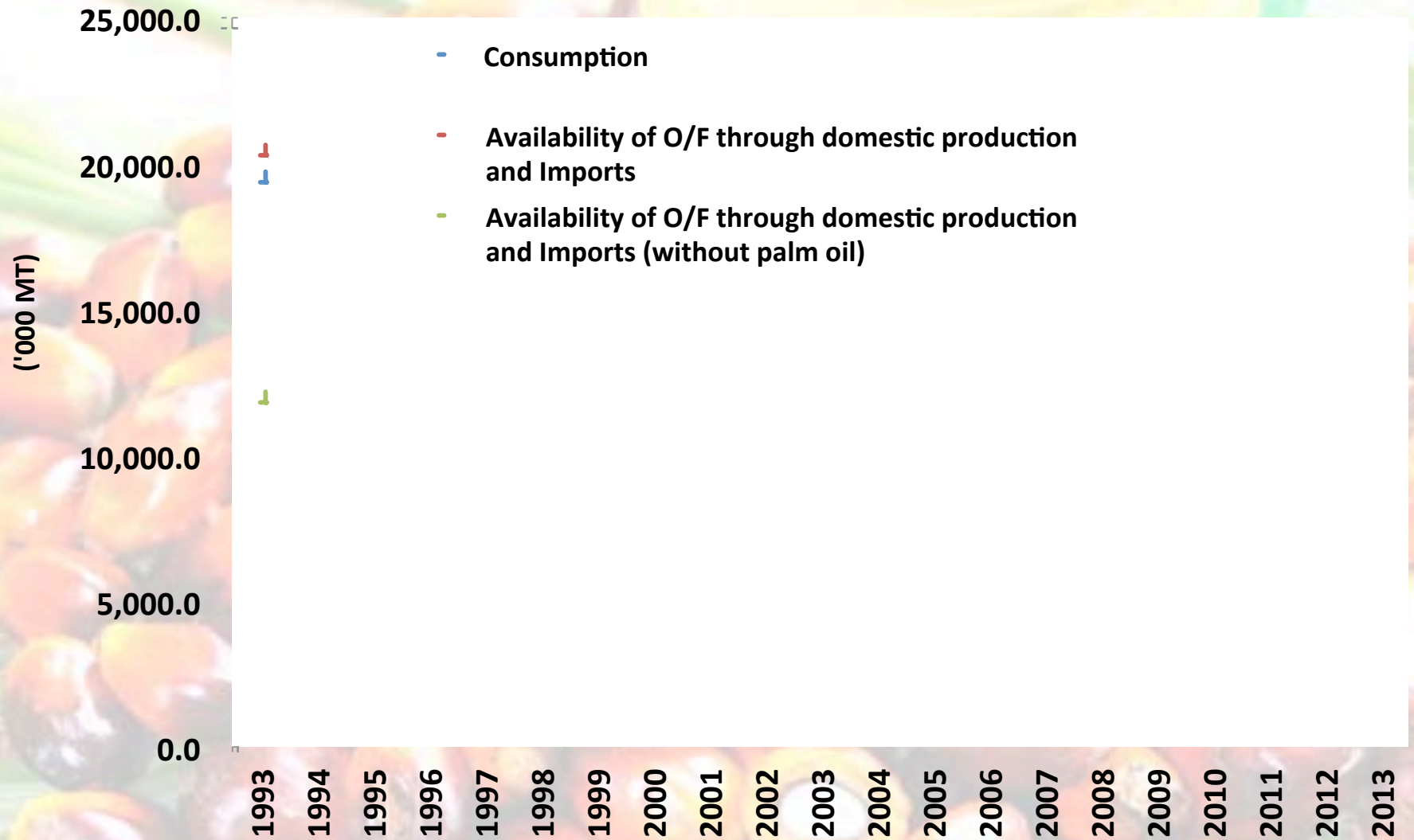
Limited Access to Basic Needs (Food, Shelter and Clean Water) which has resulted in malnutrition

