



UNIVERSITI TEKNOLOGI MARA

**THE FACTOR AFFECTING
CRUDE PALM OIL PRICE IN
MALAYSIA**

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ABSTRACT

Crude palm oil (CPO) has the highest yielding vegetables oil crop making it extremely productive. Malaysia is the one of the world's biggest palm oil exporter. As the proof, in 2020, Malaysia represented 25.8% and 34.3% of world's palm oil creation and products, separately. Whenever considered of different oils and fats created in the country, Malaysia represented 9.1% and 19.7% of the world's all out creation and products of oils and fats around the same time MPOC (2021). As a result palm oil is the world's least expensive vegetable oil . There are many components that might influence the progressions of crude palm oil price in Malaysia. It could be influenced by inward or outer elements. The study look at the relationship between crude palm oil price and independent variables found in this study which is export, production, exchange rate and soybeans oil price. The review directed showed that the majority of the factor that affecting the fluctuation of crude palm oil price in Malaysia from the year 2010 until 2020 which drastically has affected many changes in palm oil prices. The approach used to quantify the outcome is by utilizing Eviews program. The multiple linear regression test is been conducted through using t-test and f-test. Under the assumption test conducted, it was included R-squared and normality test.

Keyword: Crude Palm Oil Price , Export , Production , Exchange Rate , Soybeans Oil Price

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CHAPTER ONE

INTRODUCTION

1.1 INTRODUCTION

Palm oil is an edible vegetable oil derived from the mesocarp (reddish mash) of the product of the oil palms. In short, crude palm oil (CPO) is a plant-based oil got from the mash of the natural product from oil palms MPOC (2020). In contrast to its yellowish-dark family member, CPO takes on a ruddy tone because of the said organic product from which it is removed. Little goes to squander for the product of the oil palm tree with the part additionally being utilized to deliver palm portion oil Zaidon (2019). Referred to likewise as vegetable grease, palm oil utilizes extend past cooking, as it has a wide assortment of uses, incorporating being used in toiletries and other food products. Vast measure of land, especially in Southeast Asian nations like Indonesia and Malaysia, had been commit.

The decrease in palm oil price makes trouble for smallholders acquire deals and need to depend on different types of revenue. Besides, there are a few factors that influence palm oil value development. As a little and exceptionally exchange subordinate economy, Malaysia palm oil ventures are presented to an assortment of internal and external factors Abdullah and Wahid (2010) and Ab Rahman (2012) tracked down that the fundamental variables in understanding the change of CPO price were demand and supply. Crude palm oil (CPO) has the most elevated yielding vegetables oil crop making it amazingly useful. Accordingly palm oil is the world's most affordable vegetable oil RSPO (2013). The utilization of this oil is additionally exceptionally different,