

# Emerging Markets:Asia

2<sup>nd</sup> International Conference on Soaps, Detergent & Cosmetics  
Kala Academy, Panjim, Goa, India

13<sup>th</sup> October 2008

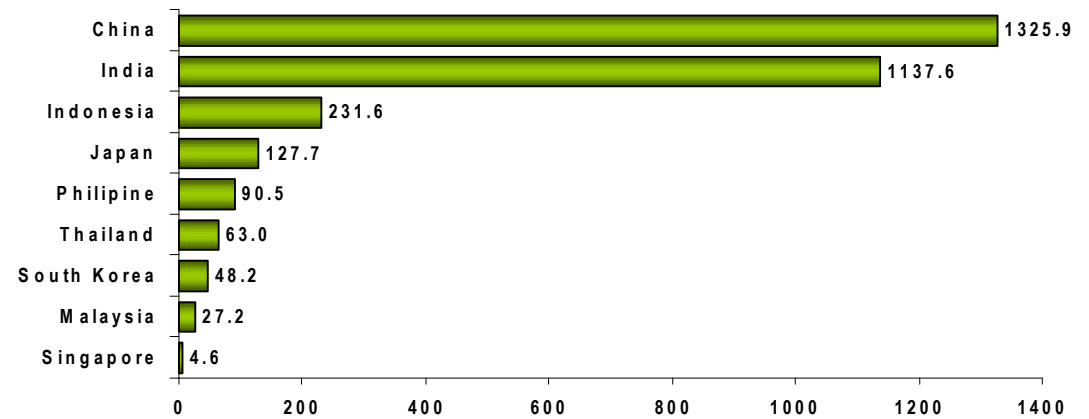
**Willy Sutanto**

# Asian Countries: Fact Sheet

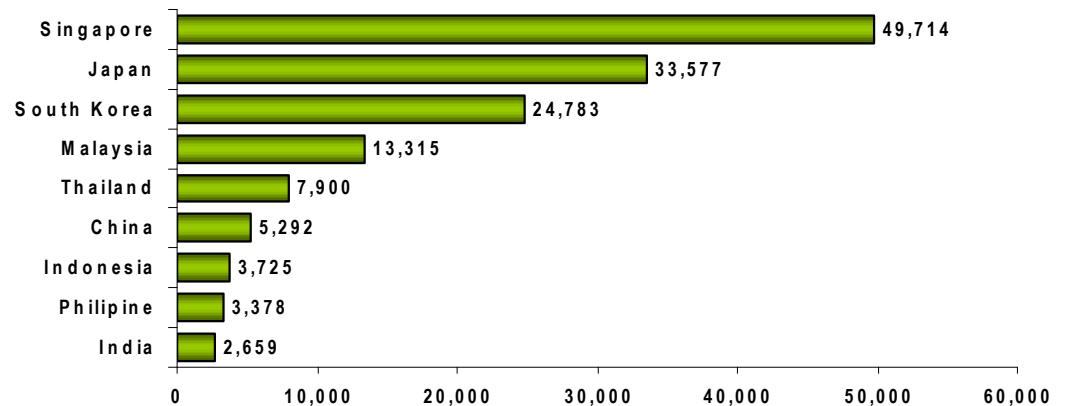


37 countries  
China & India most populated

Population (in Million)



GDP per Capita (in US\$)



