

KEYNOTE ADDRESS
YB DATUK SERI MAH SIEW KEONG
MINISTER OF PLANTATION INDUSTRIES AND COMMODITIES
PALM AND LAURIC OIL CONFERENCE AND EXHIBITION,
PRICE OUTLOOK 2017/2018
SHANGRI-LA HOTEL, KUALA LUMPUR
TUESDAY, 7 MARCH 2017

Yang Berbahagia Datuk Seri Tajuddin Atan
Ketua Pegawai Eksekutif
Bursa Malaysia

Yang Berbahagia Datuk M. Nagarajan
Ketua Setiausaha
Kementerian Perusahaan Perladangan dan Komoditi

VVIPs (TBC)

Yang Berbahagia Tan Sri-Tan Sri, Datuk-Datuk, Tuan-tuan dan Puan-puan sekalian

Selamat Pagi, Selamat Sejahtera dan Salam 1 Malaysia

Terlebih dahulu saya ingin merakamkan ucapan tahniah dan syabas kepada Bursa Malaysia atas daya usaha dan inisiatif menganjurkan forum tahunan, *Palm and Lauric Oils Conference and Exhibition, Price Outlook 2017/2018* atau dalam singkatnya POC 2017.

2. I would like to take this opportunity to record my appreciation to Bursa Malaysia for the invitation to officiate the *Palm and Lauric Oils Conference and Exhibition, Price Outlook 2017/2018* (POC 2017). I am indeed honoured to be here today and be part of this prestigious event, participated by various stakeholders from the oils and fats fraternity.

3. To all the delegates, I wish you a warm welcome and those from overseas, *Selamat Datang* to Malaysia.

Ladies and Gentlemen,

4. From initial beginning as an ornamental crop, the palm oil industry has become the backbone of the agriculture sector in Malaysia. Oil palm planted area in Malaysia currently at 5.74 million hectares, occupies close to 70 percent and 17 percent of the total agriculture land use and land area of the country respectively.

5. The Malaysian palm oil industry continues to remain as a flagship sector towards economic development. The year 2017 is in fact a landmark in our historical journey, since this year marks 100 years of oil palm commercial cultivation in Malaysia. There is no denying that in the last 100 years, the industry has contributed tremendously towards economic growth and the income levels of the oil palm planters, in particular the smallholders. Through the efforts of the Government and the private sector, the industry has been an economic enabler and has contributed multiplier effects to the other sub-sectors of the industry.

6. In support of the development of this industry, Malaysia has over the years invested heavily in research and development (R&D) activities. These includes strengthening agricultural practices in the upstream sector, enhancing efficiency in the midstream sector and developing value added products in the downstream sector. In addition, Malaysia has made available new palm based products including palm based nutraceutical and pharmaceutical products as well as Palm based tocotrienol which exhibited its ability to address cancer.

7. In the case of the upstream sector, this industry is heavily reliant on labour. Currently it employs close to 431,000 people. The activities include harvesting, fruit collection and transportation. In our efforts to reduce the reliance on labour, a number of mechanisation tools have been introduced,

including the mechanised harvester (CANTAS). Notwithstanding these efforts, we need to continue to invest in new technologies that will reduce reliance on labour, as well as contribute towards higher productivity.

8. To commemorate the 100 years of commercial oil palm planting, the Ministry had on 22 February 2017 announced the revised format and a higher prize money under the International Competition on Oil Palm Mechanization (ICOMP). The grand prize winner under ICOMP will receive a reward of USD1 million. In addition, we have also established the Oil Palm Mechanisation Fund (OPMF), with contribution from both Government and private sector, aimed at among others encouraging R&D, sourcing of technologies and commercial adoption of R&D finding. I am optimistic with the establishment of the OPMF, the introduction of newer technologies will be accelerated towards the objective of reducing the dependency on labour for longer term as well as enhancing productivity.

9. To further promote the image of the palm oil industry, Malaysia will embark on the mandatory certification of certified and sustainable palm oil under the framework of Malaysian Sustainable Palm Oil (MSPO). MSPO has been developed taking into account domestic laws and regulations including sustainability criteria. This scheme which was implemented on a voluntary basis beginning 2015 will be made mandatory on stages starting 31 December 2018. *(Notes: Plantation players that were certified with Roundtable on Sustainable Palm Oil (RSPO) to comply with the MSPO certification by Dec 31, 2018. Those without RSPO certification would need to comply by June 30, 2019 and all smallholders by Dec 31, 2019)*

Ladies and Gentlemen,

10. The efforts undertaken by Malaysia in the last 100 years reflects the journey undertaken towards ensuring the supply of sustainably produced palm

oil to meet growing global demand for oil and fats. Despite these efforts, the industry has been portrayed as unsustainable and contributor towards the deforestation. Malaysia has currently more than 56.4 percent of the land area under forest cover which is more than the commitment made at the Rio Summit in 1992. In addition, due to lack of suitable land, large scale expansion of the planted area will be constrained.

11. Therefore, in conjunction with 100 years of commercial oil palm planting in Malaysia, the government will continue to prioritize towards enhancing the quality and safety of Malaysian palm oil products for consumption. Hereby, I would like to announce that the government has allocated RM50 million grant to assist the industry in addressing food safety concerns, including reducing the level of contaminant in palm oil. In this context, let me assure you that palm oil and its derivatives are indeed safe for consumption as a food item. Malaysia being a major producer and exporter of palm oil will continue to take measures to address food safety of palm oil.

Ladies and Gentlemen,

12. Notwithstanding the above, Malaysia will continue to disseminate information on the nutritional benefits of palm oil. This is to dispel the negative and unsubstantiated allegations of this versatile and cost effective oil. In addition, we will continue to undertake research activities to make available more value added palm based products to the global community.

13. These findings and the associated data will be shared with the major importing countries to further promote the uptake of Malaysian palm oil. In this context, Malaysia has established Malaysian Palm Oil Board (MPOB) and Malaysian Palm Oil Council (MPOC) offices in major importing countries to undertake information dissemination. Currently, MPOB and MPOC offices

have more than 10 offices around the world, including in the US, Europe, South Africa, Pakistan, and India. Recently we have established the MPOB regional office in Tehran, Iran. Apart from the promotional activities, MPOB offices in particular will undertake research to formulate palm based products for specific markets. These include technical advice in the use of palm based products in the manufacture of finished products.

Ladies and Gentlemen,

14. Lastly, I would like to once again congratulate Bursa Malaysia for its relentless efforts in organizing this successful conference and I trust all delegates will be able to benefit from the conference. I would also like to urge all participants, especially those from overseas to enjoy the sights and sounds of Kuala Lumpur and take back fond memories of your stay in Malaysia.

15. On this note, I hereby officially declare open the Palm & Lauric Oils Conference and Exhibition, Price Outlook 2017/2018.

Wish all of you a fruitful deliberation.

Thank you.

7 March 2017