Solution Through Palm Oil

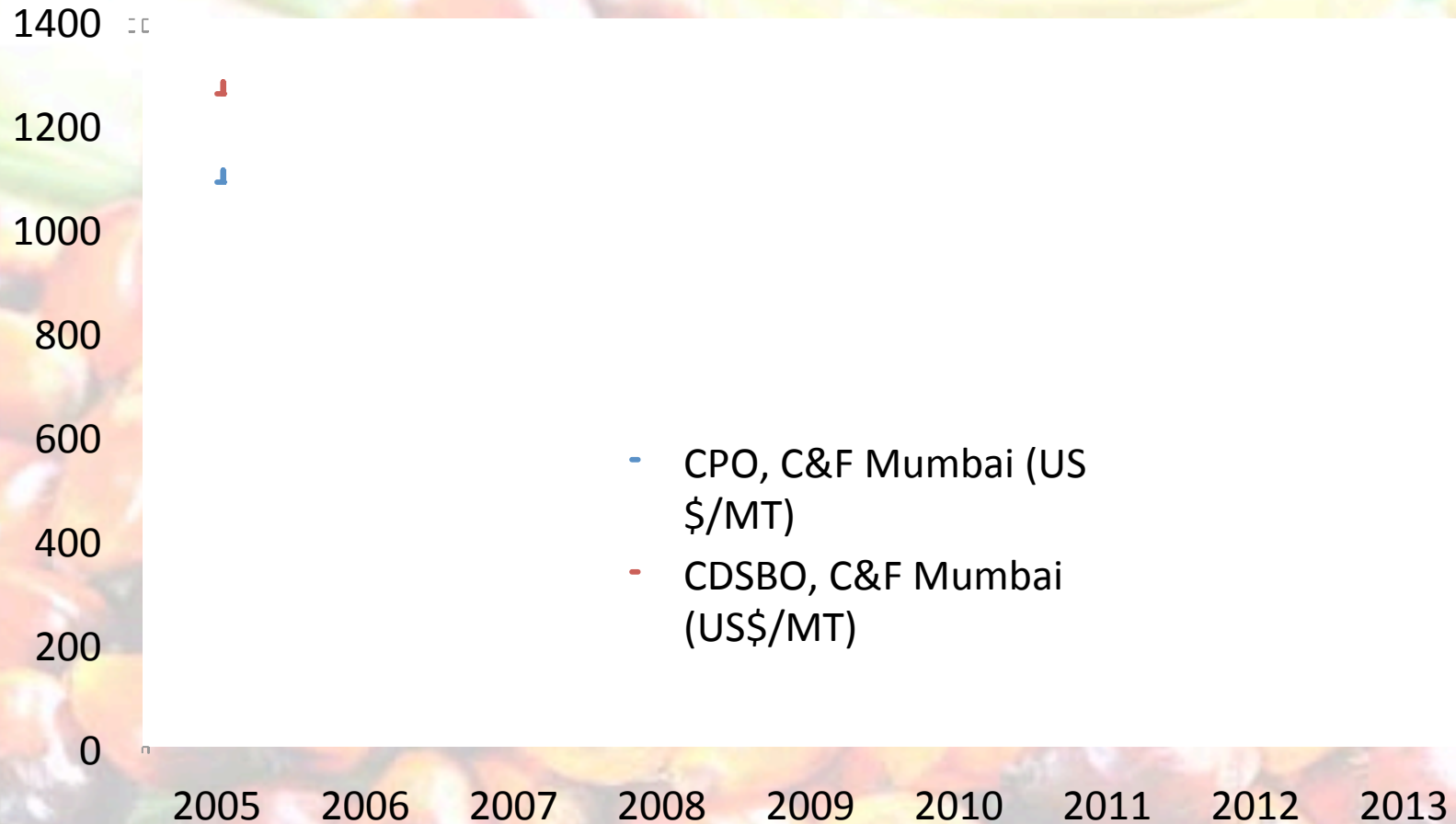
- Palm oil is competitively priced and provide the most economical choice to mass consumers who are in the lower income segments
- Provide cheaper raw material for food manufacturing units

Palm Oil for Food Security

Bridging domestic supply – demand gap



The Cost Advantage of Palm Oil



Palm Oil the Most Competitive Vegoil in the Indian Market

Year	Amount Spent on Imports of CPO (Mn)	Amount Spent on Imports of CDSBO (Mn)	Total US\$ Spent on Imports of CPO & CDSBO (Mn)	Total US\$ Spend should India just imports CDSBO (Mn)	Savings by CPO Importation (Mn US\$)
2005	959	1,001	1,961	2,279	318
2006	1,153	909	2,062	2,337	276
2007	2,362	1,083	3,445	3,703	258
2008	4,049	979	5,028	6,187	1,159
2009	3,542	919	4,462	5,330	869
2010	4,635	1,520	6,155	6,601	446
2011	6,017	1,205	7,222	8,144	922
2012	5,943	1,355	7,298	8,880	1,582
2013	4,912	1,170	6,082	7,375	1,294

Palm Oil in Addressing Socio Economic Issues in India

UNEMPLOYMENT

Issues

Unemployment (Rural)

Solution Through Palm Oil

- To consider oil palm plantation as alternative agriculture mean eg. Oil palm plantations development in Malaysia and Indonesia are the classic examples how palm oil eradicate poverty in agricultural economics.
- Provide sustainable employment as palm oil is perennial crops which lasts for 25 years.