Source: wikipedia for the year 2007

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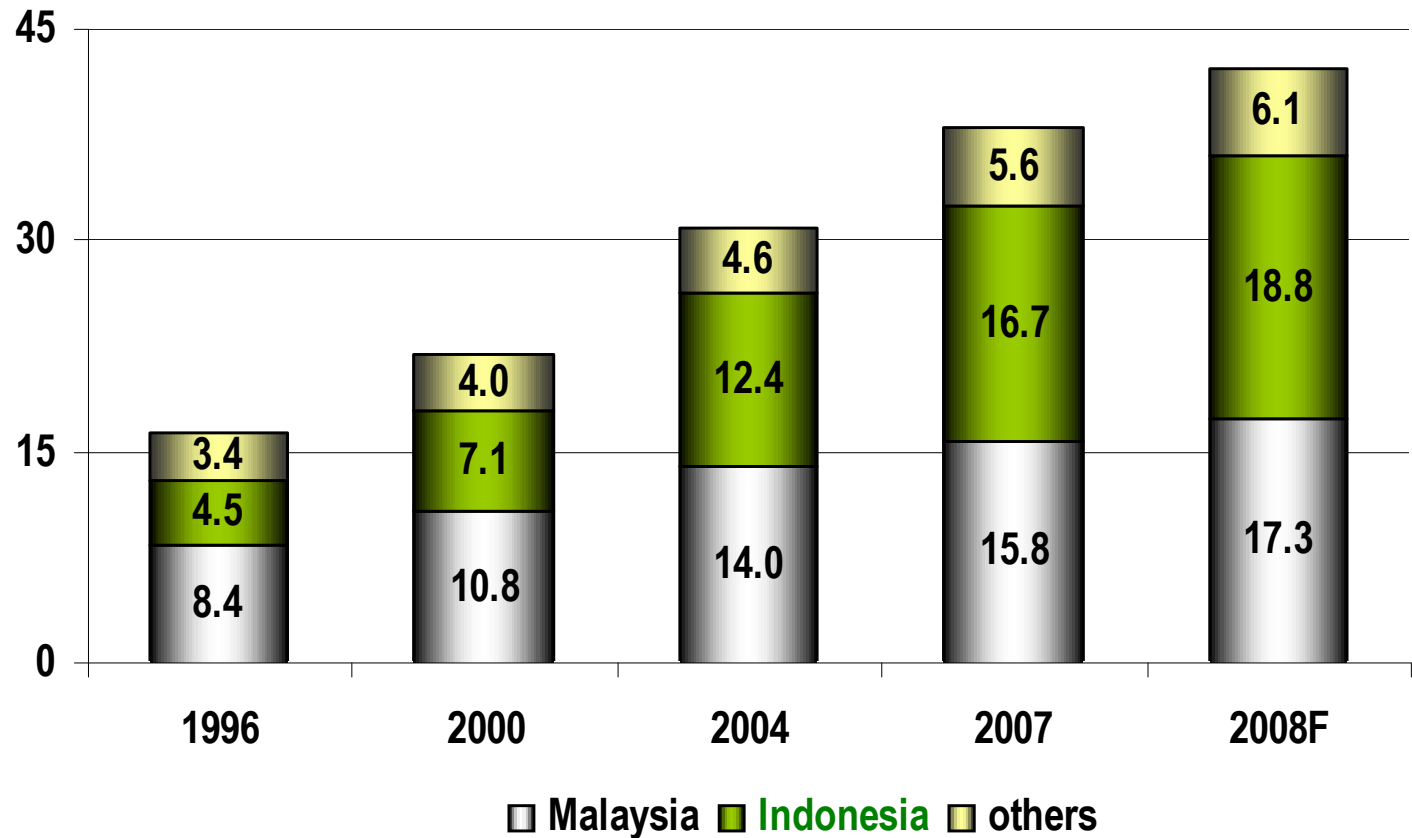
# Growth Dynamics

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- Export driven economy in the early years
- Investment from MNCs
- Abundance of cheap labour
- Low cost, low value production center

