

***Students unaware of palm oil jobs potential despite status –
Press Release 13/01/2012***

Across the road from SMK Kunak, Kunak, is one of Sabah's largest palm oil milling and refining facilities owned by public-listed plantation giant. Everyday trucks laden with oil palm fruits pass through palm tree-lined roads to the factory, the same roads that the students travel on to and from school. But in a survey on career choices carried out among its 6th Form students in science and commerce streams, not a single respondent chose studies or careers linked to oil palm. Many chose education and teaching, with a small group wanting to join the police or the public service.

Oil palm is big business in Sabah. But the Kunak survey, along with numerous others carried out in secondary schools in neighbouring Lahad Datu visited by POIC Sabah Sdn Bhd in its annual rounds of career talks series, revealed that youths were oblivious to the innumerable oil palm-related career opportunities.

Launched in 2006, the yearly visit of POIC to various secondary schools mainly in the Lahad Datu area is part of its stakeholders' programme within a wider Corporate Social Responsibility (CSR) calendar.

It began soon after the state-owned company began the palm oil industrial cluster project at Lahad Datu (POIC Lahad Datu) aimed at promoting palm oil downstream processing industries.

"We started with an aim to engage the stakeholders in Lahad Datu in the development of POIC Lahad Datu. We wanted to let the people know what the government is doing and why," said Corporate Communications manager Lynette Hoo. "But through it we discovered the gap between the young people who need the opportunities and the oil palm industry players who can provide those opportunities."

POIC Sabah intends to expand its cooperation with oil palm players in its CSR programmes for 2012 and beyond.

"We have worked with MPOB (Malaysia Palm Oil Board), the Sabah State Library (in Lahad Datu), IOI Corp. Kwantas and others, and we are planning to work with training institutions such as Sabah Skills & Technology Centre, Institute Latihan Perindustrian and the likes to expose our target groups to wider information on fields of studies, training and careers linked to oil palm," Ms Hoo added.

POIC Sabah is wholly owned by the Sabah government. It is developing POIC Lahad Datu to promote palm oil downstream industries in order to deepen the oil palm industry, maximizing revenue and create jobs.

The oil palm sector was estimated to contribute about 26% of the state's revenue in 2011. It occupies about 1.4 million hectares of land (about 20 times the size of Singapore) and directly employs about 140,000 people. It occupies more than and employs more people than any other sector. With crude palm oil (CPO) prices expected to remain steady at about RM3,000 per tonne, earnings from this sector will continue to prop up the state revenue.

The size and figures look impressive. But the meaningful participation of Sabahans in the sector remains contentious.

More than 80% of the oil palm plantations in Sabah are controlled by companies and owners outside the state. They include the who-is-who of Malaysia's oil palm fraternity such as Kuala Lumpur-Kepong, Genting, Sime, IJM, IOI, Tradewinds and Felda, which

alone owns over 100,000 ha of some of the most productive plantations on the Dent Peninsula.

Like FELDA (Federal Land Development Authority) Sabah whose top personnel are mostly 'imported' from Peninsular Malaysia, decision makers in other plantation companies are also rarely locals. Among plantation workers, official statistics reveal that about 90% are foreigners. These trends mean that the participation of Sabahans in the oil palm industry is limited to only a narrow band of mid-level management and supervisory positions.

"It is not that the plantation companies have a hire Sabahan last policy. The less than satisfactory Sabahan participation in the oil palm industry can be corrected with more young people being made aware of the opportunities," said POIC's media consultant C C Pung who initiated the stakeholders programme in Lahad Datu in 2007.

He recalled speaking several years ago to A-level students in a prominent school in Kota Kinabalu where majority of them did not know about the oil palm industry.

"Every other student I asked wanted to be accountant, lawyer, doctor or pilot. In contrast, in the east coast every other student wanted to be an educator, policeman or clerk. There is a story here that our planners need to understand and respond."

At POIC Lahad Datu where about 1,500 acres of the targeted 3,000 acres have been developed, more than 30 investors have bought land and pledged about RM3 billion worth of investments in a variety of businesses from fertilizer plants, refineries, oleochemical, biodiesel factories, logistics and renewable energy.

"The stakeholders programme is more than just a feel-good public relations exercise. We truly want to influence the young into taking ownership of the industry by pursuing the types of courses that will enable them to seize the many career opportunities along the entire oil palm value chain," said Ms Hoo. "We can make oil palm do more for Sabah's economy."

According to the Malaysian Rating Corporation Bhd's latest report on Sabah released in December 2011, Sabah's GDP per capita was about RM17,200 in 2009, better than Perak, Perlis, Kedah and Kelantan, but light years from RM56,000 in Kuala Lumpur. The State ranks top with 4.7% incidences of hardcore poverty compared to its nearest contenders Sarawak and Kelantan at 1%. – END



Enthusiastic students at SM Sains...*in need of guidance to take up oil palm-related careers*



Students of SM Sains, Lahad Datu, during a field trip to POIC Lahad Datu



SMK Tungku is among schools that benefited from POIC's stakeholders programme...*the nation's future, indeed.*