



E-NEWSLETTER

SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION



Chairman's Message



Greetings from SOPPOA!

I am happy to note that our first newsletter for 2019 is finally up for our members to read about our activities over the past months. Most notable was our AGM whereby we had a favorable quorum of members attending and also the successful voting for the new group of Council Members on 19th March 2019. A big 'Thank you!' to all members who had attended the meetings and also those who had sent their representatives; not forgetting the many others who had extended their apology for not being able to make it to the meeting.

The most recent activity was the MEOA Annual General Meeting on 13th April 2019 in Kuala Lumpur where SOPPOA is a member. Among the main pointers from the meeting are the support of the government's campaign to counter negative perceptions of the industry, the support of less privileged youths for training in the palm oil industry, promoting cordial relationships between the private and public sectors and supporting member's initiatives in the various activities of the association. SOPPOA together with other like-minded associations and institutions stand solidly behind the pledge to support the government's stance against the EU on the ban of palm oil for biofuel feedstock after 2020 which is discriminatory and without scientific support for justifications. Together with Indonesia, Malaysia is speaking out strongly on the matter and is adopting a policy of imposing retaliatory measures should the EU Parliament voted in favor of the ban.

As I have mentioned in our AGM, this year will prove to be a challenging one for the palm oil industry as the world economic slump and threat of the ban has hampered palm oil's potential in the market. However, the Malaysian government has taken a number of initiatives to broaden the prospects for palm oil by focusing on new markets and engaging with existing trade partners like China and India, Middle East and Russia to increase import of palm oil into their nations. Locally, we should be focusing on improving our productivity and adopting the MSPO certification so as to have a better branding for our palm oil in the international markets.

In the coming months, SOPPOA is poised to work with government ministries and agencies to further research on productivity increase for our oil palms, pest control and overcoming the labor shortage face by the industry. SOPPOA is also constantly engaging with the relevant authorities in many different aspects of the industry either locally or nationally which will enable the industry here to continue to flourish for the future of the state and nation.

Thank you and enjoy the newsletter!

Yours sincerely,
David Tiong Chiong Ong

SOPPOA Meeting With Indonesian Consul General

Monday, 28 January 2019

KUCHING: SOPPOA Chairman welcomed the delegation from the Consulate and informed that the industry is still short of workers with the preference being for Indonesian workers who are known to be hardworking and trainable. He also thanked the Consulate for their cooperation in ensuring workers continue to come to Sarawak and facilitating these processes efficiently.

The Consul General thanked SOPPOA for the invitation and stated that the friendly cooperation and collaboration between the two organizations has been beneficial to everyone. He informed that it is vital for both workers and employers to have good relationships for the mutual benefit of both parties and thanked Sarawak palm oil industry for providing livelihood to thousands of workers in the state. The Consulate will ensure that the inflow of workers into the state will continue without problems and provide other necessary assistance where necessary to facilitate the processing of such services.

The Consul General also outlined three main areas to further strengthen the collaboration between workers and employers, namely hosting events with employers, introduction of e-transactions for repatriations of wages and organizing meetings for employers to meet with potential workers in Indonesia. In conjunction with Indonesia's Independent Day celebrations this year, the Consulate planned to host various events in different towns in Sarawak where



there are sizable number of Indonesian workers in collaborations with employers. These include pocopoco were different fun games and activities are jointly participated by workers from various employers and where also those workers without proper documentations could seek advice and be registered. Awareness of e-transactions will also be made available during these events as it is for the benefit of both employers and workers to embark on the e-transactions services. By migrating workers to take up e-transactions services, employers will no longer need to prepare large amounts of cash to pay workers regularly and workers also do not need to spent time in repatriating money home to their families in the towns as all these could be done through handphones.

The Consulate also invites employers to participate in the employment meeting to be held in Makassar on 25-29 March 2019 to meet up with potential workers and agents to recruit workers for the industry. Employers could also specify the types of workers preferred and nature of work to simplify the process of determining

workers for employment. Currently, the Consulate is encouraging workers without proper documentations to seek the assistance of the Consulate to ensure that they can continue to work here as such types of workers are disadvantaged as they have little protection against unscrupulous agents who exploit their situations. Employers who would like to work with the Consulate on hosting these events should contact the relevant persons in charge and make the necessary arrangements. These one-day events will provide a lively atmosphere for everyone and build greater trust between employers and workers. On the issue of Community Learning Centers, the Consul is encouraging employers to provide the support so that the children of workers will get the necessary education while also providing peace of mind to their parents when they are working in the estates as they know that their children are looked after in these centers. SOPPOA members assured the Consul that the estates do place emphasis on this matter and can see the benefit of setting up these centers.

