

Overview of wilmar international limited company marketing essay



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Wilmar International Type Public (SGX: F34, ASX: ÿSGT) Industry

Agribusiness Headquarters Singapore Key people Kuok Khoon Hong,

Chairman Products Palm Oil Revenue \$23. 89 billion USD (March 2010)

Operating income \$1. 88 billion USD (March 2010) Total assets 23. 36 USD

(March 2010) Total equity 30. 31 USD (March 2010) Employees > 80, 000

Website Wilmar International Homepage Wilmar International Limited[1]

founded in 1991, is today Asia's leading agribusiness group. It ranks amongst the largest listed companies by market capitalisation on the Singapore Exchange (second largest as of Sep 2010)[2]. It is a Singapore-based investment holding company that provides management services to its 400+ subsidiary companies[3].

Wilmar International business activities include oil palm cultivation, edible oils refining, oilseeds crushing, consumer pack edible oils processing and merchandising, specialty fats, oleochemicals and biodiesel manufacturing, and grains processing and merchandising.

Wilmar's merchandising and processing segment encompass (1) merchandising of palm oil and laurics-related products; (2) operations of palm oil processing and refinery plants; (3) crushing, further processing and refining of a range of edible oils, oilseeds, grains and soyabean. Its consumer products segment has oil bottling business in People's Republic of China, Vietnam and Indonesia. Its plantation and palm oil mills segment engages in oil palm cultivation and milling. Other segment includes manufacturing and distribution of fertiliser and ship-chartering services.

Another success of the company are become a largest global processor and merchandiser of palm and lauric oils; it has a largest plantation companies in Malaysia and Indonesia; one of the largest palm biodiesel manufacturer in the world; a leading consumer pack edible oils producer, oilseeds crusher, edible oils refiner, specialty fats and oleochemicals manufacturer in China, in India, one of the leading importers of edible oils into East Africa. These are news about its successes:

“ Primarily in the core agricultural business, Wilmar has chalked up US\$21. 3 billion in revenue following increased sales volume in oilseeds and grains and consumer products as well as higher selling price of agricultural commodities.

“ Under the deal, Wilmar is buying Malaysia-listed PPB Oil Palms Bhd, Kuok Oils & Grains Pte Ltd and PGEO Group Sdn Bhd for 4. 1 bln sgd in an all-share deal.

Wilmar will issue to the Kuok Group 2. 4 bln new shares at 1. 71 sgd each as payment for the acquisitions, giving the Kuok Group a 31 pct stake in the merged entity.

The stake of Wilmar Holdings Pte Ltd in Wilmar International will be diluted to 48. 5 pct from 81. 90 pct after the merger is completed.

Separately, Wilmar International said it is buying the edible oil and grains businesses of Wilmar Holdings , including the interest of Archer Daniels Midland Asia Pacific in the said businesses, for 2. 5 bln sgd.”

(<http://www.forbes.com/feeds/afx/2006/12/14/afx3254056.html>
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12. 14. 06, 5: 28 AM ET)

2. CSR : Corporate Social Responsibilities of the Company

Like all the big and famous companies, they always focus on the responsibilities to the increasing demands of society for greater Corporate Responsibility, They are interesting in protect the environment, they participated into the Sustainable sourcing activities, and Community and Social Benefit,

News from Businessweek. com/news / 2010, Wilmar International bought a CSR Ltd' sugar unit:

“ By Wendy Pugh and Luzi Ann Javier

July 5 (Bloomberg) — Wilmar International Ltd., the world's largest palm oil trader, agreed to buy CSR Ltd.'s sugar unit for A\$1. 75 billion (\$1. 5 billion), beating China's Bright Food Group Co.'s bid for Australia's biggest refiner.

The offer includes A\$1. 35 billion in cash and A\$403 million in assumed net debt, Singapore-based Wilmar said today in a statement. Sydney-based CSR is the world's second-largest exporter of raw sugar and Australia's No. 1 producer of sugar- based ethanol and renewable energy generator from biomass.”

(<http://www.businessweek.com/news/2010-07-05/wilmar-to-pay-a-1-75-billion-for-csr-s-sugar-business.html>)

In official website of the company, they wrote these as undertaking to the society : “ Our business activities have a direct impact on livelihoods and quality of living, both on our employees and our neighbouring communities. The nature of our business means that we sometimes operate in the most remote parts of developing countries. We have benefited much from these countries and we wish to do our bit for these countries too. We recognise our ability, and our responsibility to better the quality of living conditions of our neighbours, especially for the rural poor.

