

Study on Business Potential and Major Players of CPO Industry in Indonesia, 2014 - 2017

Year of 2012 and 2013 are the most difficult years for oil palm industries in the country. However, with their great potential, these industries have to awake. Despite lots of obstacles, year of 2014 and 2005 is predicted to be an awakening year for oil palm industries in the country and it is indicated by the rising CPO price and the growing CPO export demand particularly in Indian, Japan, USA and European Union markets. The government has sought for CPO export opportunity to new markets in Asia Pacific through Preferential Trade Agreement (PTA). Lobbying seems to be successful in line with the PTA agreement between Indonesia and Pakistan which will import 2 million tons per annum of CPO from Indonesia.

Oil palm industry has given great contribution to Indonesia. In 2012 total export foreign exchange reached US\$ 19.5 billion or equivalent to Rp. 200 trillion and predicted to increase to Rp. 300 trillion in 2015. This contribution will be greater since Indonesia will be the largest base of downstream oil palm industry in the world particularly oleochemical. Moreover, there are more industrial main players which are attracted to invest in downstream sector including WILMAR Group, SINARMAS Group, MUSIM MAS Group, ASIAN AGRI Group, SALIM Group, PERMATA HIJAU Group, CILIANDBRA Group, PTPN Group and others. Even, UNILEVER Group has committed to enter to this sector.

The expansion of oil palm plantation has kept on rising to reach 250,000 hectares per annum. So, the width of oil palm plantation areas at present reaches 9.2 million hectares. The trend of oil palm area expansion leads to Sulawesi and Papua. Through investigation performed by CDMI that there are oil palm plantation areas have been shifted to foreign parties through acquisition. Unsurprisingly, countries such as Malaysia, Singapore, USA, Belgium and UK have controlled thousands hectares of oil palm plantation areas.

The increasing expansion of oil palm plantation areas is not balanced with total oil palm plants (PKS). In 2011 the number of oil palm plants amounted to 663 units with capacity of 36,901 tons of FFB per hour rose to 695 units

with capacity of 37,213 tons of FFB per hour and predicted to reach 713 units with capacity of 34,628 tons of FFB per hour in 2013. The number of oil palm plants seems to be less since 7,500 hectares of oil palm plantation areas require 1 unit of oil palm plant (PKS). It means that Indonesia requires approximately 1,200 units of oil palm plants.

To identify the potential of oil palm industry in the country, CDMI, a leading consultant company, is attracted to perform a comprehensive research and has already published it in a study book with title of "Study on Business Potential and Major Players of CPO Industry in Indonesia, 2014 – 2017". In facts, oil palm industry in the country has great opportunity to grow rapidly in upcoming years.

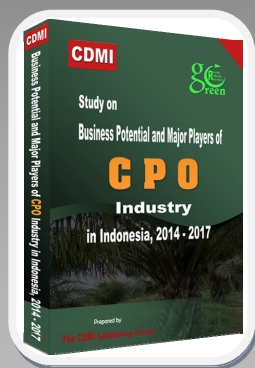
This book is very useful for oil palm industry within and outside the country, investors who will enter this business and other supporting industries such as fertilizer industries, heavy equipment industries, oil palm plant making industries, banking industries as creditors and other supporting industries.

This book can be ordered at CDMI and directly ordered to our marketing division Mrs. Tina by phone (021) **3193 0108-09** or Fax (021) 3193 0102 and e-mail: marketing@cdmione.com at a price of US\$ 600 for Indonesian Edition and US\$ 650 for English Edition.

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