



YB DATUK SERI MAH SIEW KEONG
MINISTER OF PLANTATION INDUSTRIES
AND COMMODITIES

CONNECT@POIC

GRANTS

The government has set aside RM280 million under the 11th Malaysia Plan (2016-2020) as grants to encourage the oil palm industry to move downstream to produce value-added products.

The grants are not just for big players, as RM50 million is meant for small and medium enterprises, said the Minister of Plantation Industries and Commodities, Datuk Seri Mah Siew Keong as reported in StarBiz.

“The grants are aimed at encouraging domestic manufacturing of palm oil-based good and health products as well as chemicals or high-value palm oleo derivatives.”

Malaysia produced about 20 million tons of crude palm oil in 2016, with Sabah contributing about six million tons. Most of the CPO is exported.

Mah said the grants is for

- Manufacturing of high-value palm oil derivatives or bio chemicals (RM100 million)
- Food and health products (RM100 million)
- Clinical trials (RM30 million)
- SME (RM50 million)

Sabah, as the major CPO producing state in Malaysia, has been pushing for oil palm downstream industries with the formation of palm oil industrial

clusters (POIC) in Sandakan and Lahad Datu since 2015.

POIC Lahad Datu has since attracted about RM4 billion in investments from Malaysian and foreign companies. A biorefinery cluster and a biomass cluster are envisaged.