

U.S. Department of Justice

Washington, DC 20530

Supplemental Statement

Pursuant to the Foreign Agents Registration Act of 1938, as amended

For Six Month Period Ending 12/31/2011

(Insert date)

I - REGISTRANT

1. (a) Name of Registrant (b) Registration No.

American Palm Oil Council 4575

(c) Business Address(es) of Registrant

1010 Wisconsin Avenue, NW
Suite 307
Washington, DC 20007

2. Has there been a change in the information previously furnished in connection with the following?

(a) If an individual:

- (1) Residence address(es) Yes No
- (2) Citizenship Yes No
- (3) Occupation Yes No

(b) If an organization:

- (1) Name Yes No
- (2) Ownership or control Yes No
- (3) Branch offices Yes No

(c) Explain fully all changes, if any, indicated in Items (a) and (b) above.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, AND 5(a).

3. If you have previously filed Exhibit C¹, state whether any changes therein have occurred during this 6 month reporting period.

Yes No

If yes, have you filed an amendment to the Exhibit C? Yes No

If no, please attach the required amendment.

¹ The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, and by laws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, National Security Division, U.S. Department of Justice, Washington, DC 20530.)

4. (a) Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Position	Date Connection Ended
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(b) Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?

Yes No

If yes, furnish the following information:

Name	Residence Address	Citizenship	Position	Date Assumed
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5. (a) Has any person named in Item 4(b) rendered services directly in furtherance of the interests of any foreign principal?

Yes No

If yes, identify each such person and describe the service rendered.

(b) During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity? Yes No

Name	Residence Address	Citizenship	Position	Date Assumed
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(c) Have any employees or individuals, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Date Terminated
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(d) Have any employees or individuals, who have filed a short form registration statement, terminated their connection with any foreign principal during this 6 month reporting period? Yes No

If yes, furnish the following information:

Name	Position or Connection	Foreign Principal	Date Terminated
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6. Have short form registration statements been filed by all of the persons named in Items 5(a) and 5(b) of the supplemental statement?

Yes No

If no, list names of persons who have not filed the required statement.

N/A

II - FOREIGN PRINCIPAL

7. Has your connection with any foreign principal ended during this 6 month reporting period? Yes No
If yes, furnish the following information:

Foreign Principal

Date of Termination

8. Have you acquired any new foreign principal(s)² during this 6 month reporting period? Yes No
If yes, furnish the following information:

Name and Address of Foreign Principal(s)

Date Acquired

9. In addition to those named in Items 7 and 8, if any, list foreign principal(s)² whom you continued to represent during the 6 month reporting period.

Malaysian Palm Oil Promotion Council
Kuala Lumpur, Malaysia

10. (a) Have you filed exhibits for the newly acquired foreign principal(s), if any, listed in Item 8?

Exhibit A³ Yes No

Exhibit B⁴ Yes No

If no, please attach the required exhibit.

- (b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes No

If yes, have you filed an amendment to these exhibits? Yes No

If no, please attach the required amendment.

² The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a) (9)). A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

³ The Exhibit A, which is filed on Form NSD-3 (Formerly CRM-157) sets forth the information required to be disclosed concerning each foreign principal.

⁴ The Exhibit B, which is filed on Form NSD-4 (Formerly CRM-155) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

III - ACTIVITIES

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11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, identify each foreign principal and describe in full detail your activities and services:

SEE ATTACHMENT #1

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity⁵ as defined below? Yes No

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

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13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits your foreign principal(s)? Yes No

If yes, describe fully.

⁵ The term "political activity" means any activity that the person engaging in believes will, or that the person intends to, in any way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting or changing the domestic or foreign policies of the United States or with reference to political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV - FINANCIAL INFORMATION

14. (a) RECEIPTS-MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes No

If no, explain why.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.⁶

Date	From Whom	Purpose	Amount
SEE			
ATTACHMENT #2			

\$353,288.93

Total

(b) RECEIPTS - FUNDRAISING CAMPAIGN

During this 6 month reporting period, have you received, as part of a fundraising campaign⁷, any money on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

If yes, have you filed an Exhibit D to your registration? Yes No

If yes, indicate the date the Exhibit D was filed. Date _____

(c) RECEIPTS-THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁹ other than money from any foreign principal named in Items 7, 8, or 9 of this statement, or from any other source, for or in the interests of any such foreign principal?