# Emergence of Palm Oil Industry

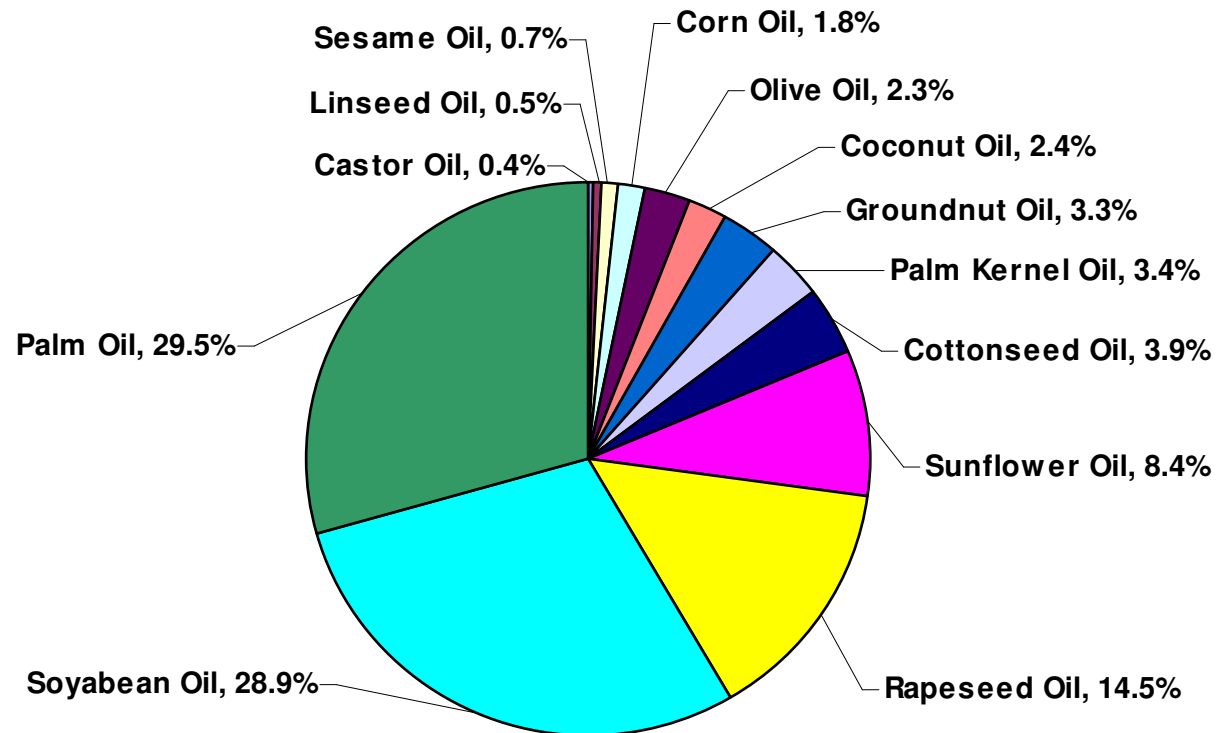
## World Palm Oil Production (in Million T)



Source: oilworld

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# The Importance of Palm Oil



