

TURKEY & MIDDLE EAST & NORTH AFRICA

NEXT GROWTH FRONTIERS FOR PALMOIL

PALMOIL INTERNET SEMINAR/POINTERS 2020

ORGANIZED BY MPOC & BURSA MALAYSIA

22 – 28 JUNE 2020



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AGENDA

- 1- ROLE OF PALM OIL GLOBALLY
- 2- TURKISH PALM OIL OUTLOOK
- 3- MIDDLE EAST PALM OIL OUTLOOK
- 4- NORTH AFRICA PALM OIL OUTLOOK
- 5- RECENT FRONTIERS WITH COVID-19 AND PALM OIL
- 6- NEXT FRONTIERS AND PROSPECTS FOR PALM OIL IN COMING MONTHS
- 7- PRESENTATION SUMMARY



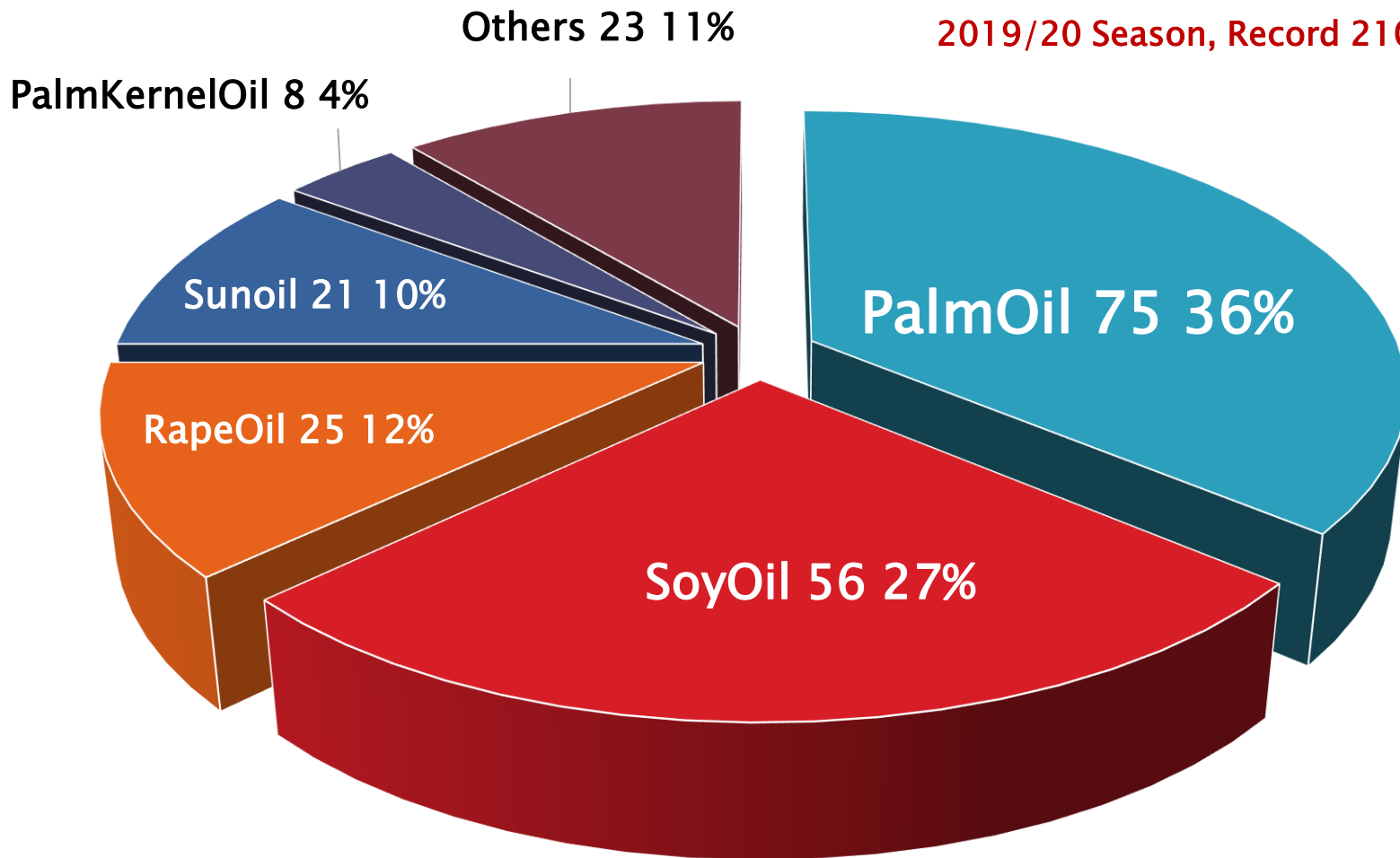
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THE ROLE OF PALM OIL GLOBALLY