Our approach is to ensure we bring meaningful and lasting benefits to the communities in areas where we operate, while we maintain the continual viability of our business. We reckon one of the best means to achieving this is to build open, honest and mutually beneficial relationships that promote harmony with them. To this end, we are committed to progressive socio-economic policies and programmes in the local communities and economies we operate in

In a nutshell, we firmly believe that environmental conservation and economic prosperity through sustainable agriculture can work in practice.”

(<http://www.wilmar-international.com/sustainability/community.htm> on March 04, 2011)

And how do they face to Climate changes? ” They said : ” Human pressure on the global climatic system is largely the result of economic and industrial activities that have increased the emission of greenhouse gases (GHG) into the atmosphere. Greenhouse gases, associated with the greenhouse effect and subsequent global warming, are caused by the accumulation of mostly <https://assignbuster.com/overview-of-wilmar-international-limited-company-marketing-essay/>

carbon dioxide and other gases such as methane and nitrogen oxide in the atmosphere.

We monitor our GHG emissions and are constantly looking for ways to reduce our carbon footprint in our plantation and industrial operations. For example, our mills make use of biomass to generate electricity, including agricultural wastes such as empty fruit bunches, tree fronds from the plantations, by-products from mills like shells and mill fibre. This helps to cut down our consumption of fossil fuels, by reducing our dependence on electricity from the national and local grids, as well as diesel-fired plant generators.

These biomass energy plants generate “ carbon-neutral” electricity, and some are registered as Clean Development Mechanism (CDM) projects. Under the Kyoto Protocol, a protocol to the United Nations Framework Convention on Climate Change (UNFCCC), industrialised countries (countries listed in Annex B) can fulfil their commitments to GHG reduction, by participating in project activities in developing countries, which are certified to reduce GHG emissions.

(http://www.wilmar-international.com/sustainability/stewardship_climate.htm on March 6, 2011)

The concept of High Conservation Value Forests (HCVF) is defined by the Forest Stewardship Council as having outstanding and critical importance due to its high environmental, socio-economic, biodiversity, or landscape values. For example, the forested areas may contain rare, threatened or endangered ecosystems, or the areas may provide basic services of nature

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in critical situations such as erosion control. The concept is conceived as a way of reconciling socio-economic progress with environmental protection.

(http://www.wilmar-international.com/sustainability/stewardship_land.htm on March 6, 2011)

“ Sustainability

But while fulfilling these obligations, businesses are often caught in a trade-off between the desire for economic growth and the imperative to protect the natural environment and safeguard the interests of the population; from climate change and environmental degradation, to the imbalance between rising population and depleting resources, as well as the widening rich-poor divide.

In our endeavour towards achieving business excellence, we have learned from others as well as from our own experience that sustainable development is the way forward. With this appreciation, striving for the right balance between growth and sustainability becomes our principal goal.

Amidst the impoverished regions of the developing economies in which we operate, our presence has brought relief and stability to many who live on the poverty line.

In our farming practices, we have also adopted a responsible plantation management approach that enables us to enhance nature's biodiversity without compromising yields or plantation profitability.

In a nutshell, we firmly believe that environmental conservation and economic prosperity through sustainable agriculture can work in practice.

At the same time, we also recognise we can do much more to benefit the world with help and support from other stakeholders. This refers to engaging stakeholders through listening and addressing their concerns into our business decisions and actions, as well as forming strategic collaborations with them, where relevant.

Indeed, palm oil production can enjoy longevity if operators subscribe to the same set of principles and adopt the same set of responsible best practices”

They take care the Employee Welfare also as :

Training and development have always been an integral aspect of continual investment in our human capital, to enhance individual and organisation effectiveness. We work to ensure that every employee has an equal opportunity at career development.

We also encourage our employees to take up overseas assignments or postings to further their learning.

Health and safety are Wilmar’s top considerations concerning the employees. Wilmar pays careful consideration to the safety of our employees at the workplace, for our plantation operations all over the world. We conduct regular trainings and implement programmes to foster awareness of occupational health and safety risks. Additionally, we inculcate stringent health and safety policies, as well as practices amongst our staff in all our operations.

