

## Malaysia to ally with Egypt to expand Palm Oil exports to Africa

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Malaysia's Ministry of Plantation and Commodities intends to make Egypt an essential part of its plan to expand Malaysia's palm oil exports to the African continent through the Suez Canal Economic Zone.

Its minister Datuk Seri Johari Abdul Ghani said economic cooperation in the palm oil sector between Malaysia and Egypt was discussed in his meeting with the Egyptian Ambassador to Malaysia Ragai Tawfik Nasir.

"Egypt is a strategic country for our palm oil industry because palm oil makes up almost 90 per cent of Malaysia's exports to Egypt," he said the Minister.

He also said that both countries are exploring a partnership in palm product marketing strategies involving government-linked companies along with the cooperation of private players in both countries.

In addition to Malaysia's strong position as palm oil exporter to the country, Egypt is strategically located to be a potential gateway to other North African countries, he said.

### Analysts Neutral On Plantation Sector With Crude Palm Oil Seen Averaging RM3,800 Per Tonne

Meanwhile, Kenanga Research has forecast the price of crude palm oil (CPO) to trade range-bound and average around RM3,800 per tonne in a tight outlook for edible oils in 2024. The research house said that with supply matching demand or possibly dipping into a small deficit, the commodity is expected to end the year with inventory coming in below the level it

started at.

The main issue is demand for edible oils which is underpinned mainly by population and income growth that is expected to continue growing at 3-4 per cent year-on-year (y-o-y), but supply is affected by tightening regulations, unpredictable weather and even geopolitical disruptions. Specifically for palm oil, Indonesia, the top producer and also user, looks set to manage exports till Hari Raya in April 2024 while India, a big palm oil importer, is likely to maintain generous levels of inventory pending an election in the first half of this year, it said in a research note, maintaining a "neutral" call on the plantation sector.