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MALAYSIA TO CELEBRATE 100 YEARS OF OIL PALM

EVER since oil palm arrived in Malaysia in 1917 from Africa, palm oil has come a long way and is set to make further impact in the next 100 years and beyond.

Minister of Plantation Industries and Commodities Datuk Seri Mah Siew Keong said the sector has over the years improved the livelihoods of 550,000 smallholders, who have contributed immensely to the palm oil sector. Last year, the country exported RM65 billion worth of palm oil and its related products.

“Although Malaysia does not intend to open up much more land area for palm oil, I think that over the next 100 years, it will still grow immensely.

“We already do not have much land left, but we want to increase productivity and the oil extraction rate, and we want to use mechanisation and innovation,” he said in an interview with The Borneo Post newspaper in February 2017.

Mah said Malaysia will celebrate 100 years of palm oil this year (2017), as the first oil palm was grown in Tanah Maran estate in Selangor, now known as Bestari Jaya (Batang Berjuntai), in 1917.

Prime Minister Datuk Seri Najib Razak will launch the celebration, the date of which will be confirmed soon.

“I think it will be very soon, maybe in a couple of months’ time. We will do it at the same site, the same spot where oil



YB DATUK SERI MAH SIEW KEONG
MINISTER OF PLANTATION
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palm was first planted 100 years ago.

“There will also be a number of activities this year to showcase as well as to recognise the contributions made by the players of the palm oil industry such as the estate owners, the factory owners, and the oleochemicals players and, most important of all, the smallholders,” said Mah.

He said in future the government plans to launch a mechanisation fund where it will work together with the private sector to do more research and development on mechanisation and to make it more successful in Malaysia.

“This is all part of our process to transform the industry through mechanisation, science and innovation, and I think that is very important,” he said.

Mah pointed out that Malaysia’s productivity rate has not really increased and more needs to be done to increase productivity through mechanisation.

“One big potential area is the growth of seedlings, which can boost productivity of fresh fruit bunches to 28 tonnes per ha a year by using good planting methods, and we want to replicate that everywhere, especially among our smallholders, because Malaysia is not going to increase its land size, but we want to increase productivity,” he explained.

Mah is optimistic that for the next hundred years, the

government will come up with more policies and guidelines to strengthen the palm oil industry as well as counter attacks by certain countries in terms of so-called environmental and health issues related to palm oil.

“I had a meeting with 16 ambassadors from the European Union, and we should again discuss with them that palm oil in Malaysia adopts sustainable practices as we don’t burn down forests. Our crude palm oil is also of good quality,” he said.

These are among the areas the country wants to explore in a more serious manner in the next few years as palm oil has a great future in Malaysia and globally as it will become an even more important part of the economy in the future.

Mah said another vital area to be given emphasis is the certification of palm oil, as countries are now very particular about whether Malaysian palm oil is certified and sustainable due to stiff global competition.

“We want them to know that Malaysia produces oil that meets international standards, yet we look after our environment.

“We also want to brand Malaysian palm oil using the certification approach such as the Malaysian Sustainable Palm Oil certificate as certain criteria of the RSPO (Roundtable on Sustainable Palm Oil) is not so suitable in Malaysia, that’s why we want to have our own.”

Mah gave his assurance that Malaysia is also working hard to expand its traditional markets such as India, the European Union and China.

“We want to expand our market to the Middle East, to South America, to the African countries in addition to the present countries ... these are the main focus for the next hundred years.

“I am confident that the palm oil sector will be sustainable in the next 100 years and Malaysia will play an even bigger role.


“By that time, the smallholders will be using robots to harvest the trees and with all the research and development, time will show that palm oil is not only productive but will cure a lot of diseases as studies have also shown that palm oil has many health benefits,” he said.

As Malaysia celebrates its centenary of palm oil, the country looks forward to another 100 years or more as it is set to become an integral part of the country’s economy.

“Every country must specialise in a sector where it has a competitive advantage. We are going to be the champion because palm oil can be used for so many things,” said Mah.

He added that the oil palm trunk can be used for furniture and the pulp to make paper.

“I foresee a very bright future for palm oil and the 100 years is to celebrate the contributions from everybody especially the 500,000 smallholders who



have done a lot for the economy.

“I am happy with all the efforts done and today, palm oil price has strengthened from RM2,200 in January last year to RM3,200 now. So, it has firmed up a bit and this will give a better sustainable income for the smallholders,” he said.

Mah projects the future of palm oil is very good, very bright and is not a sunset industry but still growing.

“I want Malaysian palm oil to be a global brand so that we can fetch a premium.”