

**THE EXPORT PERFORMANCES OF MALAYSIA'S  
CRUDE PALM OIL**

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**Submitted in Partial Fulfillment  
of the Requirement for the  
Bachelor of Business Administration  
(Hons) International Business**

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MELAKA**

**2007**

## **ACKNOWLEDGEMENT**

Firstly, I would like to dedicate my highest gratitude to Allah S.W.T. for giving me strength to complete this research proposal. I would also like to thank to my parents Mr. Zainal Abidin b Mohd Elias and Mrs. Zurida Samsudin for their 100% supports. Besides that, I would also like to register my appreciation to my supervisor, Mr. Khoo Chin Soon from Customer Service Development Unit DHL Express, for his endless support and assistance that have been significant to the completion of my research proposal.

I would like to take this opportunity to thank to my respective advisor, Ms. Asma' Rashidah b Idris for giving me prudent advice and guidance in shaping my direction to ensure that I could complete the research proposal successfully. My sincere appreciation also goes to the staff at Malaysian Palm Oil Board for their assistance in completing my research proposal. They had spent their time and experience to be shared in completing the research proposal.

Finally, I would like to express my gratitude to my fellow friends and family that for their continuous support to ensure that I continued growth and success during my study. It was quite hard for me to complete this research proposal without guidance, assistance and support from persons that I mentioned above.

<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
<b>ACKNOWLEDGEMENT</b>	<b>iv</b>
<b>LIST OF TABLES</b>	<b>v</b>
<b>LIST OF FIGURES</b>	<b>vi</b>
<b>ABSTRACT</b>	<b>vii</b>
<b>CHAPTER ONE: INTRODUCTION</b>	
1.1 Introduction	1
1.2 Background of the Study	1
1.3 Problem Statement	4
1.4 Research Question	8
1.5 Research Objective	8
1.6 Theoretical Framework	9
1.7 Significance of the Study	11
1.8 Scope of the Study	12
1.9 Limitation of the Study	13
1.10 Definition of terms	15
<b>CHAPTER TWO: LITERATURE REVIEW</b>	
2.1 Introduction	18
2.2 Literature Review	18
<b>CHAPTER THREE: RESEARCH METHODOLOGY</b>	
3.1 Introduction	29
3.2 Research Design	29
3.3 Sources of Data	30
3.4 Data Analysis	30
<b>CHAPTER FOUR: DATA ANALYSIS AND INTERPRETATION</b>	
4.1 Introduction	32
4.2 Trend Analysis	32
4.3 Estimation of Determinants of FDI	40
<b>CHAPTER FIVE: CONCLUSION</b>	
5.1 Conclusion	43
<b>BIBLIOGRAPHY</b>	<b>45</b>
<b>APPENDICES</b>	<b>47</b>

## **ABSTRACT**

The Malaysia palm oil industry plays a vital role as a major contributor to the Malaysia economy. In the global scenario, palm oil has assumed much importance in catering to the demand of the world's oils and fats. This study is about the export performances of Malaysian crude palm oil. It is also involved what are the determinants which is influenced the performance of exporting Malaysia crude palm oil to other countries. The Malaysian palm oil industry has undoubtedly made significant contributions towards the economy as well as to the development of the world palm oil market. Malaysia's ability to compete for increasing market shares has resulted in the rapid expansion of palm oil production and increased the exports of palm oil to the world.

The success of the crop itself is because of its high productivity, relatively low production cost and high degree of profitability. The amount of palm oil exported is highly dependent on the world population, the production of palm oil itself, the price, and the amount of import the palm oil itself.

The status of palm oil today in the world market is without doubt due to the significant contribution by the Malaysia palm oil industry. In fact, the country has become a role model for many other palm oil producing countries in their plans to spur economic development in the agricultural sector and to gain foreign exchange through exports of surplus production. In addition, oil palm is also featured as an important socio-economic crop in most producing countries especially for alleviating rural poverty amongst poor farmers and contribute to the Malaysia economic with the great export performances.

## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Introduction**

This research is to study the export performance of Malaysian crude palm oil. The country is very important market player in palm oil industry and the larger exporters of palm oil for international trade. Even though Malaysia are very consistent and maintain their position in palm oil industry, but there is intense competition from other countries which can affect the export performance of exports palm oil from Malaysia.

Malaysia has its own comparative advantage, which then will affect their export performance of palm oil to other countries. The factors, which influence the export performance, are in terms of planted area, price, production and the import of crude palm oil itself.

#### **1.2 Background of Study**

Since palm oil introduced into Malaysia at the end of 19<sup>th</sup> century in 1870, oil palm has increasingly been playing a contributory role to the world supply of oils. Following the establishment of the first oil palm plantation in Malaysia in 1896, the oil palm area has grown steadily. In 1960, there were about 54,000 ha of oil palm and