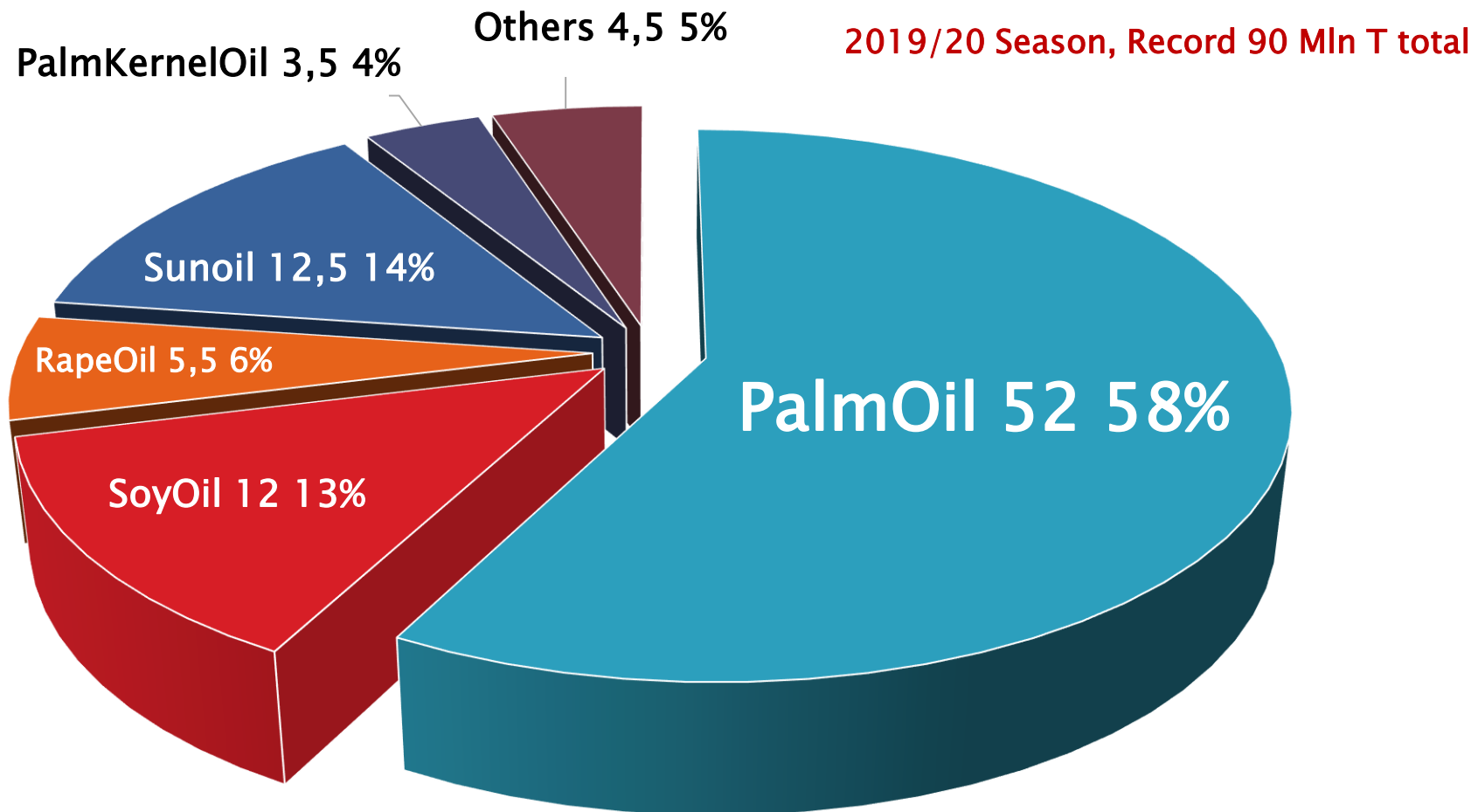
GLOBAL VEGETABLE OIL OUTPUT (MLN T)