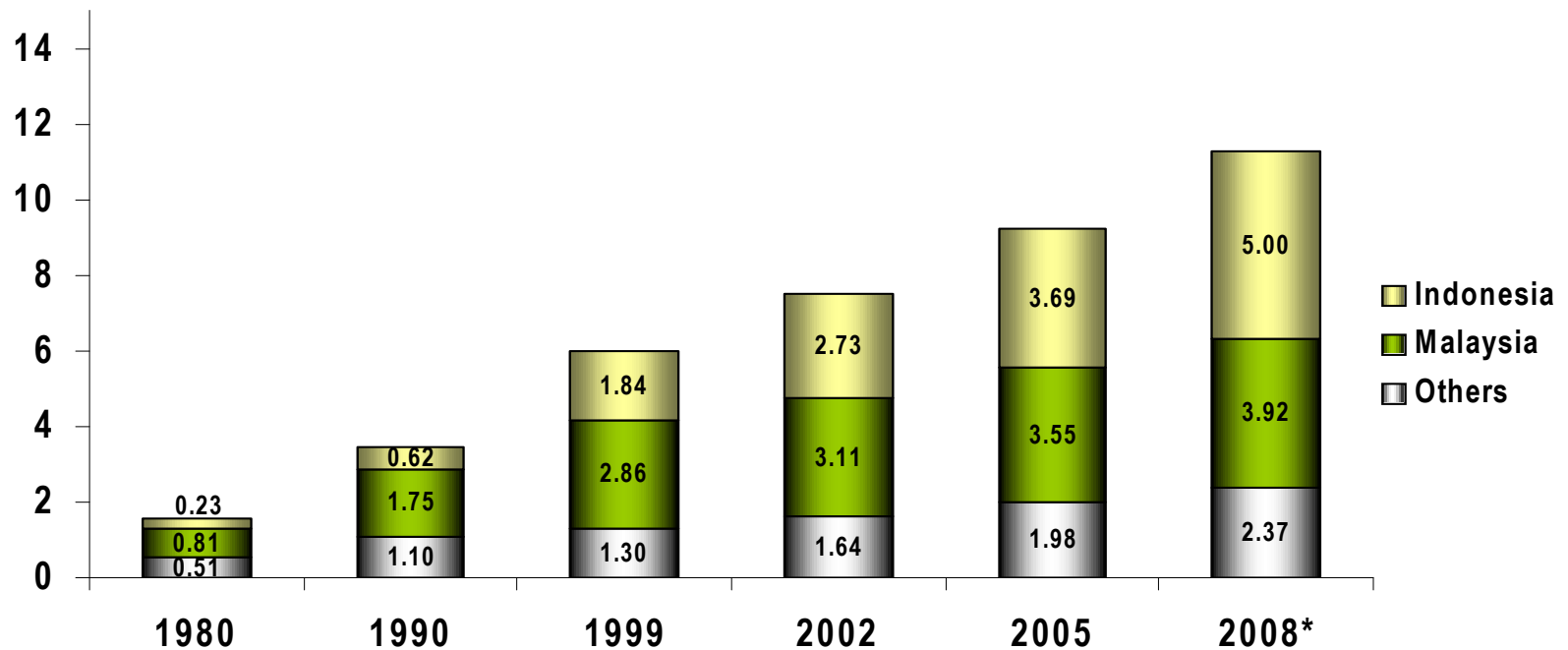
**WORLD PRODUCTION OF 17 OILS (2007)**



Source: oilworld

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# Palm Industry Acreage



Source: oilworld

Global Palm Oil Plantation (in 'Million Ha)

- Land bank in Malaysia is limited
- Indonesia holds future promise, total planted area accounts for < 4% of Indonesian top three islands

# Palm Oil Industry Challenges

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- Sustainable practices
- Working under the umbrella of RSPO
- Palm best place is in the tropic, competing with the tropical jungles
- A fine balance of palm demand growth and supply is needed

# Biodiesel Story

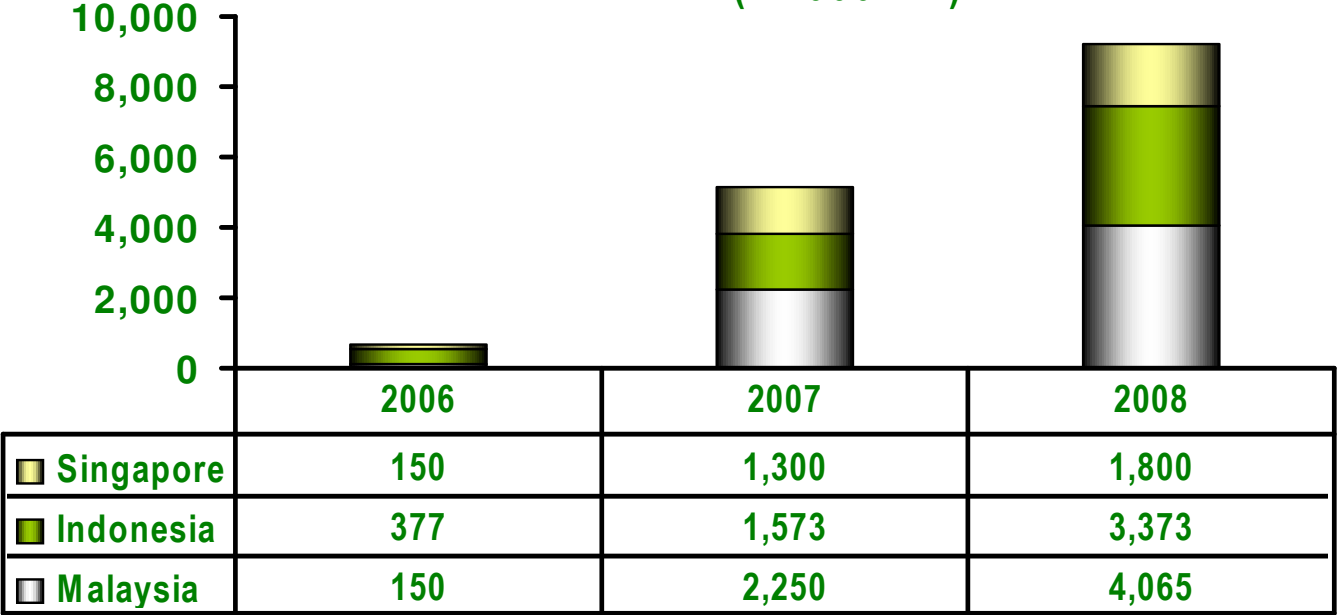
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- Crude oil is expensive and is exhaustible
- European pioneering the use of biodiesel
- At the back of the good potential of palm oil, strong interest for Asean countries to jump into the biodiesel story as well