Yes No

If yes, furnish the following information:

Foreign Principal	Date Received	Thing of Value	Purpose
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^{6, 7} A registrant is required to file an Exhibit D if he collects or receives contributions, loans, moneys, or other things of value for a foreign principal, as part of a fundraising campaign. (See Rule 201(e)).
⁸ An Exhibit D, for which no printed form is provided, sets forth an account of money collected or received as a result of a fundraising campaign and transmitted for a foreign principal.
⁹ Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) **DISBURSEMENTS-MONIES**

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 7, 8, or 9 of this statement? Yes No

(2) transmitted monies to any such foreign principal? Yes No

If no, explain in full detail why there were no disbursements made on behalf of any foreign principal.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
SEE			
ATTACHMENT #3			

\$328,728.96

Total

(b) DISBURSEMENTS-THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value¹⁰ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in Items 7, 8, or 9 of this statement?

Yes No

If yes, furnish the following information:

Date	Recipient	Foreign Principal	Thing of Value	Purpose
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(c) DISBURSEMENTS-POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value¹¹ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes No

If yes, furnish the following information:

Date	Amount or Thing of Value	Political Organization or Candidate	Location of Event
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10, 11 Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks" and the like.

V - INFORMATIONAL MATERIALS

16. (a) During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any informational materials?¹²
 Yes No

If Yes, go to Item 17.

(b) If you answered No to Item 16(a), do you disseminate any material in connection with your registration?
 Yes No

If Yes, please forward the materials disseminated during the six month period to the Registration Unit for review.

17. Identify each such foreign principal.
 Malaysian Palm Oil Promotion Council

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating informational materials? Yes No
 If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of informational materials include the use of any of the following:
 Radio or TV broadcasts Magazine or newspaper Motion picture films Letters or telegrams
 Advertising campaigns Press releases Pamphlets or other publications Lectures or speeches
 Other (specify) _____

Electronic Communications

Email
 Website URL(s): _____
 Social media websites URL(s): _____
 Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated informational materials among any of the following groups:
 Public officials Newspapers Libraries
 Legislators Editors Educational institutions
 Government agencies Civic groups or associations Nationality groups
 Other (specify) Trade Associations _____

21. What language was used in the informational materials:
 English Other (specify) _____

22. Did you file with the Registration Unit, U.S. Department of Justice a copy of each item of such informational materials disseminated or caused to be disseminated during this 6 month reporting period? Yes No

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act?
 Yes No

12 The term informational materials includes any oral, visual, graphic, written, or pictorial information or matter of any kind, including that published by means of advertising, books, periodicals, newspapers, lectures, broadcasts, motion pictures, or any means or instrumentality of interstate or foreign commerce or otherwise. Informational materials disseminated by an agent of a foreign principal as part of an activity in itself exempt from registration, or an activity which by itself would not require registration, need not be filed pursuant to Section 4(b) of the Act.

VI - EXECUTION

In accordance with 28 U.S.C. § 1746, the undersigned swear(s) or affirm(s) under penalty of perjury that he/she has (they have) read the information set forth in this registration statement and the attached exhibits and that he/she is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his/her (their) knowledge and belief, except that the undersigned make(s) no representation as to truth or accuracy of the information contained in the attached Short Form Registration Statement(s), if any, insofar as such information is not within his/her (their) personal knowledge.

(Date of signature)

(Print or type name under each signature or provide electronic signature¹³)

February 06, 2012

/s/ Mohamed Salleh Bin Mohd

eSigned

¹³ This statement shall be signed by the individual agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions, if the registrant is an organization, except that the organization can, by power of attorney, authorize one or more individuals to execute this statement on its behalf.