2019/20 Season, Record 210 Mln T total



Source: SUNSEEDMAN

GLOBAL VEGETABLE OIL TRADE (MLN T)



Source: SUNSEEDMAN



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TURKISH PALM OIL OUTLOOK

IN THE CURRENT **2019/20 SEASON**;

TURKEY HAS BEEN RAISING AROUND

2.08 MLN T

OF VEGETABLE OILS BEING MAINLY
BY **SUNFLOWER OIL** OF **1.18 MLN T**,
IE **57%** SHARE

AS WELL SOYBEAN OIL, COTTON
OIL, RAPEOIL, CORN OIL ETC.



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HOWEVER,

TURKEY

**DOES NOT RAISE PALM
OIL BEING OUT OF**

**+/- 10⁰ LATITUDES OF
EQUATOR
AS PALMOIL ZONE.**



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NEVERTHELESS;

**FOR THE LOCAL MARGARINE
CONSUMPTION OF AROUND 625 KMT
AND EXPORTS OF AROUND 125 KMT,**

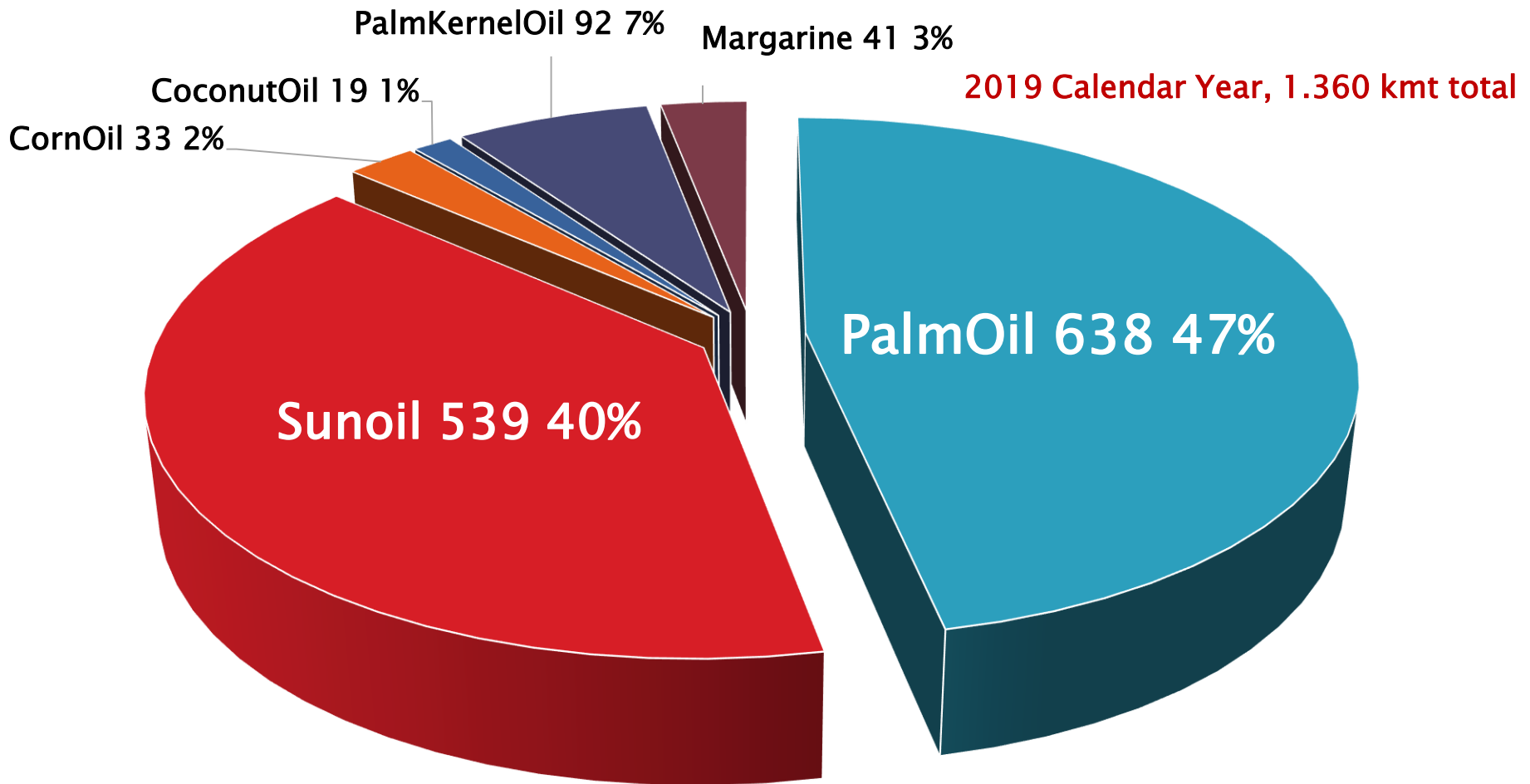
**TURKEY IS AMONG MAJOR
GLOBAL PALMOIL AND
PALM KERNEL OIL
IMPORTERS.**



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TURKISH VEGETABLE OIL IMPORTS (KMT)



Source: SUNSEEDMAN