# Biodiesel Capacities

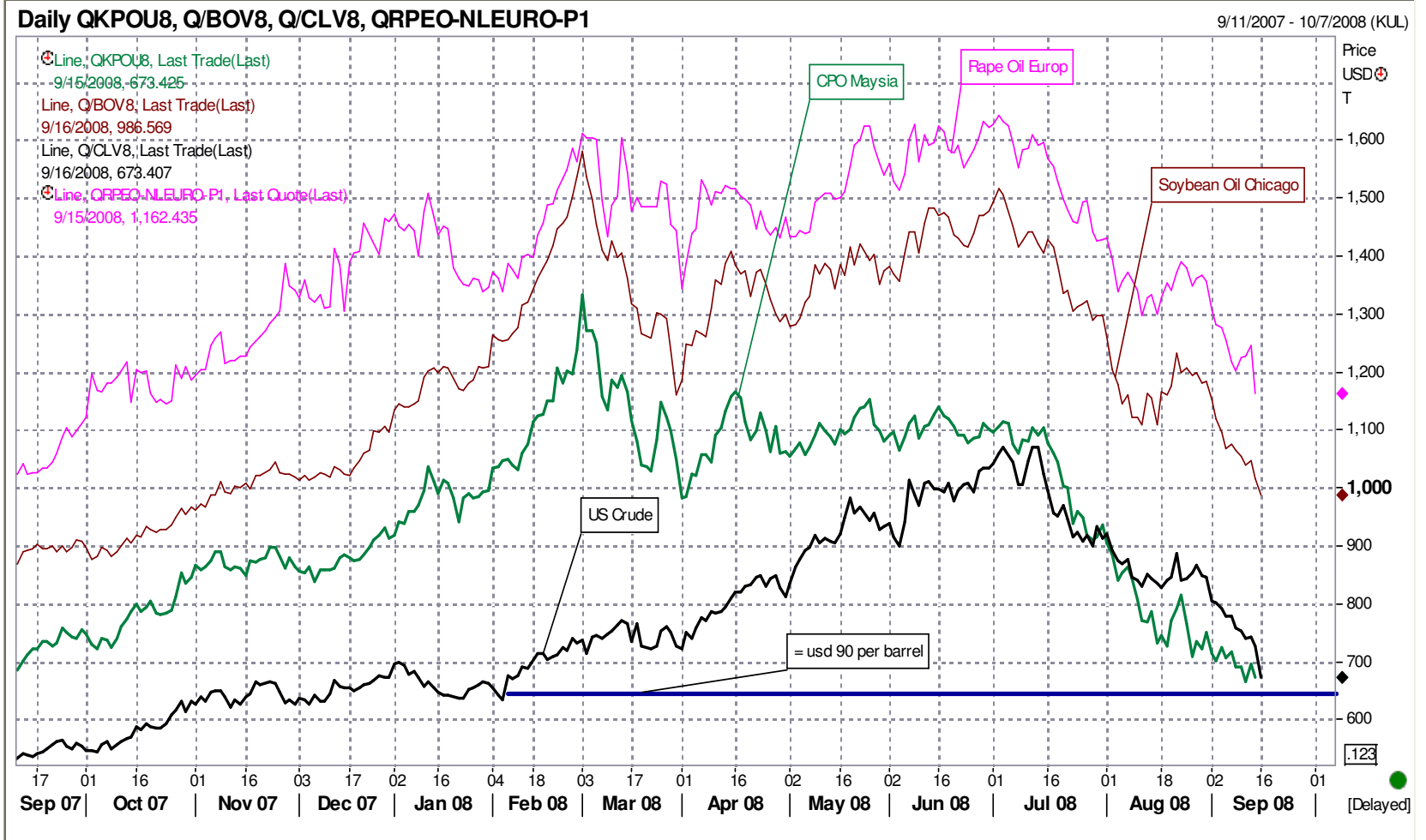
Planned and Realized Palm Oil Biodiesel Projects  
(in '000 MT)