American Palm Oil Council

Registration #4575

Reporting Period: July 1, 2011 to December 31, 2011.

Attachment #1

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in 7,8, and 9 of this statement?

Yes.

If yes, identify each such foreign principal and describe in full detail your activities and services.

During this 6 month period, the registrant has continued to represent Malaysia Palm Oil Promotional Council at various exhibits, conferences, meetings and seminars throughout the country.

July 1 – December 31, 2011		
Date	Exhibitions/Conferences	Venue
July 24-26	International Oilseed Producers Dialogue	Saskatoon, Canada
September 29-30	Global Oils and Fats Forum 7	National Harbour, MD
October 10-14	Supply Side West	Las Vegas, NV
October 17-24	American Oil Chemists' Society Latin American Conference	Cartagena, Colombia
November 15-18	International Palm Oil Conference/Palm Oil Trade Awareness Program/Familiarization & Young Scientist Program	Malaysia
December 13	Palm Oil Workshop	Redondo Beach, CA

American Palm Oil Council

Registration #4575

Reporting Period: July 1, 2011 to December 31, 2011

Attachment #2

14. During this 6 month reporting period, have you received from any foreign principal named in Items 7,8, and 9 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes.

DATE	FROM	PURPOSE	AMOUNT
07/22/2011	MPOC	OPERATING FUNDS FOR JUNE	\$32,982.00
07/26/2011	MPOC	OPERATING FUNDS FOR JULY	\$32,982.00
07/28/2011	MPOC	OPERATING FUNDS FOR AUGUST	\$32,982.00
09/09/2011	MPOC	OPERATING FUNDS FOR SEPTEMBER	\$29,982.00
09/09/2011	MPOC	OPERATING FUNDS FOR SEPTEMBER	\$29,983.00
09/13/2011	GOFF	GOFF 7 PARTICIPANTS	\$450.00
09/13/2011	GOFF	GOFF 7 PARTICIPANTS	\$5,200.00
09/14/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
09/15/2011	GOFF	GOFF 7 PARTICIPANTS	\$1,200.00
09/15/2011	GOFF	GOFF 7 PARTICIPANTS	\$450.00
09/16/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
09/20/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
09/22/2011	GOFF	GOFF 7 PARTICIPANTS	\$1,600.00
09/26/2011	GOFF	GOFF 7 PARTICIPANTS	\$4,000.00
09/29/2011	GOFF	GOFF 7 PARTICIPANTS	\$1,200.00
09/30/2011	BANK	CREDIT INTEREST	\$6.10
10/03/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
10/03/2011	GOFF	GOFF 7 PARTICIPANTS	\$1,200.00
10/07/2011	MPOC	OPERATING FUNDS FOR OCTOBER	\$29,982.00
10/13/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
10/17/2011	GOFF	GOFF 7 PARTICIPANTS	\$400.00
10/24/2011	MPOC	OPERATING FUNDS FOR OCTOBER	\$29,982.00
11/09/2011	MPOC	OPERATING FUNDS FOR NOVEMBER	\$14,985.00
11/09/2011	MPOB	MALAYSIAN PALM OIL BOARD	\$6,788.83
11/30/2011	MPOC	OPERATING FUNDS FOR NOVEMBER	\$14,985.00
12/08/2011	MPOC	OPERATING FUNDS FOR DECEMBER	\$19,985.00
12/08/2011	MPOC	OPERATING FUNDS FOR DECEMBER	\$29,982.00
12/08/2011	MPOC	OPERATING FUNDS FOR DECEMBER	\$29,982.00
		TOTAL FUNDS RECEIVED	\$353,288.93