In attendance:

Chairman,

Mr. Tiong Chiong Ong,

Treasurer, Mr. William Yii,

Council Member/Adviser,

Mr Paul Wong, Mr. Yung Kin Hoe

(Solid Plantation Group), Mr. Hii

Yu Heng (Jaya Tiasa Group),

SOPPOA Manager, Melvin Goh

Indonesian Consul General,

Mr. Yonny Tri Prayitno,

Consul for Economic Affairs,

Ms Irhamna Fithriya

Hitting Back at EU Over Palm Oil Ban

Thursday, 7th March 2019

The European Union (EU) has planned to ban palm oil as one of their biodiesel feedstocks come 2030, citing unsustainable agricultural practices as the reason for the ban. Everyone else knows that EU is using the excuse to protect their oil seed farmers and market from competition from palm oil. All other oil seeds including rapeseed, sunflower, soyabean cannot compete with palm oil in terms of productivity, cost and price; therefore the only way is to ban palm oil as a competitor.

Malaysia has taken up the challenge to EU through various means, including making scientific arguments in EU Parliament as well as briefing relevant and friendly EU nations on the unfounded threat to ban palm oil from the EU biodiesel market by 2030. Most recently, Malaysia's Prime Minister had also hinted at boycotting EU products should the EU Parliament approved the planned ban on palm oil as feedstock for biofuel use in EU after 2030. Similarly, Indonesia, the world's largest palm oil producer, is also contemplating similar boycott of EU products should the ban be approved, as reported in the news. Together, Malaysia and Indonesia produces the bulk of all palm oil exported and used worldwide in the manufacturing, food and chemical industries as well as biofuel.

The plan to ban palm oil has been shown to be a tactic by EU to prevent competition for their oil seeds farmers as it is also a big



industry in EU countries. Many of these EU politicians are worried of the repercussions from local farmers should palm oil continue to be the main feedstock for biofuel as their rapeseeds, soyabeans and sunflower oil would not be able to compete. All the hype about unsustainable cultivation, destruction of forest and habitats for animals in oil palm cultivation in Malaysia are mere disguise used by NGOs to use as excuse to ban palm oil for biofuel feedstock in EU.

All these accusations raised by NGOs have yet to be proven with verifications or scientific data and therefore have no justifications for EU Parliament to take as facts against palm oil. More importantly, EU should weigh the cost involved in banning palm oil against the future well being of their nations as rapeseed, soyabean and sunflower cultivations all require more land, higher cost and low productivity

which are not in the best interest for future growth.

SOPPOA 11th AGM – 19th March 2019

The 11th Annual General Meeting (AGM) of SOPPOA was held on 19th March 2019 in Kuching with 59 members attending. Members were informed that through several meetings and discussions with the Federal and State Ministries, Agencies, SOPPOA had voiced out the issues affecting the palm oil industry in the state.

In particular, labor shortage is the primary concern with the increasing maturity of the palms in members estates and also small-holders' farms. To overcome the shortage, workers from other nationalities could be considered for employment in the industry and the state had allowed for some Bangladeshi workers to try out their suitability for such types of work here. The trial program is still being monitored by the state authorities and currently everything looks promising for these types of workers.

The Chief Minister had also promised to look into the possibility of raising the threshold for tax on export of CPO (crude palm oil) from the current RM1,500.00 to RM1,800.00 as the industry is facing downturn due to world economic slowdown. On the national front, it was agreed that the moratorium on planting oil palm on state land would be in place except for small-holders and also NCR landowners.

The federal government is also adopting numerous programs to counter the EU proposal to ban palm oil from biofuel feedstocks and other fake news on palm oil by irresponsible NGOs (Non-governmental organizations).

One program is 'Love my palm oil' which was launched by the Prime Minister in March 2019 and Malaysia had since followed up on the proposed ban by warning EU of possible trade sanctions by Malaysia and Indonesia should the ban be imposed by EU.

