

Glenealy expects demand to rise across major markets

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Miri-based Glenealy expects demand to rise across major markets, while world trade and consumption would strengthen in line with economic recovery.

Managing director Yaw Chee Ming said if CPO prices stay at the current level of about RM2,200, the company is due to perform better in 2010.

"Although CPO production is expected to trend up towards year-end, the CPO prices depend on climatic condition, such as El Nino and other external factors like the coming oilseeds crop sizes, the direction of crude petroleum price and the CPO import tariff in major importing countries," he told reporters after the company annual general meeting in Kuala Lumpur yesterday.

Also present were chairman Chan Hua Eng and finance director Cheam Dow Toon.

Glenealy, a relatively small player, saw net profit fell two-thirds to RM33.2 million in 2009 on the back of RM175.8 million revenue, which fell about a quarter from the previous year. The fall was mainly due to lower CPO and palm kernel (PK) prices, which dropped about a quarter and a third respectively, from the previous year.

In 2009, the group achieved an average CPO price of RM2,225 per tonne and PK price of RM1,122 per tonne, which is lower than the average RM3,055 per tonne for CPO and RM1,781 per tonne for PK in the previous year.

Yaw said CPO production, which stood at 76,000 tonnes as of June 30 2009, is expected to rise further as more trees mature.

For the current year, the group's total matured area in Sabah and Sarawak will reach 20,251ha.

The group now has a total landbank of about 70,000ha, of which 30,000ha is located in East Kalimantan, Indonesia, and more than 40,000ha in Sabah and Sarawak.