



KS Oils sets up Singapore headquarters

By Rachel Kelly, Channel NewsAsia | Posted: 21 April 2009 2233 hrs

SINGAPORE: Indian edible oils firm KS Oils is setting up an international headquarters in Singapore as part of its plans to meet growing demand.

KS Oils says India exports as much as US\$150 million worth of edible oil products, part of which could flow through Singapore. It is targeting its office here to see revenues of US\$1 billion per year by 2014.

Demand for edible oils has been resilient amid the current global slowdown, and KS Oils is anticipating further growth. KS Oils noted that demands for its oils are still growing at a steady 10 per cent rate in India.

It is setting up an international headquarters in Singapore to import and export such products, including crude palm oil (CPO), to the region.

Managing director of KS Oils, Sanjay Agarwal, said: "We will do our trading operations from Singapore - import and export, import of the CPO from Indonesia and Malaysia, as well as the export of our products in India, rapeseed and soyabean routed through the Southeast Asian countries, China, Vietnam, Korea.

"We are in the process of opening and this will take one month. And from this headquarter we are looking at US\$1 billion turnover in the year 2014."

KS Oils said India is seeing a shortfall of five to six million tonnes of edible oils annually.

It is planning to invest a total of US\$75 million in palm oil plantations in Indonesia and Malaysia. It has invested into over 20,000 hectares of palm plantation land in Indonesia and Malaysia.

It plans to supply 80,000 tonne of palm oil to its manufacturing and refining plants in India from its plantations in India.

Its Singapore headquarters will come under its wholly-owned unit, KS Natural Resources.

There are currently around 3,700 companies from India in Singapore, and the Economic Development Board (EDB) noted that there has been an increasing interest from Indian companies as well as those in the edible oil sector.

Other big natural oil companies with a presence in Singapore include Wilmar and Olam International.

Assistant managing director of EDB, Quek Swee Kuan, said: "We are seeing that growing interest, so we will continue to speak to several such agricultural companies and we expect that there will be growth in this sector. So we hope that over the next few months we will be seeing some project announcements."

KS Oils plans to buy more plantation land in Southeast Asia in the next few years, in order to secure supplies and reduce dependence on imported raw material.

The company has partnered with National University of Singapore for the past two years in areas such as mineral and soil feasibility before land acquisition.

Although KS Oils did not disclose how much it will be investing to set up a headquarter in Singapore, it did say that it will be hiring between 30 and 40 employees for the office.

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