Another successful program undertaken by SOPPOA over the past year was the adoption of MSPO (Malaysian Sustainable Palm Oil) by members and a number of estates and mills have already been certified. Follow up programs are being carried out by SOPPOA's

Sustainable Committee to further provide assistance to members undergoing certification processes throughout the year. SOPPOA's interactions with other like minded organizations include the joint sponsorship with MEOA (Malaysian Estate Owners Association) for the Montfort Youth Training Centre in Sabah where future professionals in the palm oil industry will be coming from.

The 11th AGM also witnessed the election of new office bearers for the term 2019 -2021 and the following members were elected and appointed to the following positions:



Office Bearers & Council Members 2019-2021

	POSITION	NAME
1	Chairman	Mr David Tiong Chiong Ong
2	1st Vice Chairman	Dato' Sri Law Kiu Kiong
3	2nd Vice Chairman	En Iswandi Bin Ayub
4	Secretary	Dato' Ha Tiung Noon
5	Deputy Secretary	Ms Grace Mo Ping Ping
6	Treasurer	Mr William Yii Hee Poh
7	Deputy Treasurer	Mr Daniel Ding Huong Chen
8	Council Member	Dato' Wong Kuo Hea
9	Council Member	Mr Eric Kiu Kwong Seng
10	Council Member	Mr Alan Ling Sie Kiong
11	Council Member	Dato' Wong Sie Young
12	Council Member	Dato' Sri Patrick Wong Haw Yeong
13	Council Member	Mr Paul Wong Hee Kwong

SBF Delegation Meeting with Deputy Chief Minister on Sarawak Agriculture Masterplan

Tuesday, 26 March 2019

KUCHING: The Deputy Chief Minister (DCM) welcomed the delegation from SBF (Sarawak Business Federation) led by SBF President Datuk Abang Karim. The DCM informed that the potential for agriculture development in Sarawak is great as the state is also free from foot and mouth disease (for animals) while there are still plenty of land available for many different types of agricultural activities. The main emphasis of the state is to employ modern technology in such practices and also to provide seed capital for deserving ventures into the development and expansion of agriculture activities in the state.

The state will assist entrepreneurs who set up anchor companies to process, manufacture locally available agriculture products either for local consumption and or export. Citing an example, DCM informed that Sarawak imported over 3.6million ton of corn for feedstock annually and this is one commodity that could be locally produced to reduce the import cost. A venture had been set up with a company here whereby a factory to process corn will be set up and local farmers will be provided assurances of price for corn produced and sold to the factory. The government will also consider request for land (target of 20,000ha set aside throughout the state) to set up anchor companies for processing as well as seed capital



Deputy Chief Minister on Sarawak Agriculture Masterplan dialogue.

which currently stands at RM100.00 million readily to provide the assistance. The main condition imposed is that these ventures must invest in modern technology like smart farming technology, precision farming etc. Also consideration for equipping factories for certification processes will be provided the necessary financial means and advice from the state especially for those into exporting of products. Currently, a Masterplan for agriculture development for Sarawak is being drafted and will be sent to SBF for comments when ready.

SBF President assured the DCM that a division will be set up within SBF to look into this new initiative for these developments in agriculture sector. A number of small enterprises have already been successful in their

undertakings, including salad vegetables farming, honey bee farming, dried season fruits processing while large scale birds nest processing are going into downstream processing with different products being made available for export.

In attendance:

Ms Grace Mo Ping Ping,
Melvin Goh

Visit To Swinburne University Technology Kuching Campus for Sarawak Business Federation (SBF)

Wednesday, 3 April 2019

KUCHING: Swinburne University Kuching Campus organized a dialogue session for SBF (Sarawak Business Federation) members to be acquainted with the latest research activities being carried out at the campus. Deputy Vice Chancellor and Chief Executive Officer of the university welcomed the guests and stated that this second session followed from the one last year. He added that Swinburne will be expanding with the Human Resource Division of Swinburne University being located in Kuching later this year as part of the cost cutting measure and innovations of the university in the modern era. Foremost, the research teams at Swinburne has conducted a number of studies after being commissioned by various private sector employers and also some ministries of the state government. In particular, the state Agriculture Ministry had requested the university to look into application of digital technology in modern agriculture for farmers and also the government to facilitate raising the standard of agriculture in the state. The state tourism ministry had also commissioned the university to conduct a few surveys and to propose innovative ways to further enhance the tourism industry in Sarawak, especially for foreign visitors. These include exit surveys of foreign visitors as well as using technology to gather information from visitors to Sarawak through the websites. The university is also involved



