

# Sabah needs to boost position in palm oil industry via governance, good practices

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KOTA KINABALU, May 21 (Bernama) -- Sabah needs to strengthen its position in the palm oil industry by competing on the basis of governance and good agriculture practices to remain competitive, Chief Minister Datuk Seri Mohd Shafie Apdal said.

He said a vibrant and progressive palm oil industry is essential for Sabah and its people as it gears towards a high-income economy, hence, local industry players need to be creative, innovative and better than others to maintain its positions both nationally and globally.

"The palm oil industry is a key economic sector for Sabah, as for many years we have the distinction of being the largest crude palm oil (CPO) producer in Malaysia. Its also a key source Sabah's revenue and important source of livelihood for our smallholders.

"The challenges for the local palm oil industry are many and varied, and there are no easy solutions, but as a government, we will continue to strive to put in a place a facilitative environment for the industry to thrive and move forward," he said when launching the Palm Oil Industry Cluster (POIC) Lahad Datu Bulking Terminal here today.

At the event, Shafie also announced POIC Lahad Datu as a Tender Port and Delivery Point for CPO and Refined Bleached Deodorized (RBD) Palm Olien Futures.

He said the new development on POIC Lahad Datu was specifically an important part of Sabah government's continuing efforts to strengthen and broaden the business horizon of the palm oil industry in the state.

It was also an acknowledgment of Sabah's vital role in the national palm oil industry, as well as a clear recognition of the global reach of the palm oil industry as a whole, he added.

Thus, Mohd Shafie said the designation of POIC Lahad Datu as Asia Pacific Exchange Pte Ltd (APEX) Third Tender Port for CPO and RBD Palm Olien Futures Contract in Malaysia is timely and encouraging.

He said the status not only means a recognition of additional port and bulking facilities in Lahad Datu, but also direct benefits to palm oil sellers and buyers, as well as lifting the east coast town's profile in the global edible oil map.

APEX is a Singapore-based commodities exchange. It will trade in CPO and RBD Palm Olien Futures delivered through the storage facilities at POIC Lahad Datu.

Mohd Shafie said one of the immediate benefits to Sabah would be in the reduction of the so-called 'Sabah discount' on Sabah CPO by APEX from US\$20-US\$30 to US\$10.

The chief minister also predicted a wider role for Sabah in the palm oil sector due to its proximity to China and India, Malaysia's two palm oil importing countries.

At the event, Mohd Shafie also witnessed the signing of service agreement between Sabah POIC chief executive officer (CEO) Datuk Dr Pang Teck Wei and APEX founder cum CEO Eugene Zhu.

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