



GROUP: FOOSBALL

Palm Oil Prices and Haze in S.E. Asia

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AGENDA

Hypothesis

2

Executive Summary

3

Relationship between palm oil prices and fires per month

4

Relationship between fires per month and occurrence of haze

5

Relationship between palm oil prices and occurrence of haze

6

Limitations and Future Scope

7

HYPOTHESIS

There is an association between the global price of palm oil and the occurrence of haze in South-East Asia

EXECUTIVE SUMMARY

Economic Causes

Falling prices and increasing demand for Palm Oil and palm oil products which, in turn, leads to an increased need for forest land obtained through slash and burn



Physical Causes

The forest fires lead to a smoky blanket which brings about haze in S.E. Asia

Haze in South-East Asia occurs due to a combination of economic and physical factors that reinforce each other

Databases

1. global_price_palm_oil_usd
2. MODIS_archive
3. singapore_psi & pm25_global

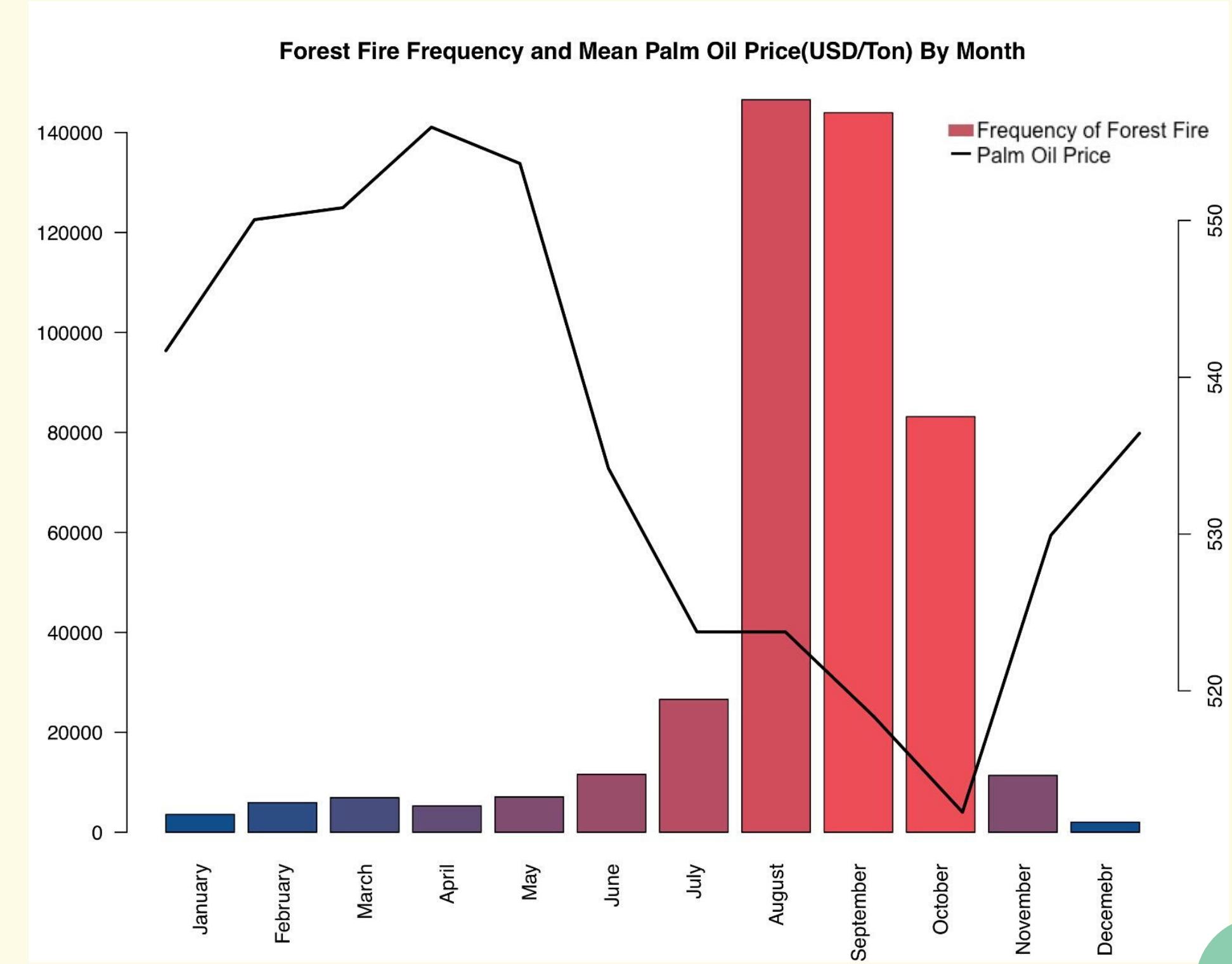
Secondary Research

1. BBC News, 2019
2. Lohman, 2007

There is a negative association between the mean oil price and forest fire frequency

