

<b>Document:</b>	Welcome Address for Tan Sri Amirsham A Aziz Chairman, Bursa Malaysia Berhad
<b>Event:</b>	POC2018 Conference (Palm & Lauric Oils Conference 2018)
<b>Date:</b>	5 - 7 March 2018
<b>Time:</b>	10.05 am
<b>Venue:</b>	Grand Ballroom, Shangri-la Hotel Kuala Lumpur

**Yang Berhormat Datuk Seri Mah Siew Keong**  
Minister of Plantation Industries & Commodities, Malaysia

**Mr Christopher Fix**  
Managing Director & Head of Asia Pacific, CME Group

**Mr Xu Qiang**  
Executive Vice President, Dalian Commodity Exchange

Industry captains and regulators,  
Partners, sponsors and supporters,  
Distinguished speakers,  
Delegates, members of the media,  
Ladies and gentlemen

1. Good morning and a very warm welcome to the 29<sup>th</sup> Palm & Lauric Oils Conference & Exhibition (POC).
2. First and foremost, I would like to thank **Yang Berhormat Datuk Seri Mah Siew Keong** for once again officiating and delivering the keynote address here today. Your presence is a testament in reaffirming

POC's unique and important role in the global palm oil marketplace.

3. To our eminent speakers and delegates who have come from all over the world, welcome to Malaysia.
4. Having successfully establishing itself as a premier event, POC continues to attract an international audience, each sharing a common broad vision and commitment towards the sustainable advancement of this industry.

Ladies and gentlemen,

5. The theme of this year's conference is **'Price Disruption - Take Control, Manage Volatility'**. As bold as it is, let this be a rallying call for everyone to address the issues and challenges that continue to face the industry.
6. Despite our continuous efforts and progress to ensure quality assurances, good agricultural practices and sustainability in palm oil production, the industry continues to be challenged by the debate surrounding its environmental impact.
7. We are especially concerned with the European Union's call to ban the use of palm oil in biofuels by 2021 and view this anti-competitive policy as an unfair disruption that will create a negative outlook for the industry.

8. In 2017, the EU region was the second largest export market representing 12% of the total 13.8 million palm oil shipped globally. About 46% of total palm oil imports in this bloc are used towards the production of biofuels. The bigger concern now is assessing the potential impact and spillover effect the ban will have on the industry.
9. As such, I would like to take this opportunity to commend the efforts of the Minister, and other policy makers, on taking the leadership and diplomacy role to resolve this matter and reiterate our full support to the Ministry towards the long term sustainable development of the palm oil industry.

Ladies and gentlemen,

10. The challenges of building a sustainable future for the palm oil industry are immense and requires a collaborative effort and innovative thinking from all stakeholders.
11. As such, let me implore you to use POC as a platform to facilitate an open and transparent dialogue with each other, so that together, we can address the challenges and discover new opportunities in the industry.
12. POC prides itself with its line-up of accomplished thought leaders and industry experts with a strong vision and industry achievement. I am confident that

everyone here will benefit from this experience, with each one of you having a unique role that can ultimately drive the long-term sustainability of the industry.

13. In this respect and on our part, Bursa Malaysia will continue to carry on our commitment to further develop a sustainable marketplace by improving our ecosystem and enhancing our products, that have become increasingly recognized by global industry participants as a reliable hedging and arbitrage instrument against price volatility in the palm oil industry.
14. Bursa Malaysia Derivatives (BMD) trading volume for FCPO and OCPO continues to grow from year to year. In 2017, FCPO recorded a volume of 11.9 million contracts vs 11.4 million contracts in 2016. Open positions was at a record high in November at around 259,000 contracts.
15. In line with current market development and industry needs, enhancements have been made to further strengthen FCPO contracts, which have been effective since 26 February 2018. These enhancements to the FCPO contract specifications are as follows:

**One - FCPO deliveries to be traceable up to the palm oil mill**

This new requirement for sellers to provide traceability documents is to increase transparency by facilitating easier tracking of crude palm oil origins and tracing Malaysian Sustainable Palm Oil (MPSO) certification for CPO buyers.

### **Two - Increase in Position Limits**

Position limits for the FCPO market has been raised to allow traders to increase their exposures without the need to seek additional exemptions.

### **Three - Revision of trading hours**

New daily trading hours gives traders an additional 30 minutes for trading and hedging activities.

### **Four - Extension of Trading Tenure**

Allows traders to lengthen their hedging capabilities of their current palm oil exposure by having additional tradeable contract months.

16. This continuous effort will help to ensure a more robust and attractive derivatives market and through POC, we hope to gain more insights on how we can better serve the needs of the industry.

Ladies and Gentlemen,

17. In closing, on behalf of the Exchange I would like to thank you all for your ongoing support for POC. I would like to thank the Ministry of Plantation Industries and Commodities as well as the Malaysian Palm Oil Board and the Malaysian Palm Oil Council for their tireless work and contribution towards the development of the industry. I would also like to acknowledge the support of CME Group, who are the Co-Organisers, and the support of Dalian Commodity Exchange, our Special Partner Exchange.
18. My thanks also goes to all the sponsors and partners of this year, notably the lead partner Felda Global Ventures Holdings Berhad, and also the Titanium Sponsors, Platinum Sponsors, Gold Sponsors, Sponsor, Supporters and Partners.
19. On this note, I wish all participants a fruitful and productive deliberation at POC2018.

Thank you.