DSMDB-3025126v1

American Palm Oil Council

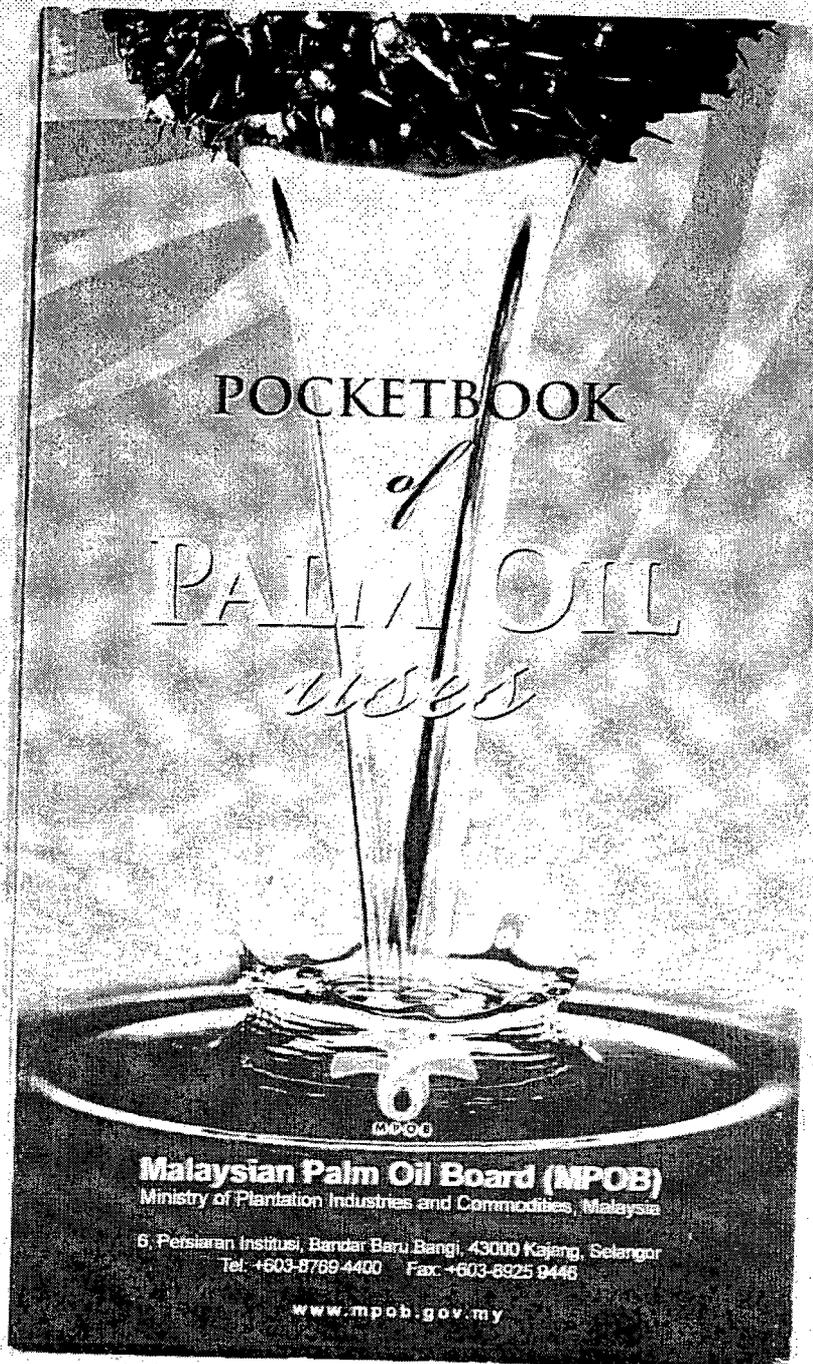
Registration #4575

Reporting Period: July 1, 2011 to December 31, 2011

Attachment #4

23. Did you label each item of such informational materials with the statement required by Section 4(b) of the Act.

The attached materials are distributed by the American Palm Oil Council on behalf of the Malaysian Palm Oil Promotional Council. Additional information is available at the Department of Justice, Washington, DC.