AS PER BILATERAL AGREEMENTS,

**TURKISH PALM OIL AND
PALM KERNEL IMPORTS
ARE PERFORMED MAINLY
FROM **MALAYSIA****

DUE TO LOWER IMPORT DUTY

(21.8%)

VS OTHER ORIGINS

(31.2%)

ACCORDINGLY, **IN 2019 CALENDAR YEAR;**

**615 KMT OF 638 KMT TOTAL OF
TURKISH PALM OIL IMPORTS AND**

**79.5 KMT OF 92 KMT TOTAL OF
TURKISH PALM KERNEL OIL
IMPORTS**

WERE DONE FROM **MALAYSIA.**



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**MIDDLE EAST
PALM OIL
OUTLOOK**



IN OUR PRESENTATION,

**TURKEY HAS BEEN
MENTIONED SEPERATELY**

**AND EGYPT HAS BEEN
INCLUDED TO NORTH
AFRICA.**

MIDDLE EAST COUNTRIES

**RAISE ALMOST NIL PALM
OIL BEING OUT OF**

**+ / - 10° LATITUDES OF
EQUATOR
AS PALMOIL ZONE.**



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**HOWEVER,
MIDDLE EAST
COUNTRIES**

**ARE AMONG THE MAIN GLOBAL
PALM OIL EXPORT DESTINATIONS**

**FOR THEIR MARGARINE ETC
CONSUMPTIONS.**

IN CURRENT 2019/20 SEASON,

**MIDDLE EAST
PALM OIL IMPORT TOTAL**

IS AROUND 2.0 MLN T.

