

## Trend and Outlook of Malaysian Oleochemicals

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### ABSTRACT

*Ferocious consumption- a result of population growth and urbanisation combined, is behind the increase in demand for end-user applications such as pharmaceutical, personal care, food & beverages, soaps & detergents and more. Yet for oleochemicals companies the world over, they face an almost insurmountable challenge: delivering sustainable growth and profits in a hypercompetitive, low-growth and volatile environment. What are Malaysia's industry prospects for both the short and long-term? Are we facing up to the challenge of moving up the value chain towards high end palm-based products? What expansions coming on-stream in the US synthetic alcohol industry? Will climate change, urbanisation, population growth or technology disrupt or open up opportunities? With market projections for oleochemicals expected to surpass USD30 billion within the next 3 years, the prospects for Malaysia looks promising provided we play every hand we have to capture the growth. Uncertainty is a certainty, and is the new normal in the oleochemicals industry. Having a keen eye on data, managing knowledge, further investments in research & development, seeking product portfolio coherence and optimizing value over volume are just some of the measures needed to help us create opportunities and raise industry prospects in disruptive times. Current global trends (mega trends, climates, etc.) that impact to oleochemicals industry and the overall oleochemicals industry landscape;*

- *Still volatile industry*
- *Heavily dependent on feedstock market pricing*
- *Overcapacity in selected markets, especially in Asia Pacific*
- *Integrated oleochemicals player has advantage over non-integrated players*

#### *Outlook of Malaysia oleochemicals*

- *Export vs. import*
- *Government support (tax incentives, new regulations, etc.)*
- *Invest in building capabilities (infrastructure, talents, R&D, etc.)*

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