Malaysian Palm Oil Board (MPOB)

Ministry of Plantation Industries and Commodities, Malaysia

6, Persiaran Institusi, Bandar Baru Bangi, 43000 Kajang, Selangor

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MALAYSIAN PALM OIL COUNCIL FORTUNE

MALAYSIAN PALM OIL COUNCIL

KKDN PP 114669/05/2012 (029946)

VOL: 12 2011

China's Animal Feed Industry A Potential Market for Malaysian PKC

IN TERMS of population, China is the most populous in the world, and with a territory of about 9.64 million sq-km, it is the third largest country on our planet. Since the Chinese government implemented its policy of reform and opening up, China's economy made remarkable achievements and in 2010, overtook Japan to become the world's second largest economy. Given the population and continuing economic development, this amazing market appeals to the investors all over the world. China is also a well-known agricultural country.

However, a series of food safety scandals occurred in succession in 2011. Up to the earlier part of 2011, the top quality food safety watchdog found the banned additive clenbuterol in pork products in the domestic retail market. Clenbuterol usually helps to build muscles and is occasionally used as an illegal performance-enhancing drug by track and field athletes. China has banned it as a livestock feed additive as it can cause nausea, dizziness, headaches and heart palpitations in humans.

With more food safety scandals subsequently, China's State Administration strengthened the supervision and control of not only food products, but also raw materials,

including animal feed as well as its raw materials. The State Council ratified the revised draft of the regulations, which hold local governments responsible for irresponsible supervision of the illegal use of feed additives and low feed quality. Severe punishment will face those who violate the regulations and the local government as well, for lack of supervision.

Industry Development Scenario

In 2010 alone, China's animal feed industry continued to grow steadily and adjust to industrial structures. The annual output of feedstuff reached 162 million metric tonnes (MMT) and up 9.4% as compared with the previous year. It had been the sixth consecutive year when output was more than 100 MMT. There were a total of 10,843 feed processing enterprises over the country.

The industrial structure of feedstuff was optimised through years of development. The output of formula feed touched 129.74 MMT in 2010 and increased by 59.33% against 81.43 MMT in 2006. Meanwhile, the share of formula feed increased to 80% in 2010 from 72% in 2006. The annual yield of concentrated feed and additive premix feed both experienced a downtrend and decreased to 26.48 MMT and 5.79 MMT respectively in 2010.

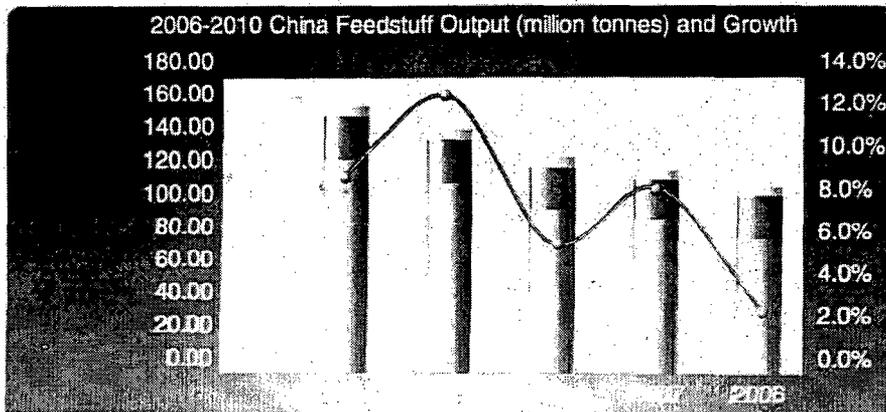
Among the feedstuff, swine feed was the major contributor for domestic output growth. It reported a total of 59.74 MMT in 2010, up 13.4% from a year earlier. During the same period, most animal feed maintained a growing trend, especially ruminant feed, of which 7.28 MMT was produced in 2010 and production grew 23.1% over the same period in 2009.