**HOWEVER, PALM KERNEL OIL IMPORT TOTAL IS
NOT MORE THAN 100 KMT.**

PALMOIL IMPORT BREAKDOWNS AS PER MIDDLE EAST COUNTRIES;

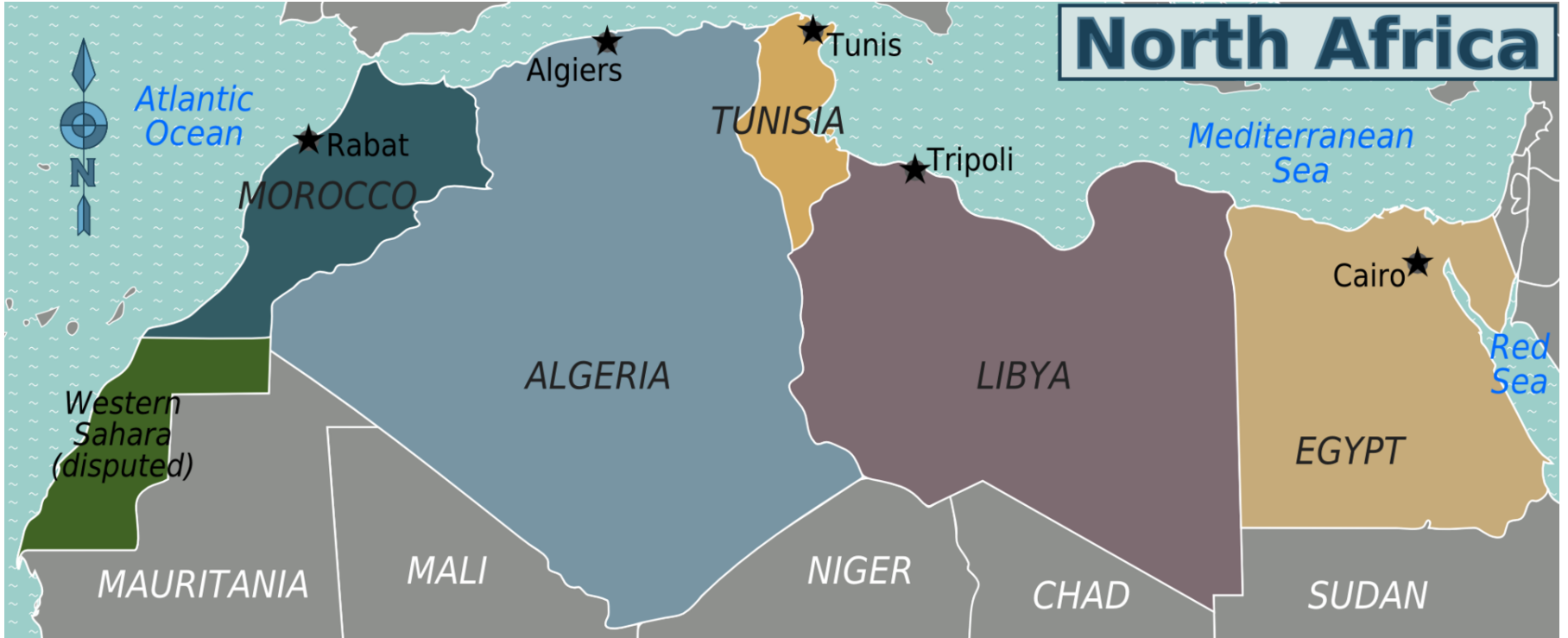
Saudi Arabia, 500 kmt,
Iran, 375 kmt,
UAE, 350 kmt,
Yemen, 200 kmt,
Oman, 175 kmt,
Iraq, 175 kmt,
Jordan, 60 kmt,
Syria, 50 kmt,
Kuwait, 35 kmt,
Israel, 30 kmt,
Qatar, 25 kmt,
Lebanon, 25 kmt.