Dialogue session – Swinburne University of Technology, Kuching campus for SBF (Sarawak Business Federation)

in conducting surveys of watershed areas in Sarawak to determine pollution and other contamination through satellite images and sampling. It is also working with the Sarawak Pay (e-wallet) agency on enhancing the reach of the system for retailers in and outside Sarawak. Swinburne is also working with the STA (Sarawak Timber Association) on nutrients study using locally available products for timber trees and reforestation as well as determining pest and diseases through microbes studies. The Pepper Board has also a collaborative research project with the university on microbes study to determine soil diseases and enhancing plant growth. It is also working with Woodman biotech company on microbes study as well as other oil palm companies on a number of technologies in various studies. On the subject of oil palm

industry, the attempt to collaborate with MPOB (Malaysian Palm Oil Board) on research studies in 2018 was not successful as MPOB informed that it does not collaborate with other researchers on their projects. It was suggested that Sarawak oil palm industry determine areas for studies to be conducted and to invite Swinburne as a collaborator in these as they have the expertise as well as the students to carry out such studies. The financial aspect of the proposed research projects with the industry could be further discussed as the university.

In closing Professor John stated that Swinburne is well established in many countries around the world for collaborative studies, especially in Europe, US, Asia, India. As he noted, for research and innovative products to be successful internationally, there must be

collaborative efforts between various experts in different countries as each nation may adopt different ways to use the applications.

For graduates from Sarawak, they have to be exposed to different systems to be truly global in their approach as technology has enabled people to connect easily despite distances and this is a continuous challenge to fresh graduates. He advocates students to be well versed with technology and to get involved in projects and collaborative works while undergoing their studies as this is a proven way for fresh graduates to gain experience while still in school.

In attendance:
Melvin Goh

MTUC forum on Labor Law Reforms

Saturday, 6 April 2019

PERKESO Office, Kuching: The forum was attended by representatives from MTUC, MEF and other NGOs. The Human Resource Ministry indicated after discussions held with various organizations on labor issues that there is a need for more unions of workers under various categories and types of occupations. This is in line with the guiding principles of the International Labor Organization which Malaysia is a signatory.

There will be a series of Labor Law reforms being initiated by the Ministry in the coming years which will directly/indirectly affect the employment Act, Sabah/Sarawak Labor Ordinances, Trade Union Act, Industrial Relations Act and others. The reforms are targeted at making Malaysia more competitive internationally and to comply with existing laws adopted by our trading partners.

Based on surveys and indicators from Bank Negara, Malaysia is a highly competitive exporting nation due mainly to factors like ease of doing business, low unemployment industrial harmony and competitive wage structures. However, there are growing issues which have to be taken into

account in Malaysia, namely the high proportion of foreign labor, low wages and household debts increasing over the years. Another growing trend is that inflation is slowly outpacing wages growth in the country since 2000 – 2009.

It is also noted that Malaysian trade unions are relatively weak as only 6.8 percent of local workers are members of unions due mainly to laws on such activities which will not enable Malaysia to fully rectify ILO Convention 87.

Conversely, Korea which was once behind Malaysia in terms of

economic growth and wealth, has surpassed us due to factors like democratization from military dictatorship, investments in education and skills developments and rise of trade unions. For Malaysia to achieve its aim of being a high income nation by 2020, the economy must grow by 6% annually and change in labor laws in the country. As a net exporter country Malaysia needs to have free trade agreements which include laws on labor which are in line with those of ILO standards.

In attendance: Melvin Goh



MTUC forum on Labor Law Reforms

International Labor Organization Meeting

Kuching, Sarawak: Monday, 8 April 2019



The workshop by SUHAKAM (Human Rights Commission of Malaysia) is part of the government's effort to rid Malaysia of implications of child labor and forced labor in the international arena as export remains a vital part of the country's economy. Any infringements on child labor and forced labor laws could lead to serious implications for our trade with leading nations and so the government is taking appropriate steps to amend the necessary laws to meet international standards. The workshop is organized in collaboration with International Labor Organization and the second one since 2018.