China's feed production bases are mainly located in the eastern and central provinces. The steady integration of regional productivity and the intensified development of major provinces were a feature of the domestic animal feed industry. In 2010, output in China's eastern region accounted for 59% of the overall production, with 95.66 MMT of feedstuff, while the central region contributed 36.41 MMT. Furthermore,

Table 1: Top 5 Province in China

2010 Top 5 Province for Feed Production (million tonnes)		
Guangdong	18.81	+7.3%
Shandong	18.20	+8.5%
Henan	11.54	+10.3%
Liaoning	11.23	+8.2%
Hebei	10.86	+19.4%

Continued on page 7 ▶



MARKETING & MARKET DEVELOPMENT DIVISION

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MALAYSIAN PALM OIL FORTUNE

MALAYSIAN PALM OIL COUNCIL

KKDN PP 114669/05/2012 (029946)

VOL: 11 2011

Update on the Indian Vegetable oils Scenario

INDIA has experienced many ups and downs since it embarked on the path of economic liberalisation and growth in the early 1990s. With economic growth, consumerism has arrived, though with not many corresponding increases in domestic production in several fields. One such area is vegetable oils, where domestic production has not kept pace with growth in other economic areas.

Being among the top ranked economies, both in absolute terms and in Purchasing Power Parity (PPP) terms, consumer demand in India will continue to rise. However, is the country well positioned to meet the challenges?

Oilseeds Production

The table below reflects the development, or lack of it, in domestic oilseeds production from 1999 to 2000.

Even a cursory glance at the table will be sufficient to bear this out. In the last 12 years, the production of the eight major oilseeds grew, touching 27.98 million MT in 2005-06 and thereafter, it dropped to 22.76 million MT in 2009-10. Annual fluctuations have been drastic, mainly due to weather conditions and farmers shifting to more lucrative crops. The lowest production recorded during this period was 14.84 million MT in 2002-03. Thus, in spite of the growing demand for oils, domestic production has stagnated.

What is of interest in this otherwise gloomy picture is the change in the

composition of production. Groundnut has lost its premier position to soybean. Today, soybean is the single largest oilseed produced in India and with higher-yielding varieties being more readily available, it is set to improve its share in the basket of domestic oilseeds. This greater availability of domestic soybean is also influencing the taste buds of consumers.

One can only conclude that the demand/supply gap cannot be bridged by domestic production alone and India will continue to rely heavily on imports to meet the shortfall. Since the oil year 2008-09, imports have accounted for slightly more than 50% of the total domestic demand and this ratio is set to continue, or rather increase, well into the years to come.

Oil Imports

The table below shows that in the last six years, India imported between 5.1 million MT and 9.2 million MT of various vegetable oils, principally palm oil and soybean oil.

Except for 2009-10, the table on page 5 shows a clear shift in favour of palm oil. There is no reason for this trend to reverse in the near future, in spite of a marginal shift seen in 2009-10. This shift is attributed to the narrowing down of the price premiums of SBO over PO. Such marginal adjustments will continue to take place whenever the prices between SBO and PO narrow but overall, PO should retain its predominant position in the import basket. The duty differential between SBO and PO is an issue behind us now, with all crude vegetable oils becoming zero-rated.

Another factor that becomes obvious from the table above is that among the palm group of products, there has been a clear shift from olein to CPO up to

MARKETING & MARKET DEVELOPMENT DIVISION

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2007-08. This is because of the increase in the refining and fractionation capacities within the country. The capacities are increased every year and there does not seem to be any possibility of a reversal of this trend. However, since the duties on all vegetable oils were reduced in 2008 (zero for crude oils and 7.5% for refined oils), there has been an upswing in the import of RBD palm olein. This increase will have limitations and CPO will continue to be the single largest imported vegetable oil by far.

Per capita Consumption and the Economy

The per capita GDP has shown an appreciable increase, crossing US\$1,000.

Continued on page 5 ▶

India's Production of Cultivated Oilseeds 1999 - 2000 to 2010-11(E) (million MT)