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**NORTH AFRICA
PALM OIL
OUTLOOK**



NORTH AFRICAN COUNTRIES

**RAISE ALSO ALMOST NIL
PALM OIL BEING OUT OF**

**+ / - 10° LATITUDES OF
EQUATOR
AS PALMOIL ZONE.**



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**HOWEVER,
NORTH AFRICAN
COUNTRIES, FOREMOST
EGYPT,**

**ARE ALSO AMONG THE MAIN GLOBAL
PALM OIL EXPORT DESTINATIONS**

**FOR THEIR MARGARINE ETC
CONSUMPTIONS.**

IN CURRENT 2019/20 SEASON,

**NORTH AFRICAN
PALM OIL IMPORT TOTAL**

IS AROUND 1.35 MLN T.

**HOWEVER, PALM KERNEL OIL IMPORT TOTAL IS
NOT MORE THAN 100 KMT.**

PALMOIL IMPORT BREAKDOWNS AS PER MIDDLE EAST COUNTRIES;

Egypt, 1.015 kmt,
Algeria, 150 kmt,
Morocco, 75 kmt,
Tunusia, 60 kmt,
Libya, 50 kmt.



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**RECENT FRONTIERS
WITH COVID-19 AND
PALM OIL**

**COVID-19 WAS REALLY
SIGNIFICANT
CHALLENGE FOR
GLOBAL, TURKISH,
MIDDLE EAST AND
NORTH AFRICAN PALM
OIL DEMAND AND
CONSUMPTION.**



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COVID-19 WAS

- **CHANGING THE LIFESTYLES,**
- **DETERIORATING THE ECONOMIES AND CUTTING THE INCOMES,**
- **TUMBLING PETROL PRICES AND SO WEAKER BIODIESEL DEMANDS,**
- **LESSENING THE DEMAND FOR PALMOIL, BUT MORE CONSUMPTION FOR SOFT VEGETABLE OILS,**
- **ESPECIALLY AFFECTING HORECA/HOTEL-RESTAURANT-CAFE SECTOR UNFAVORABLY.**

REFER TO COVID-19 REPERCUSSIONS

IN TURKEY;

- **DETERIORATING ECONOMIC OUTLOOK, INCREASING JOBLESS RATE AND LESSENING INCOMES,**
- **LOWER DEMANDS FROM LOCAL HORECA SECTOR WHILE TURKEY IS SO FAMOUS WITH ITS RESPECTED SERVICE AND COUSINE,**
- **LIMITED TOURISM WHILE TURKEY IS ONE OF THE MAIN TOURISM DESTINATIONS.**

REFER TO COVID-19 REPERCUSSIONS

IN MIDDLE EAST;

- **TUMBLING PETROL PRICES AND SO DETERIORATING ECONOMIES, INCREASING JOBLESS RATE AND LESSENING INCOMES SINCE MIDDLE EAST IS THE MAIN PETROL OUTPUT AND EXPORT REGION,**
- **WEAKER DEMANDS FROM LOCAL HORECA SECTORS,**
 - **LIMITED TOURISM, CONFERENCES AND FAIRS IN DUBAI MAINLY,**
- **ESPECIALLY NO HAJJ ORGANIZATION IN SAUDI ARABIA.**

REFER TO COVID-19 REPERCUSSIONS

IN NORTH AFRICA;

- **DETERIORATING ECONOMIES,
INCREASING JOBLESS RATE AND
LESSENING INCOMES,**
- **LOWER DEMANDS FROM LOCAL
HORECA SECTORS,**
- **LIMITED TOURISM IN EGYPT
MAINLY.**



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**NEXT FRONTIERS AND
PROSPECTS FOR
PALM OIL IN COMING
MONTHS**

**WITH RECENT
DECREASING COVID-19
CASES AND DEATHS
NATIONALLY AND
GLOBALLY, THE
COUNTRIES HAVE
INITIATED THE
NORMALIZATION.**

