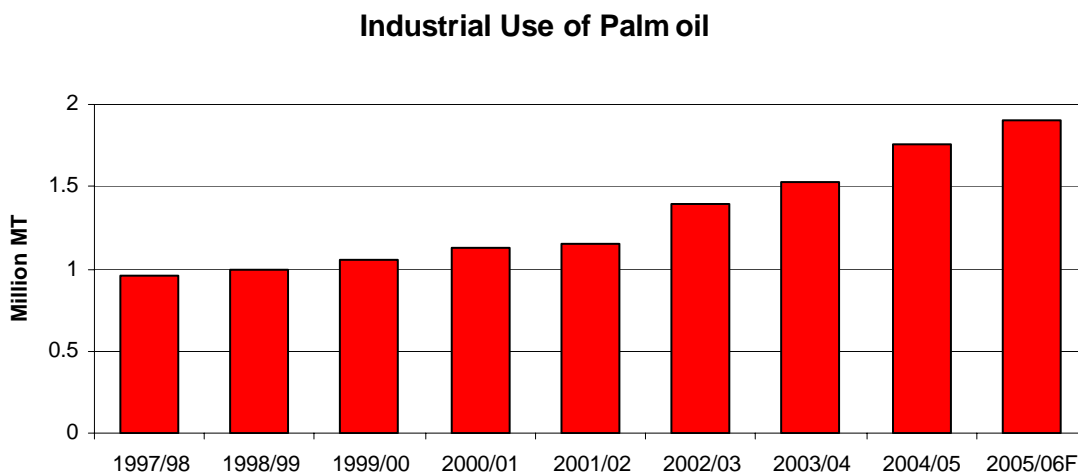




Oilseeds: World Markets and Trade

Malaysia's Industrial Use of Palm Oil Strengthens in 2005/06



Malaysia's industrial use of palm oil in 2005/06 is forecast at 1.9 million tons, up 8 percent from the previous year, supported by the country's ongoing efforts to promote palm oil as an alternative fuel source. In its National Biofuel Policy, released in March, Malaysia sets the platform for development of the biodiesel industry ensuring greater use of palm oil for the transport and industrial sector in the country. Traditionally, most industrial uses of palm oil are for soaps and cosmetics.

A recent report indicates that the Malaysian Palm Oil Board (MPOB) announced that will build the country's first biofuel plant in partnership with a private plantation company. The plant, scheduled to open in October 2006, would have an annual capacity of 60,000 tons refined palm olein processed into biodiesel. MPOB expects that at least 5 more plants will be established within the next two years.

In addition, Malaysia sees export opportunities for its biodiesel to the EU due to the existing strong demand and the mandated requirements for biofuel use. The European Commission has set a goal of 5.75 percent of the fuel used for transportation to be biofuels by 2010.

[Click here for link to a Special Report on Argentina's Soybean Complex Competitiveness to be released April 14, 2006](#)