

Document:	Welcome Remark for Datuk Muhamad Umar Swift Chairman of BMD
Event:	Virtual POC 2021
Date:	23 March 2021
Time:	4:00pm
Venue:	Virtual Platform

Yang Berhormat Datuk Dr. Mohd Khairuddin Aman Razali
Minister of Plantation Industries and Commodities

Mr. Cheng Weidong
Executive Vice President of Dalian Commodity Exchange

Mr Christopher Fix
Managing Director and Head of Asia Pacific for CME Group

Our Valued Partners and Supporters

Distinguished Speakers and Panellists,

Ladies and Gentlemen,

A very good afternoon to all.

1. Welcome to the Virtual Palm & Lauric Oils Price Outlook Conference & Exhibition, or Virtual POC2021. I hope everyone is in good health, wherever you may be.
2. As you are aware, global restrictions on travel and physical distancing requirements due to the COVID-19 pandemic had required us to hold our annual flagship POC virtually last year.
3. Nevertheless, we were pleased to see how well technology had successfully broadened our reach, attracting over 2,500 registrations and close to 1,700 unique logins from international industry players.

4. Rest assured, our virtual conference will continue to deliver and facilitate transparent dialogue on the palm oil industry we have grown accustomed to.

Ladies and Gentlemen,

5. The COVID-19 pandemic had affected the global economy in three main ways:
 - i. It directly affected production and demand;
 - ii. Created supply chain and market disruptions; and
 - iii. Caused financial impact on firms and financial markets.
6. Palm oil producers were forced to adapt to labour shortages which resulted in an overall of 3.6% decline in Crude Palm Oil production in Year 2020 compared to the Year 2019.
7. Furthermore, we have seen a higher export of Crude Palm Oil towards the second half of 2020 due to the tax exemption by the Malaysian Government.
8. With these major events, the price of crude palm oil saw an increase of 29% year-on-year owing to lower inventories, higher demand, as well as higher prices of CPO substitute soybean oil.
9. Looking ahead to 2021, market participants need to prepare themselves for another uncertain year, with many key factors having the potential to cause heightened price volatility, such as the weather, economic recovery and policy changes in the west.

Ladies and Gentlemen,

10. In a highly volatile environment, it is important for companies to look into adopting a more robust price risk management tool to mitigate against fluctuating commodity prices and keeping their businesses competitive.
11. Predicting the continuing impact of COVID-19 on businesses and economic activity has been increasingly challenging. For this reason, we have once again gathered speakers and experts in their respective fields to share their knowledge and experience that can help industry participants for a post-pandemic landscape.
12. I hope you will take away from virtual POC2021 with valuable insights and perspectives to address challenges, issues and discover new opportunities.
13. On our part, Bursa Malaysia Derivatives will continue our focus to develop a sustainable marketplace by improving our ecosystem and enhancing our products as a reliable hedging instrument against price volatility.
14. We remain committed to fostering sustainable development and promoting responsible growth for the industry.
15. From 1 April 2021 onwards we will require only MSPO-certified CPO to be physically delivered in our FCPO contract.
16. Palm oil remains the most widely-used vegetable oil globally, thanks to its versatility, affordability, and widely acknowledged beneficial properties. It is therefore important for the entire value chain to meet internationally-recognised sustainable standards to fulfil the requirements of global markets.
17. We are proud that since 1980, Bursa Malaysia Derivatives' FCPO remains the global price benchmark for the crude palm oil market and continues to be a credible barometer for the global pricing of palm oil and, in extension, the edible oil space.

18. Our palm oil-based products attract sizeable foreign participation, with up to 40% of our trades originating overseas. The CME Globex continues to provide our products with global visibility, accessibility and connectivity for investors and traders.
19. Moving forward, we will continue to pursue prospects that bring more choice to investors and traders on our Exchange, reflecting on our mission to Create Opportunities and Grow Value.

Ladies and Gentlemen,

20. I want to thank the Ministry of Plantation Industries and Commodities, the Malaysian Palm Oil Board, the Malaysian Palm Oil Council, Dalian Commodity Exchange, CME Group and all our partners for their kind support in the success of POC.
21. To all participants, we are hopeful to host you later this year at the physical edition of POC2021, once international travel can resume normally. On that note, we wish you a successful and productive session ahead.
22. Thank you.