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Malaysia secures over RM230 M in palm oil trade deals with China

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Malaysia has secured over RM230 million in palm oil trade deals during Deputy Plantation and Commodities Minister Datuk Chan Foong Hinâ??s recent working visit to China in mid July this year.

According to Malaysia's Plantation and Commodities Ministry (KPK), Chan's visit to China for the purpose of promoting Malaysian agri-commodities has led to the signing of four memorandums of understanding (MoUs).

The four MoUs were signed between Malaysian palm oil companies and businesses in China at the 15th China International Cereals and Oils Industry Summit in Nanjing on July 11, 2024. MoU signing ceremony was witnessed by Malaysian Palm Oil Board director-general Datuk Ahmad Parveez Ghulam Kadir and China Chamber of Commerce for Import/Export of Foodstuffs, Native Produce, and Animal By-products (CFNA) president Cao De Rong.

KPK said the four MoUs signed were between Kuala Lumpur Kepong Bhd and BOCE Trade Service Co Ltd for tocotrienol exports; between Taobao (China) Software Co Ltd and Able Perfect Group for expanding digital market access; between Taobao (China) Software Co Ltd and Sawit Kinabalu Group for crude palm oil trade; and between JF Nutritech and Palmort Food Tech (Shanghai) for the application of red palm oil in animal feed.

The four MoUs would involve expanding the trade of palm oil products into new sectors, including leveraging the globally renowned e-commerce platform Taobao to develop online business-to-business and business-to-consumer sales channels and and entering the health products market. Chinese authorities had approved the export and use of palm tocotrienols in food applications in March this year. Malaysia anticipates overall value of these trade deals to increase in the coming years.

Malaysian to focus on high value-added and high-quality productions to remain competitive in the global market.

Malaysia headquartered, Able Perfect, an independent palm oil refinery based in Port Klang, aims to expand its presence in the Chinese market, particularly in refined palm oil and palm shortening, with an estimated business volume of about RM200 million via this trade deal.

â??With Malaysiaâ??s annual palm oil production maintained at around 18 million tonnes, it is crucial to adhere to the standards of the European Union Deforestation Regulation and sustainable development principles,â? said Minister Chan who held a business matching session with around 20 Malaysian and Chinese enterprises, providing a platform for exchange and exploring cooperation opportunities in the palm oil trade.

The initiatives are expected to further deepen bilateral cooperation in the palm oil sector, promoting mutual economic prosperity and win-win outcomes for Malaysia and China.