Sr. No.	Oilseeds	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00
1	Groundnut	5.84	5.12	5.92	6.89	4.86	7.99	6.77	8.13	4.12	7.03	6.41	5.26
2	Rapeseed & Mustard	7.10	6.03	6.35	4.79	7.44	8.13	7.59	6.29	3.88	5.08	4.19	5.79
3	Sesamum	0.78	0.76	0.55	0.66	0.62	0.64	0.67	0.78	0.44	0.7	0.52	0.46
4	Soybean	9.50	8.50	8.9	9.46	8.85	8.27	6.87	7.82	4.65	5.93	5.28	7.08
5	Burhower	1.55	1.95	1.5	1.47	1.23	1.44	1.39	0.91	0.67	0.65	0.65	0.89
6	Niger	0.60	0.05	0.08	0.07	0.12	0.11	0.11	0.11	0.09	0.13	0.14	0.16
7	Others	2.78	2.53	2.43	2.38	2.17	2.17	2.17	2.2	2.15	2.07	2.07	2.24
8	Total	27.98	22.76	24.76	27.08	24.37	27.98	27.98	27.98	27.98	27.98	27.98	27.98



MALAYSIAN PALM OIL FORTUNE

MALAYSIAN PALM OIL COUNCIL

KKDN PP 114669/05/2012 (029946)

VOL: 10 2011

China's Oleochemical Industry: Times of Threat also Become opportunities

SINCE 2010, a number of unfavourable incidents have occurred around the world, such as the European sovereign debt crisis, weak American economic recovery, the earthquake and tsunami in Japan as well the nuclear leakage accident. These have deeply impacted continued global economic development.

However, China could maintain the rapid and steady pace of its economic growth, driven by the country's positive financial policy and the easy monetary policy. China's GDP growth increased by 10.3% in 2010 and at the same time, the country's national economic aggregates exceeded Japan's, making it the second-largest economy in the world. The living conditions of the people improved significantly and China also became the biggest market for automobile sales.

Improvements in China's national economic development and living conditions stimulated the tremendous consumption potential of its 1.3 billion population. Driven by the demands for rubber, plastics, surfactants, medicine, cosmetics and detergent products, China's oleochemical industry enjoyed great opportunities and made considerable progress in the last two years.

As Table 1 shows, China's oleochemical production recovered and grew in 2009 after the global financial crisis of 2008, and achieved rapid growth in 2010. Fatty acid production reached 1,168,000 metric tonnes (MT), with a high growth of 49.6% as compared with the previous year, while fatty alcohol production also increased by 40.6% from a year earlier, to hit a record of 187,000 MT.

Apart from the strong demands from the domestic market, there are two other factors for the high growth of China's oleochemical industry. One of the factors is that the Chinese government has been actively promoting the development of oleochemical industry.

production through the efforts of the China Cleaning Industry Association and other related government agencies.

China's oil and fat hydrolysis and fatty alcohol production capacity doubled to one million MT and 320,000 MT respectively between 2008 and 2010. There were two major contributors for the rapid development of the oleochemical

oleochemical production, with fatty amine production surpassing the level of 100,000 MT a year. Feixiang Chemical and Boxing Huarun are the two major producers that account for 90% of the domestic market. Fatty amine is only one of the basic oleochemical products that China can produce sufficiently and also export to other countries and this success is due to the modern and competitive technologies used in its production.

Glycerine production also experienced a rapid increase and touched 144,000 MT in 2010. According to Customs statistics, the import of glycerine registered 141,200 MT in the same year. In addition

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Table 1: 2008-2010 China Oleochemical Industry Production* ('000 MT)

Category	2008		2009		2010	
	Production	Growth (%)	Production	Growth (%)	Production	Growth (%)
Fatty Acid	647.0	-7.7	781.0	+17.2	1168.0	+49.6
Fatty Alcohol	123.0	-16.9	133.0	+7.5	187.0	+40.6
Fatty Amine	105.0	+16.7	109.0	+3.8	121.0	+11.0
Glycerin	99.0	+8.8	135.0	+26.7	144.0	+6.7
Soap	747.5	-	883.2	+18.2	-	-
Alkylbenzene**	487.0	-2.0	484.0	-	449.0	+3.1

*Source: China Cleaning Industry Association

**Alkylbenzene is petrochemical product used as detergent for washing powder

industry. The oleochemical magnates from Southeast Asia, such as Wilmar, Tech Guan High-tech and Dongma Palm Industry, paid greater attention to the Chinese market, while local private enterprises also made substantial investments in the oleochemical industry.