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With a significant portion of our employees based in the plantations, we take an extra interest in their welfare. This is reflected in a series of undertakings to support their work and livelihoods.

We provide rice at subsidised rates for our employees. In areas where oil palm cultivation is not suitable, we have converted the flood-prone lands to paddy fields for rice cultivation. The produce is then sold to employees at subsidised rates”

(http://www.wilmar-international.com/sustainability/community_welfare.htm on March 6, 2011)

Just look at the company website, we might have not a overall view of all, from another source we find out more about this :

SYDNEY/SINGAPORE (Reuters) - “ Singapore’s Wilmar International Ltd (WLIL. SI) on Monday struck a surprise deal to buy Australian conglomerate CSR Ltd’s sugar business for A\$1. 75 billion (\$1. 47 billion), trumping China’s Bright Food Group.”

By Michael Smith and Charmian Kokin

SYDNEY/SINGAPORE | Mon Jul 5, 2010 3: 17am BST

(<http://uk.reuters.com/article/2010/07/05/us-csr-idUKTRE66328B20100705>)

“ While other companies either struggled or sank during the economic downturn last year, Singapore-headquartered agribusiness group Wilmar

International had a busy 2009, continuing its growth strategy of previous years and making two large oleochemical investments. “

(<http://www.icis.com/Articles/2010/09/30/9397836/wilmar-boosts-growth-in-oleochemicals.html> on 30 September 2010 18: 49)

“ Will Wilmar Hit The Property Jackpot?

Despite this, a challenging operating environment, lower margins and a hike in various expenses have brought about a 30% fall in Wilmar’s bottomline. Nevertheless, Wilmar generated 4.9 times increase in cash flow from operating activities. Notably, Wilmar was able to maintain its proforma net gearing at a healthy level of 0.7 times as at 30 September 2010, despite a 46.7% jump in net loans and borrowings. These speak volumes about the strong financial position Wilmar is in.”

(<http://www.sharesinv.com/articles/2011/01/17/will-wilmar-hit-the-property-jackpot/> 17 January 2011)

Why could they face with the world crisis? They were undertaking to protect environment, protect human work right, they had good policies to expand to another countries like China, and India which is along with the globalization large champagne, so the company could be faced to world crisis in recent years.

Another way, in the company website, they said : “ Our business strategy involves building an integrated business model which captures the entire value chain of the agricultural commodity processing business, from

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origination, processing and transportation to the branding, merchandising and distribution of a wide range of agricultural products.”

Our business model enjoys lower cost due to economies of scale, integration, logistical and distribution advantages, and superior market intelligence.”

(http://www.wilmar-international.com/business_index.htm on March 7, 2011)

I think this is the main key of the company which it makes them overcome the crisis, while the world is faced the big inflation. Due to lower cost, supply for big customers with large volume of quality goods, they keep on the success way to maintain the reputation and revenue of the company.

This is its strategy over past few years, ” Significance: Wilmar’s latest investment is in line with its long-term processing strategy and may see the company reap benefits in the future from rising commodity prices as palm oil is one of Indonesia’s main export commodities.”

(Singapore Daily Bulletin - 08/02/11)

The Markets it has focused are China, India Market to exploit the potential factors of these land while these countries are on the way to develop: that is the large market, great number of labours, and good source of materials ... etc for its improvement. The Globalization Strategy of the company is that process. And they have success on this strategy rather quickly, from 2006 until now.

5. Vision, Mission, goals:

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As the above evidence, we found out that the vision of Wilmar

“ OUR VISION To become the best, reliable, honorable oil palm plantation and put on the international level. OUR MISSION To manage healthy and innovative oil palm plantation and processing industry and to put priorities on quality and environmental sustainability through the implementation of Good Corporate Principles in ensuring the goals of all companies’ stakeholders.”

(<http://recruitment-wip.com/> on March 7, 2011)

And what are goals: that is bring the value things to life for stakeholders, customers, environment, society and so on.

REFERENCE:

WILMAR INTERNATIONAL LIMITED

(Company Registration Number: 199904785Z)

(Incorporated in the Republic of Singapore)

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NOTIFICATION PURSUANT TO RULE 704(11) OF SGX-ST LISTING MANUAL

List of persons, occupying managerial positions in the Issuer or any of its principal

subsidiaries, who are related to a Director, CEO or Substantial Shareholder of the Issuer.

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