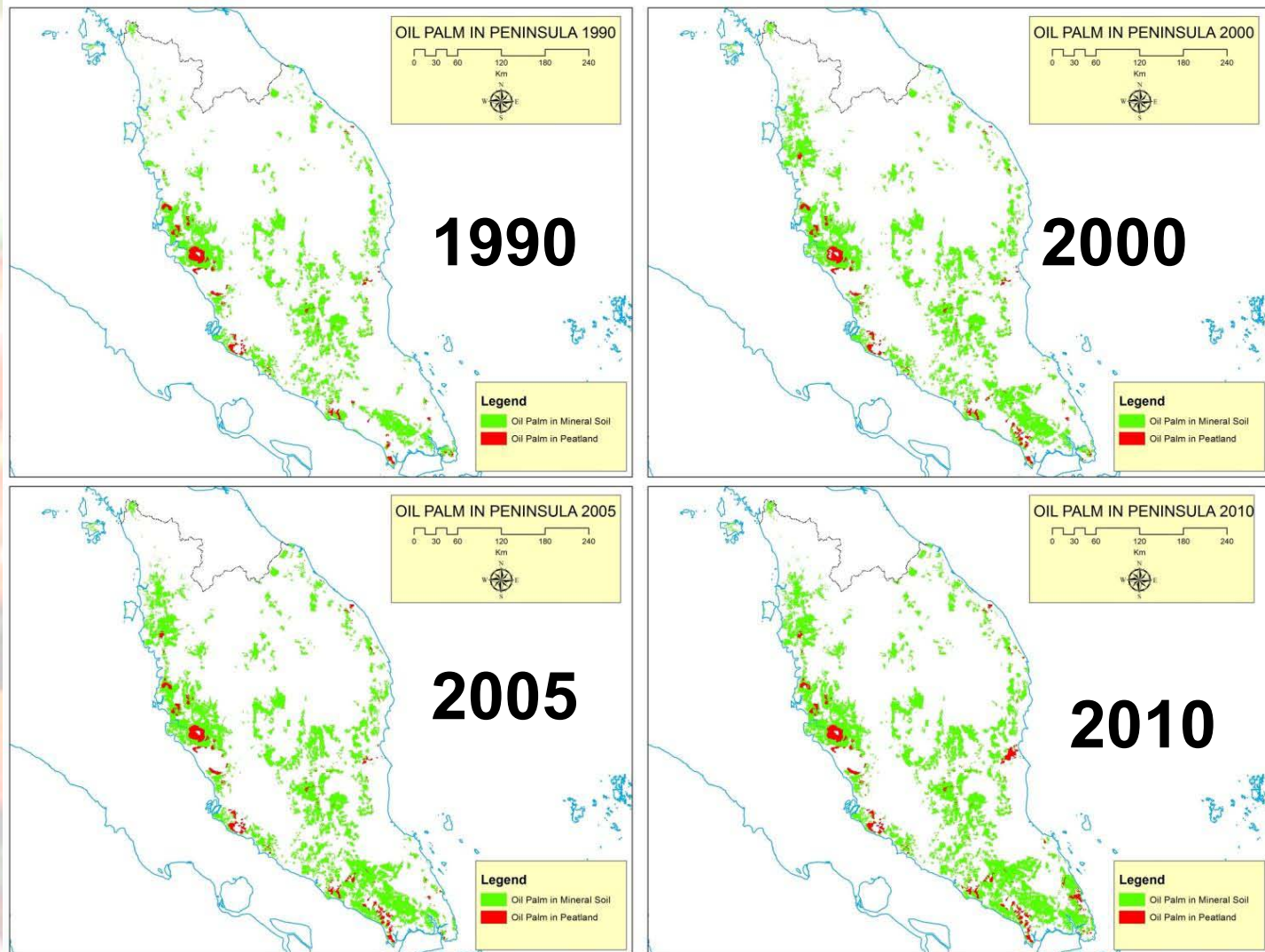
Palm Oil as Alternative Agriculture Means for Indian Farmers