OF COURSE, **NORMALIZATION IMPLIES;**

- **RECOVERING ECONOMIES AND INCOMES,**
- **STRONGER PETROL PRICES AND SO
MORE BIODIESEL DEMANDS,**
- **BETTER DEMAND FOR PALMOIL AT THE
EXPENSE OF SOFT VEGETABLE OILS,**
- **ESPECIALLY REACTIVATING
TOURISM AND **HORECA/HOTEL-
RESTAURANT-CAFE** SECTOR.**

IF NORMALIZATION PROCESS IS KEPT PROPERLY SOON;

- **PETROL PRICES MAY JUMP OVER 45
\$/BARREL EVEN PSYCHO AND CRITICAL
50 \$/BARREL,**

- **THEN, WITH BETTER PALM OIL DEMAND
FROM BIODIESEL AND HORECA SECTORS,**

**BURSA MALAYSIA PALM OIL PRICES MAY HIKE
OVER 2.400 EVEN 2.500 MYR/MT AND**

**RBD PALM OLEIN FOB MALAYSIA PRICES MAY
SETTLE OVER 600 \$/MT EVEN 625 – 650 \$/MT.**

NEVERTHELESS;

- **NORMALIZATION PROCESS WILL BE REALLY CHALLENGING AND TOUGH AND SO WE MAY NOT RULE OUT SO MANY UNFAVORABLE SURPRISES.**
- **PLUS, THERE'S ALSO THE RISK OF **SECOND WAVE** BY **FALL 2020.****



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PRESENTATION

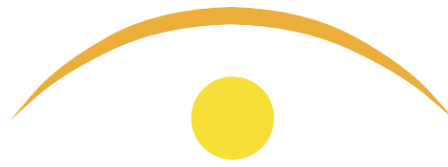
SUMMARY



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- **PALMOIL IS THE MOST PRODUCED AND TRADED VEGETABLE OIL GLOBALLY.**
- **PALMOIL IS THE MOST IMPORTED VEGETABLE OIL WITH 625 – 650 KMT ANNUALLY IN TURKEY AS RAW MATERIAL FOR LOCAL MARGARINE CONSUMPTION AND EXPORTS. THERE ARE ALSO AROUND 90 KMT OF PALM KERNEL OIL IMPORTS.**
- **THE MAIN ORIGIN OF TURKISH PALMOIL AND PALM KERNEL OIL IMPORTS IS MALAYSIA OWING TO LOWER IMPORT-DUTY, 21.8 VS 31.2% AS PER BILATERAL AGREEMENTS.**
- **MIDDLE EAST, FOREMOST SAUDI ARABIA, UAE AND IRAN, IS ONE OF THE MAIN PALM OIL EXPORT DESTINATIONS WITH AROUND TOTAL 2.0 MLN T.**
- **NORTH AFRICA, FOREMOST EGYPT WITH AROUND 1 MLN T, IS ONE OF THE MAIN PALM OIL EXPORT DESTINATIONS WITH TOTAL AROUND 1.35 MLN T.**
- **COVID-19 IS REALLY SIGNIFICANT CHALLENGE FOR GLOBAL PALMOIL DEMAND AND CONSUMPTION.**
- **THE UNFAVORABLE REPERCUSSIONS OF COVID-19 ARE TUMBLING PETROL PRICES, THE DETERIORATION OF ECONOMIC OUTLOOK, INCREASING JOBLESS RATE, LESSENING INCOMES, LOWERING DEMANDS FROM HORECA SECTOR, THUS WEAKER PALMOIL IMPORTS AND CONSUMPTION.**
- **NEVERTHELESS, WITH RECENT NORMALIZATION EFFORDS, PALMOIL DEMAND AND CONSUMPTION MAY RECOVER IN COMING MONTHS UNLESS WE DO NOT EXPERIENCE THE SECOND WAVE BY FALL 2020.**



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Great thanks for your kind attention...



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**THE EXPERT SUPPORT ON REPORTING, ANALYSES, CONSULTING AND
BROKERAGE AS PER 22-YEAR SECTOR EXPERIENCE**

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