# FGV Trading charts success with RM2.5 Billion Oil Trade within four months

Felda Global Ventures Holdings Berhad (FGV)'s transformation plan, which channelled its oil trading activities through FGV Trading Sdn Bhd showed impressive growth with a revenue of RM2.5 billion in just four months.

FGV Trading, which started its trading operations last February, is targeting revenue of between RM6 billion and RM8 billion from its activities this year.

Head of Trading& Marketing and Logistics (TML) Cluster, Dato 'Khairil Anuar Aziz said FGV Trading will become the second largest contributor to the Group's revenue, at 34%.

"So far FGV Trading has traded 1.3 million tonnes of crude palm oil (CPO) and this is a good achievement for a new company," said Dato 'Khairil.

He added that FGV Trading aims to trade 4.7 million tonnes of CPO, 60 percent from internal CPO while the rest from external sources.

"FGV Trading has proven the effectiveness of FGV's Transformation Plan and it will play a significant role for the Group to be amongst the world's largest agribusiness company," he said.

FGV Trading, which is now headed by Chief Executive Officer Datuk Wira Adam, also plans to explore the potential of other high-valued vegetable oils example coconut oil from Philippines for the international market.

"This is to diversify its commodities apart from CPO with hope that it will further enhance the company's revenue stream. Not only that, we also can improve the trading skills of our traders in comparison to other global commodity players," he added.

FGV Trading's traditional market includes China, Japan, Bangladesh, India and Pakistan, as well as the Indo-China region such as Vietnam, Myanmar, Cambodia and Laos. It is also involved in the premium market for countries in Europe.

In line with FGV's land bank expansion and increase in CPO production, FGV Trading is also eyeing new markets among the countries of West Asia, the Mediterranean, North Africa, Eastern Europe and the Balkan regions.

In addition to the trading segment TML Cluster also plans to increase revenue through its Logistics segment by increasing the capacity of the palm oil shipments inside and outside the Group.

Through the Logistics segment, earnings are expected via its Multimodal Transport Operator (MTO) unit, which is now eyeing the oil and gas industry in Rapid Pengerang, Johor. To date, MTO has contributed about 20 to 30 percent of annual revenue for the logistics segment.

“Based on the previous record in general, Felda Transport Services Sdn Bhd (Felda Transport) carried around 6 to 7 million metric tonnes CPO products dan it is expected to increase in line with the plantation land bank expansion.”

“Hence, in order to intensify our operations efficiency and improve earnings, we are in the mid of strengthening our logistics through Logistics Centre of Excellence as to optimize our transport assets utilisation and efficiency”, add Dato’ Khairil.

TML’s Storage & Handling segment, Felda-Johore Bulkers (FJB) remains as FGV’s largest and modern vegetable oils storage in the world with the ability to handle eight million tonnes per annum with a storage capacity of over 800,000 metric tonnes.