Key Nations With Significant Palm Oil Employment

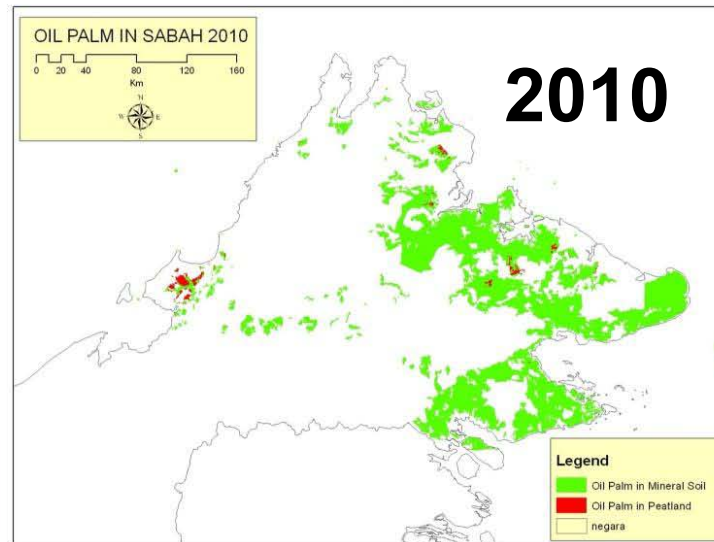
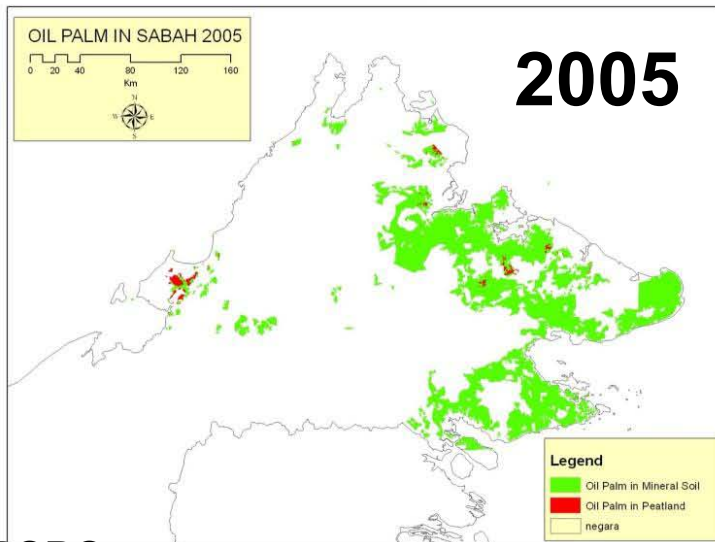
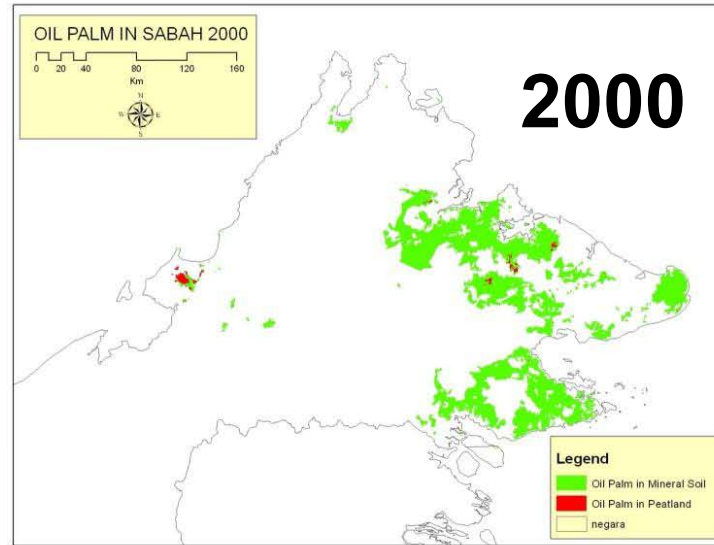
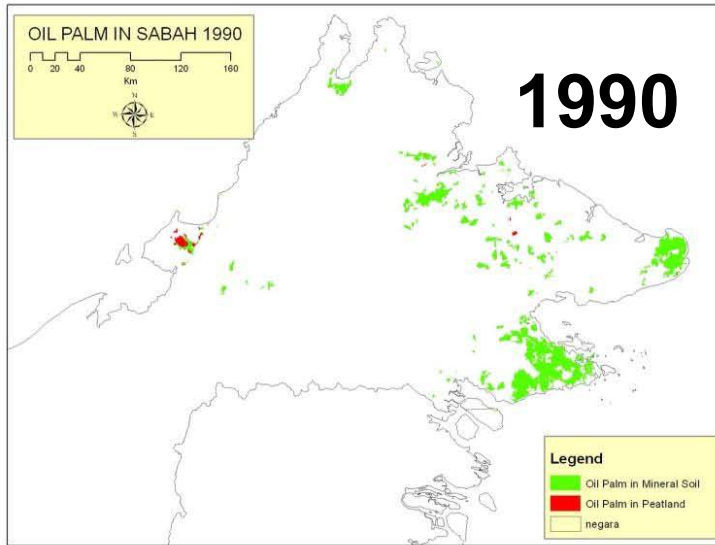