Source: Rabobank

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# Record Production of Palm Oil



Source: Reuter

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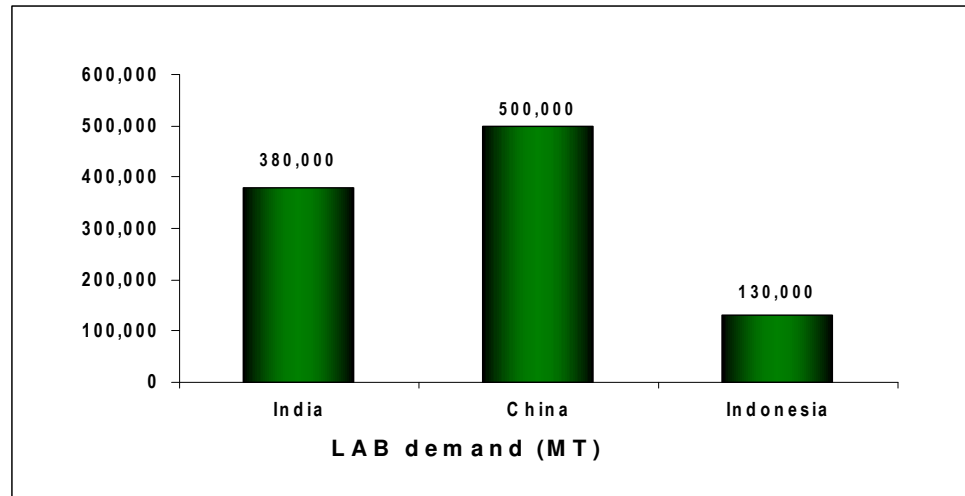
# Biodiesel production

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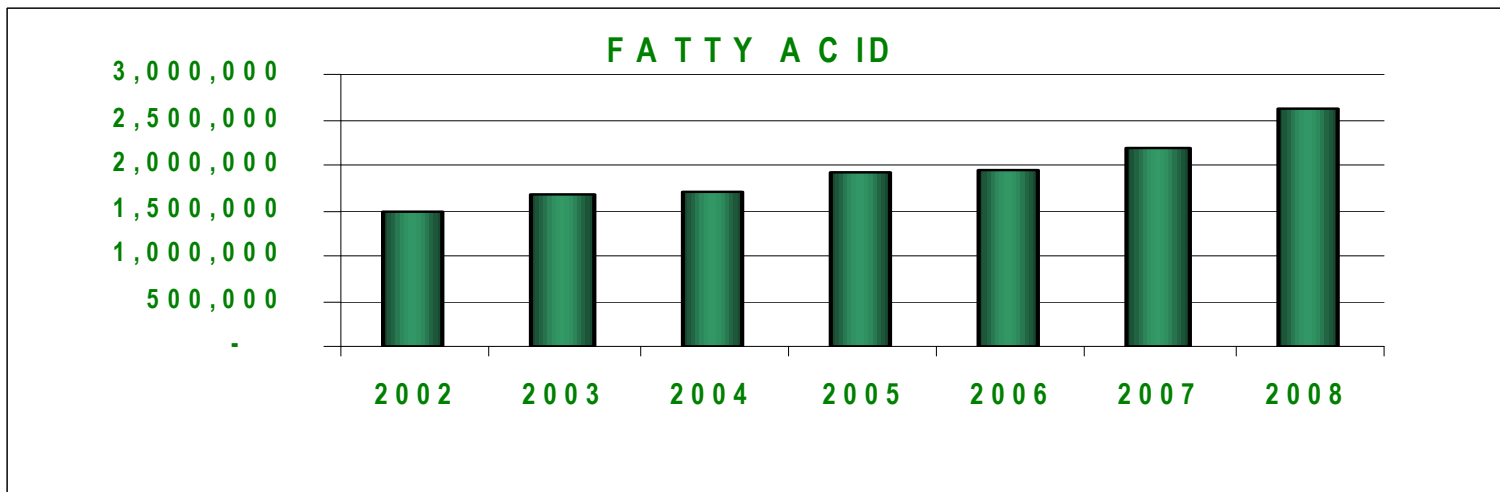
- Real biodiesel capacities are in place
- Produces undesirable C16 ME fraction suitable for MES, a perfect fit ?
- Stability and continuity are important for the success of MES
- Biodiesel controversies abound
- Price setter in the future