The industrial players from Southeast Asia not only invested in terms of funds, but also introduced the most advanced industrial technologies to China. For example, Tech Guan High-tech adopted the innovative technique of hydrolysis and esterification developed by the German Lurgi Group to produce fatty acid and fatty alcohol. Sasol Yihai used the new process of Low Pressure Vapour Phase Hydrogeneration developed by the British David Company to produce fatty alcohol. These technology introductions will help to increase the manufacturing process and production capacity of oleochemical industry.

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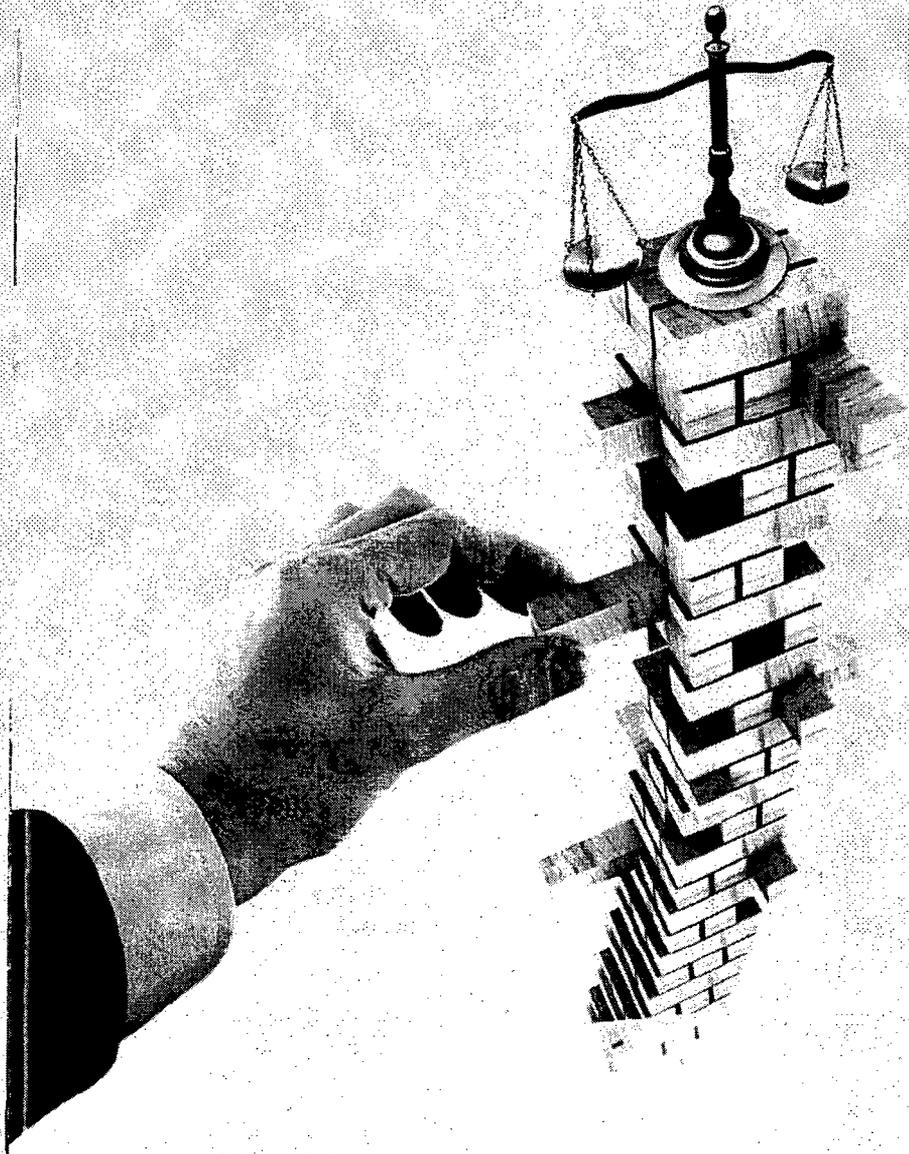
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