Sources: Indonesia and Malaysia: International Finance Corporation, "Key Sustainability Issues in the Palm Oil Sector," p. 9, at [http://www.ifc.org/ifcext/agricultconsultation.nsf/AttachmentsByTitle/Discussion+Paper/\\$FILE/Discussion+Paper_FINAL.pdf](http://www.ifc.org/ifcext/agricultconsultation.nsf/AttachmentsByTitle/Discussion+Paper/$FILE/Discussion+Paper_FINAL.pdf) (June 15, 2010); Liberia: *Liberian Observer*, "GOL to Plant 10m Oil Palm Trees," at <http://www.liberianobserver.com/node/4195> (June 15, 2010); Colombia: http://www.fedpalma.org/oil_col.htm (June 15, 2010); Ghana: OT Africa Line, "Palm Oil—UK Ban Exports from Ghana—The Actual Facts - 06/09/04," at <http://www.otal.com/commodities/palmoil.htm> (June 15, 2010).

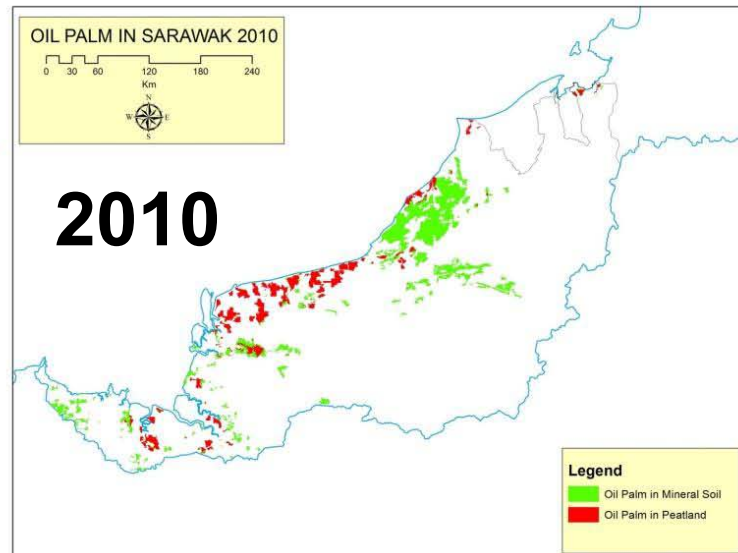
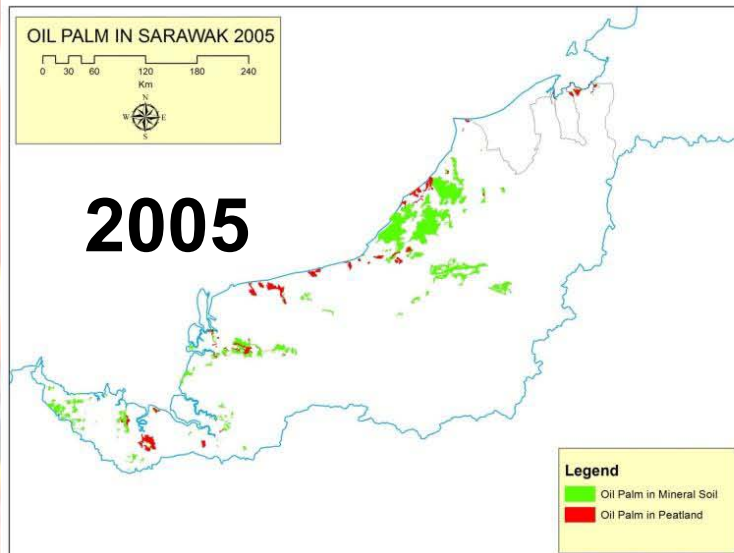
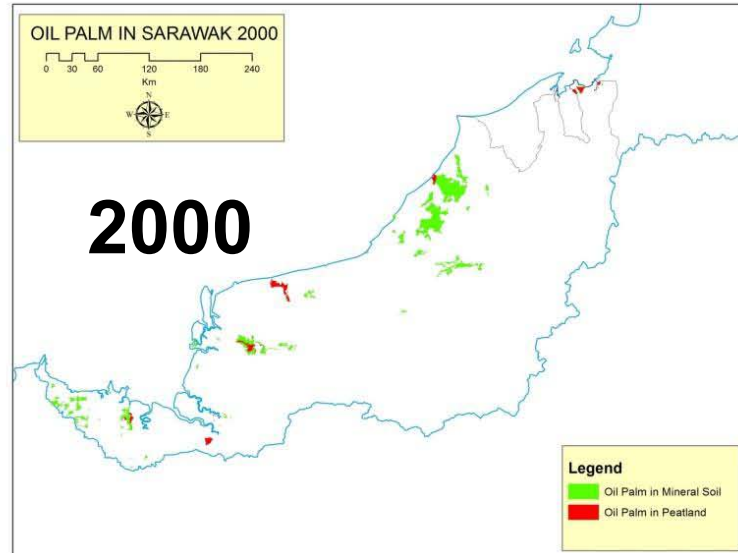
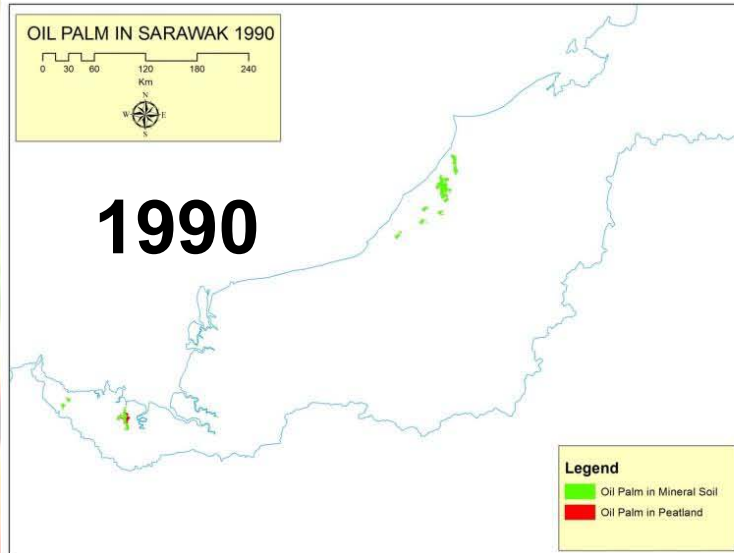
Effective Land Utilization in Peninsular Malaysia



Effective Land Utilization in Sabah Malaysia



Effective Land Utilization in Sarawak Malaysia



India Socio Economic Challenges 2015 and Beyond

- **Population Growth**
 - India population will continue to increase so as demand for food items
- **Urbanization**
 - Rapid urbanization will affect India demographic (change in lifestyle, demand, preference and etc)
- **Income Growth**
 - Income growth will play major role in consumer spending and influence choice and preference
- **Income Disparity**
 - Poverty
 - Wider gap between higher and lower income group would require product diversification in order to meet specific needs to a specific group.

MPO- Red Palm Oil Muffin Project

MPOC along with Malaysian palm oil supplier has successfully implemented a project called RED PO MUFFIN PROJECT where Vitamin E and Vitamin A deficiency can be enhanced by distribution of muffin enriched with palm oil Vitamin E to school children

Conclusion

- Palm oil presence in India is to complement the domestic demand and supply gap.
- It provides the market with ample supply of oils and fats and is priced competitively. It is widely used in food products and cooking processes.

Conclusion (Con't)

- Oil palm development has successfully implemented in Malaysia and Indonesia and managed to eradicate poverty and perhaps it could also be ways of eradicating poverty in India if it is properly executed.
- Palm oil provides direct employment and provides livelihood to those along the supply chain.

A large glass bottle of yellow palm oil is the central focus, surrounded by a pile of fresh palm fruit (Elettaria) on a green leaf. The text "Thank you" is overlaid in the center.

Thank you