# Renewed opportunities for MES

- New capacities being built in Malaysia
- Huge price gap between LAB and Palm Stearine, boosts renewed interest in MES
- Independent MES producers role
- Challenges remain for successful main stream usage of MES



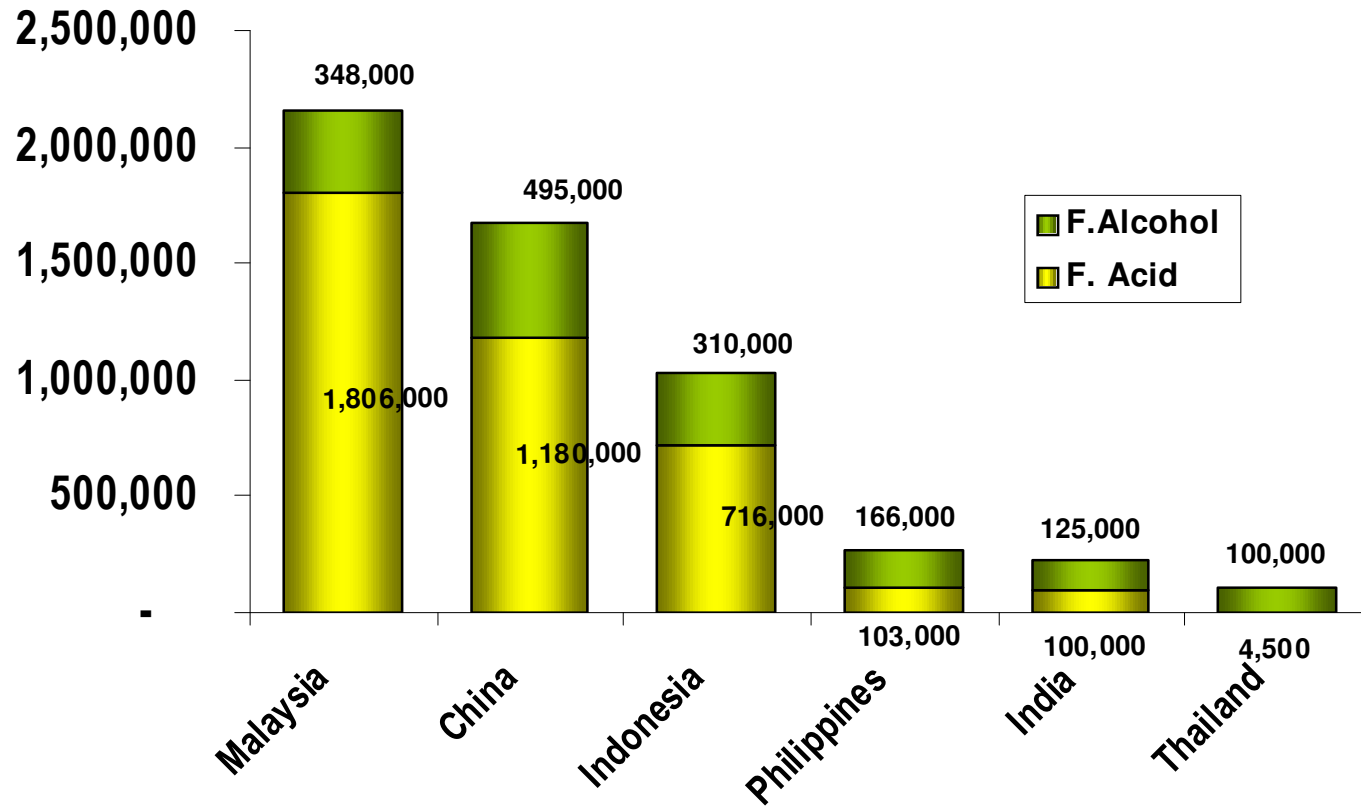
# ASEAN Oleochemicals Capacity Growth



Source: AOMG

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# Major Asian Oleochemical Producers



