

Insights into the global coconut oil market

The value of the global coconut oil market showed an unstable dynamic trend from 2007 to 2016. In 2016, however, the value of the global coconut oil market expanded to \$4.6m as a result of the rise in the price of coconut oil due to the current trend of reducing its supplies on the market.

According to IndexBox estimates, global coconut oil consumption in physical terms showed a negative dynamic from 2007 to 2016, falling from 3.6 million tonnes in 2007, to 3.0 million tonnes in 2016. Consumption decreased with a CAGR of -2.2% over the period under review.



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The current demand for healthy food and for various different oils designed to be used for health and beauty purposes constitutes the main driving force behind today's market. It is projected, however, that the coconut oil market will continue to decline as a result of the steadily decreasing output in the major producing countries. Therefore, the coconut oil market is expected to continue a slightly downward consumption trend, declining with an anticipated CAGR of -1.4%, which will depress the market volume to 2.6 million tonnes.

Leading global consumer countries of coconut oil

The US (16%), Indonesia (13%) and the Philippines (9%) were the countries with the highest consumption levels, together accounting for 38% of global figures.

In 2016, among key consumer countries, the US (1.4 kg per person) registered the largest per capita consumption level. It was followed by Indonesia (1.1 kg per person). Per capita consumption in these countries was higher than the global average of 0.4 kg per person. While the per capita consumption in Indonesia showed a positive dynamic, with a CAGR of +1.4%, US per capita consumption (-1.6%) showed a negative trend over the period under review.

Production of coconut oil declined for the fourth consecutive year

Coconut oil production stood at 2.9 million tonnes in 2016, recording a negative dynamic throughout the analyzed period. From 2007 to 2016, coconut production fell at an annual average rate of decline of -1.8%.

In 2016, the Philippines and Indonesia were the key world coconut oil producing countries, with an output of about 950 thousand tonnes and 859 thousand tonnes, respectively. They were followed by India (410 thousand tonnes), Viet Nam (158 thousand tonnes) and Mexico (118 thousand tonnes). These major producing countries together accounted for 86% of total global output.

In the Philippines, production levels decreased by -3.6% annually from 2007 to 2016. The Philippines were followed by Mexico (-1.5%) and Indonesia (-1.0%). The other major producing countries indicated a stable coconut oil output in physical terms. The decline in production in the leading producing countries over the period from 2007 to 2016 can be attributed to the fact that the coconut palms had already attained their peak output. Equally, a considerable timeframe and significant investment are required to modernize and overhaul existing plantations, as well as to achieve high yield figures.

The Philippines and Indonesia were the largest suppliers of coconut oil

In value terms, global exports of coconut oil fluctuated significantly throughout the analyzed period, amounting to \$2.9bn in 2016. In volume terms, global exports of coconut oil stood at 1.9 million tonnes in 2016, a decline of 15% against the previous year.

The Philippines (753 thousand tonnes) and Indonesia (602 thousand tonnes) were the main global suppliers, with a share of 72% of global exports. They were followed by the Netherlands (12%) and Malaysia (6%). All these countries together accounted for 90% of global coconut oil exports. From 2007 to 2016, the share of the Netherlands (+6 percentage points) increased significantly, while the share of Indonesia (-5 percentage points) and the Philippines (-4 percentage points) illustrated a negative dynamic. The shares of the other countries showed a positive dynamic throughout the analysed period.

The US and the Netherlands were the main importers of coconut oil

In 2016, the volume of global imports totalled 1.9 million tonnes. Overall, there was an annual decrease of -1.5% for the period from 2007 to 2016. In value terms, the total imports of coconut oil attained \$3bn, \$17m (or +1%) more than the previous year.

The US (27%) and the Netherlands (18%) were the main consumers of coconut oil imports, together accounting for 45% of global imports.

The US indicated the highest rates of growth in terms of imports, with a CAGR of +1.3% from 2007 to 2016. Meanwhile, the Netherlands' imports remained relatively stable throughout the analysed period. While the US (+6 percentage points) strengthened its position in terms of global imports, the Netherlands (+1 percentage point) illustrated a more modest positive dynamic from 2007 to 2016.

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