The workshop leverage on the Bridge Project which is a global collaboration to eradicate child and forced labor in all countries under the title '**From Protocol to practice: A Bridge to Global Action on Forced Labor**'. By utilizing various components of the Bridge Project, it will enable more closer wordings for any amendment to such laws in the country to conform to internationally acceptable ones and all these will be grouped together under the National Action Plan (NAP) which is expected to be tabled in 2020 after undergoing the various steps in amending the nation's laws.

The sessions for the workshops include understanding the definitions of child and forced labor in the international context and the indicators for these. It is followed by discussions and inputs of what may be interpreted as child and forced labor practices in Malaysian workplaces and addressing these issues and finding solutions for them. These involve identifying the priority areas where such activities may be prevalent or in practice and taking the necessary steps to correct them through interventions and providing key strategies to ensure compliances.

With the proper understanding and knowledge of these frameworks for indicators of child and forced labor practices, the legal framework will then be possible to rectify and amend the necessary laws. It will involve inputs from different stakeholders in the process including employers,

employees and NGOs involved in labor issues and the government ministries and agencies. All inputs and strategies will be coordinated into the NAP for consideration by the government to be tabled for amendments to our nation's labor laws and for effective monitoring as well as enforcement.

Refinements of the NAP will be further analyzed and discussed with various stakeholders once finalized in various parts of the country to gauge the responses from these respondents who will be from different organizations. The final drafting of the NAP into the relevant laws of the country will involved government ministries and agencies before being passed by Parliament to become law. However, the NAP aligned laws for amendments is expected to be tabled by 2020 in Malaysia.

In attendance: Melvin Goh

SOPPOA-MEOA AGM Meeting

Tuesday, 13 April 2019

KOTA KINABALU: Montfort Youth Training Centre (MYTC) will be introducing a new skill training course for youth with the introduction of its pilot Oil Palm Plantation Conductorship course. This course, which will commence in July, is carried out in partnership with the Malaysian Estate Owners Association (MEOA) said Joseph Tek, a member of MYTC Board of Governors. Currently, MYTC conducts 4 skills training courses under its 2-year residential 4 care programmes, namely, motor mechanic, shielded metal arc welding, refrigeration and air conditioning mechanic and furniture making. The introduction of the Oil Palm Plantation Conductorship will be its fifth (5 month) skills training programme.

“MYTC will roll out this new course this coming July 2019 at its campus in Kinarut near Kota Kinabalu. MEOA and its members, including their affiliate from Sarawak Oil Palm Plantation Owners Association (SAPPOA), will provide the initial leadership, knowledge sharing, along with a start-up funding of around RM200,000. This is part of the association’s social responsibility contribution towards human resource development. Other companies, such as IJM Plantations Berhad and Eurostar Tractors, will also be rendering local technical and training support,” said Tek, who is also IJM Plantations Berhad’s CEO. In reaching out to the Youthin-Need, it is significant



to note that in 2018, Sabah and Sarawak have a total of 3.1 million hectares of oil palm planted area and covers over 53 percent of total oil palm planted area in Malaysia, he said. “There is a dire requirement for quality and skilled local human resource for this sector which has contributed significantly to the annual GDP. The oil palm commodity sector is poised to be relevant and sustainable, delivering higher productivity while demonstrating its sustainability aspects. “In this sector, there are many employment opportunities throughout its supply chain, ranging from working in the upstream sector involving estates and mills to the downstream activities, and also the spin-off service providers. In this context, the Youth-inNeed should not be left out,” said Tek at a press conference on Wednesday. The objective of embarking into the above new skill course is part of MYTC’s initiative to respond to market demand for trained and skilled local manpower for the oil palm plantation industry, especially in Sabah and Sarawak, he pointed out. The course, Tek said, aims to generate skilled workforce who can contribute to the pursuit and improvement of best practices in the oil palm industry, adding that MYTC also aims to

other relevant industry stakeholders through sharing of expertise and knowledge, besides welcoming sponsorship and monetary contribution. The plantation course is also very relevant as many of the less privileged youth, especially from the rural interior areas in Sabah and Sarawak, are very likely to be exposed to the grassroots agricultural activities, he opined.