Fatty Alcohol and Fatty Acid production (MT)



Source: AOMG

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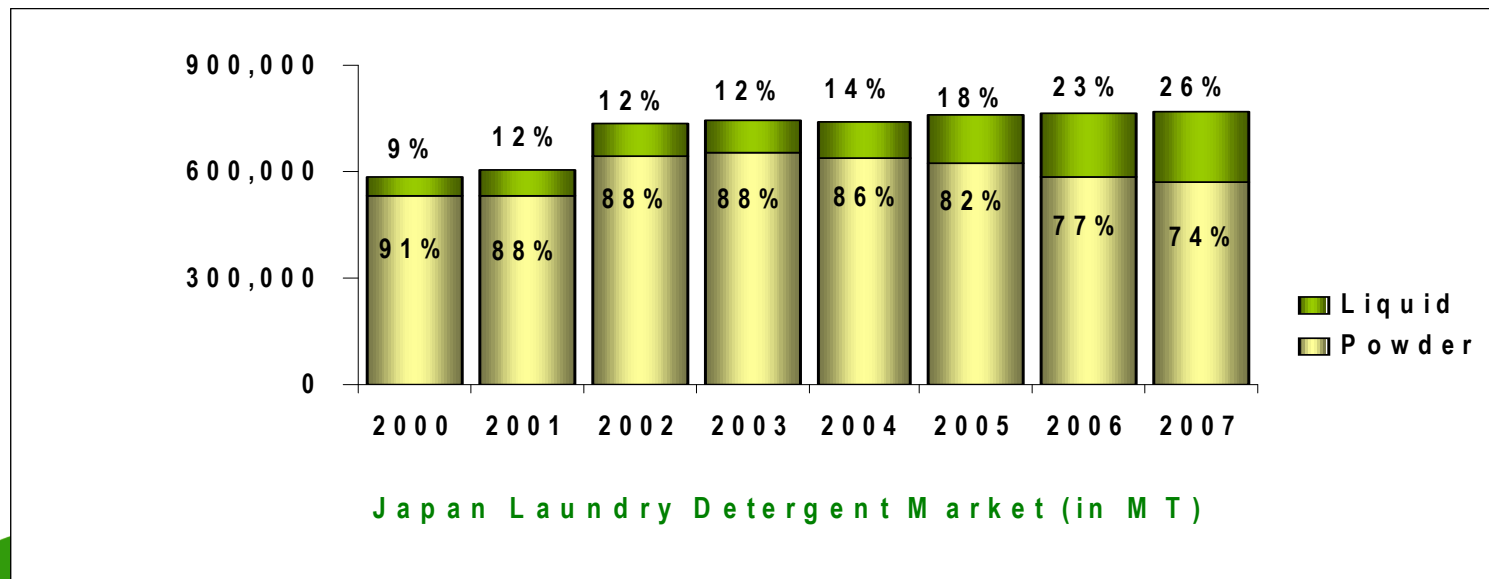
# Feedstock Preference

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- Drivers of feedstock preference :
  - Beyond consumers
  - Availability and sustainability of the feedstock
  - Reasonable cost
  - Detergent producers push

# Japan: A Case to Learn ?

- Consumers well developed, matured, sometime conservative and homogenous
- Break in consumption preference to use more liquid
- Better solubility and little wash residual
- Lesson for other countries ?





# Asia Emerging

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- Emphasis more on natural based raw material
- Crude oil will always be expensive
- Blessed with nature, in the land of tropics, sunshine all year around
- Sustainable development and share of mankind development

**Thank You**



**Ecogreen Oleochemicals**