The price falls first and there is a slight delay in time where forest fires begin

Coincides with dry season in S.E. Asia, which lasts between July - October (BBC, 2019)



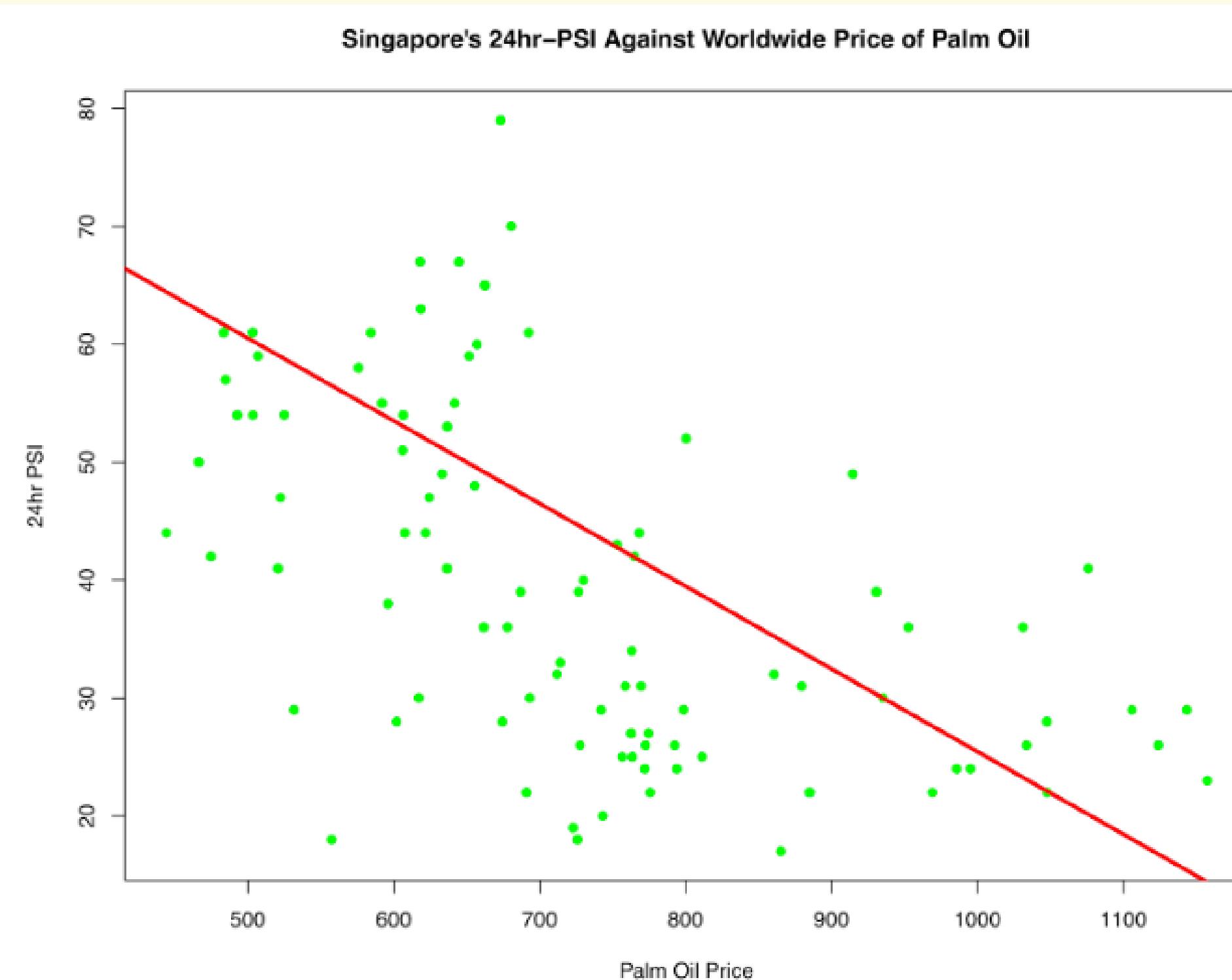
Relationship between forest fire and haze - physical causes



**Forest fire causes
haze!**

Lohman, David J., et al. "The Burning Issue." *Science*, vol. 316, no. 5823, 2007, pp. 376-376.
JSTOR,
www.jstor.org/stable/20036047.

Negative linear correlation between Palm Oil Prices and 24hr-PSI



Limitations

CORRELATION ≠ CAUSATION

Possible lurking variables:

- weather
- changing Taste and Preferences that drive demand

Removal of outlier (2015 Oct 1)

Future Scope

POLICY RECOMMENDATIONS

Enforcement of no burning law or cut down burning

- Difficult to enforce given practical, economical reasons

Education on cleaner farming practices

Thank you!