“With their acquired new skills and know how, the youth can be gainfully employed in the many plantation companies throughout Malaysia and/or returning to their homes to be future entrepreneurs and good stewards of their lands,” he stressed. The MYTC plantation conductorship course emphasises on both knowledge and practical skills needed in the field of supervision in plantation. Trainees will learn supervisory role, safety practices, distribution of materials to the fields, suitability of correct equipment and machinery to be used; appropriate supervision of workers to ensure production standards are achieved, provide work schedule and generate daily reports and progress of works.

In addition, basic motor vehicle mechanics and shielded metal arc

welding will also be incorporated for them for an appreciation of the machineries and workshop practices in plantation. To fortify the coursework, trainees will also undergo field work training as well as industry practical attachment training in the plantation. Last but not least, the trainees will also be nurtured in basic communication in the English language, arithmetic and computer knowledge over the two years programme.

Graduating trainees from the course can apply for Plantation Field Conductor posts. Potential and opportunities to be promoted

and opportunities to be promoted and progress beyond staff to executive level are possible. Eligible youth are encouraged to apply, and the aspiring youth must be between 18 to 20 years with priority accorded to those who are orphaned, from poor and large families, particularly from the rural and interiors areas of Sabah and Sarawak. SPM leavers, as well as youths who did not complete their formal primary and secondary school education but are interested in the course are also encouraged to apply.

Interested youth are to contact MYTC at **088-755811** or **088-**

755815; or browse MYTC website at **www.montfortsabah.org** for more information and to submit their application forms accordingly. The two-year course which covers full training and boarding will be provided free for eligible and selected trainees. However, parents/ guardian/sponsors are encouraged to contribute a minimum monthly sum towards the trainees' food subsidy based on their affordability. Also present during the press conference were MYTC chairman, Tan Sri Bernard Dompok, Frederic Mah and other members of the Board of Governors.

Indonesia Retaliates Against EU Over Palm

Friday, 19th April 2019

The proposed EU RED Act to ban use of palm oil as biofuel in EU countries by 2030 has provoked Indonesia to retaliate by limiting imports from EU countries including spirits. This is seen as just the first step of more retaliatory acts by Indonesia to strike back at EU countries in the coming months and SOPPOA fully support the move by the Indonesian government to protect the palm oil industry and its people.

Indonesia is the world's largest producer of palm oil and any move to ban it is a threat to the economy of the country as well as the millions of growers, millers, and associated businesses related to palm oil production in Indonesia, including revenue for the government. Malaysia has not yet taken any step against the EU proposed ban but the Prime Minister had earlier issued a warning to EU that tradeties could be affected, including declining to buy EU fighter jets could be

affected, including declining to buy EU fighter jets and luxury cars. The main reason why Malaysia and Indonesia are taking steps against EU is that the proposed ban on palm oil is not scientifically proven, a move to protect the oil seeds industry in EU and prevent competition from palm oil.

Currently, the EU proposed ban on palm oil is based on questionable reports on unsustainable production and destruction of habitats; both these accusations are not scientifically proven and methodology used in the reports are not internationally acceptable as scientific models. The proposed ban is nothing more than a disguise to brand palm oil as bad oil which should not be used for biofuel feedstock in EU for biodiesel. What the report did not mention is that palm oil is the most productive, cheapest and readily available oil in the market and any substitution will surely result in greater land degradation, higher cost

of production and greater poverty in Asia where smallholders will not be able to sell their palm oil.

SOPPOA has also written to support the Prime Minister's warning to EU on the proposed ban on palm oil for biofuel feedstock in EU countries as it is also against WTO rules. There will definitely be more such retaliatory measures being taken by other palm oil producing countries in the future should the proposed ban be adopted and trade between EU and Asian partners will surely suffer as a result. It should be clear to EU nations that the world's population will still need affordable oil in the years ahead as population grows and majority of these people are in Asean region. The EU risk being isolated as a regional grouping with limited resources and purchasing power which will lead to their own downfall.

MPOB-Industry Engagement 3

MCPDE and Quality

Monday, 22 April 2019

BANGI: The MPOB forum on 3-MCPDE and quality was attended by all sectors of the industry, planters to millers and refiners to understand better the implications of new rulings on MCPDE in palm oil produced for food. Chairman of MPOB Tan Sri Dato Seri Mohd Bake Salleh informed that CPO contained the highest MCPDE compared to other seed oils globally and is of concern to all involved. It is also evident that MCPDE comes from the refining processes of CPO and that the EU has set a timeline for more stringent limits by 2021 of not more than 2.5ppm for CPO. This is seen as discriminatory by both Malaysia and Indonesia as other seed oils limit is 1.25ppm and both countries are taking actions to protest against the new rulings. Meanwhile, Malaysia has to be proactive to ensure that Malaysian CPO is not regarded as a threat to health due to high MCPDE content as this is vital for our export market. Collaborative efforts from all quarters of the industry is needed for Malaysia to stay ahead of the new measures imposed come 2021.

Minister for Primary Industries Mdm Teresa Kok appealed to the industry to take heed of the implications for CPO if no action is taken to address the MCPDE issue. The EU is trying to link MCPDE to cancer causing as a way to limit palm oil from its market and putting up discriminatory acts which will be challenged by both Malaysia and Indonesia. Locally the industry must strive to ensure that

not only can Malaysian CPO meet the new standards but should be able to be even better than the standards imposed to be seen as attractive and of high quality which we have always been associated with for palm oil. Both countries are fighting for a single limit for all vegetable oils for the food industry as different limits are discriminatory.

Rafidah Mazlan from MPOB informed that EU will continue to try and limit palm oil due to the competitiveness it posed to other vegetable oils in the EU Markets. Campaigns by NGOs and others will continue and Malaysia needs to continuously stay focused on achieving higher standards for palm oil, especially now that MCPDE is seen as one way to attack palm oil coming into the EU markets. Rosidah Radzan from MPOB in her paper "Current update on 3-MCPDE in palm oil informed that EU is targeting to impose different limits for palm oil at 2.5ppm and 1.25ppm for other vegetable oils. This is seen as discriminatory as there is currently no scientific basis for this different limits and also no justification for it either. As such the different limits are discriminatory and both Malaysia and Indonesia are challenging the new measures and limits. It is also been reported that CODEX committee is proposing to EU to adopt the CODEX principle in imposing limits for vegetable oils for industrial applications. MPOB had conducted tests in 7 refineries and 13 mills in Malaysia to check on

MCPDE contamination with research funds from federal government and also from Sarawak government for activities in Sarawak where 1 refinery and 2 mills are being selected for the testing.

Dr Mohamad Mohan from PORAM pointed out that each sector of the palm oil industry in Malaysia is working independently of each other in silos which is a contributing factor for the fractioning of the industry here. To tackle the various issues on MCPDE contamination in CPO all sectors need to be involved as chlorine content is due to a number of contributing factors including fertilizers, high temperatures, water supply and EFB oils mixed with other CPOs. He also called for a splitting of the OER calculations to reduce the contamination of MCPDE due to input of EFB oils which is used to increase OER count. It is also noted that 3-MCPDE is not found in CPO which is pure.

There is also a call for branding of Premium Grade CPO in the market and currently this is being discussed between Malaysia, Indonesia and Columbia stakeholders. Vinesh Sinha from Fathopes Energy Sdn Bhd talks on "Turning secondary oils into biodiesel" proposed that real time monitoring is possible for oils in tanks which can be a selling point for a different market, specifically the biodiesel market. Under RED 2 palm oil is accepted to be used

for biodiesel and 'bad' oils can now be profitable sold. Separate tanks will be necessary for such activities. Siah Meng Thong from GEA Westfalia Separator Sdn Bhd

informed that Indonesian palm oil producers are already taking steps to upgrade their industry without support from the federal government in his talk "Indonesia's experience in tackling 3-MCPDE issues".

This is the fundamental difference between the industry in Indonesia and Malaysia as they are planning to keep up with the latest changes in the industry and willing to invest in the future of their markets. Malaysian industry is not pro-active in this area and always awaiting funds from the government for activities affecting the industry.

Datuk Dr Kalyana Sundram CEO of MPOC as moderator for the event summed up the session by putting forward the need for

MPOB to set levels of chlorine content in CPO from mills which was unanimously agreed to by the industry players present at the forum. This will be discussed by a special taskforce including members from all sectors of the industry. The proposal for separate OER indicators is subject to more discussions between the private sector and MPOB.



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Nombor Pendaftaran Pertubuhan 2081-08 SWK

Sarawak Oil Palm Plantation Owners Association
Persatuan Pemilik-Pemilik Ladang Kelapa Sawit Sarawak