



E-NEWSLETTER

SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION

Chairman's Message

Eric Kiu Kwong Seng



Dear Members,

Sarawak Business Federation (SBF) has been granted a RM20 million from Sarawak government for the purpose of capacity building and enterprises development programs for its members on 14 October 2021.

As an affiliated member of SBF, SOPPOA is given the opportunities to participate in the SBF Recovery BizFund for carrying out programs in accordance with its terms of reference.

There are two categories of training programs designed to cater for the needs of members of SOPPOA. Firstly, the Certificate in Plantation Management (CPM) program leading to a professional certification from the ISP. Secondly, an Operational Modules that target field supervisors and worker to improve the efficiency and effectiveness of daily plantation operations.

I am glad to inform that this program has been launched on 11 November 2023 and registration pamphlets should have been received by every member by now.

Thus, I encourage every member company to fully utilize the opportunity as the courses are provided free of charge to SOPPOA's members.

I am glad to hear that the MPOB SOPPOA Seminar on R&D Progress held at Bintulu recently received overwhelmed response from members. Thumbs up to the successful collaboration and insightful discussions that took place during the event. I wish to extend my apology for unable to attend the seminar due to other official commitment. Nevertheless, I wish to record my sincere appreciation to our 1st Vice Chairman, Mr. Simon Wong, for co-chairing the event with MPOB DG.

Dear members, kindly take a moment of your busy schedule to browse through the contents of this newsletter which has highlighted some of the important and meaningful activities undertaken by the secretariat and members.

Last but not least, to our council members that the next 57th Council Meeting is scheduled on 10th January 2024 that requires your active participation.

Happy reading!



MPOA National Palm Oil Conference (NPOC) 2023 On 2 & 3 Oct

INTRODUCTION

Malaysian Palm Oil Association (MPOA) was formed in 1999 through the merger of the Rubber Grower Association (RGA), the United Planting Association of Malaysia (UPAM) and the Malaysia Oil Palm Growers Council (MOPGC).

MPOA has been tasked with the important function of balancing the needs and interests of the various sectors for synergy and development of the plantation industry as a whole that focuses on oil palm, and also serve interest of other crops like rubber, cocoa, and tea.

The MPOA National Palm Oil Conference (NPOC2023) was an inaugural two-day event highlighted on palm oil industry covering key updates from various government agencies and review on palm oil competitiveness and outlook.



DPM Fadillah: Oil palm stakeholders should work collectively towards sustaining prosperity

KUALA LUMPUR, Oct 2 – Stakeholders in the oil palm industry must work collectively towards sustaining the prosperity of the critical facets of the industry, said Deputy Prime Minister and Minister of Plantation and Commodities Datuk Seri Fadillah Yusof.

He said the industry players must acknowledge the challenges of navigating the global agricultural landscape.

“It is important to emphasise that removing palm oil from the global food supply would have devastating consequences for our industry and the world at large,” he said in his speech at the Malaysian Palm Oil Association’s (MPOA) National Palm Oil Conference (NPOC 2023) which commenced today.

He said over the years, Malaysia’s oil palm industry has played a transformative role in establishing the country as a global leader in the edible oil markets while bolstering the national economy.

This sector, he said, stands as a resilient socio-economic pillar, significantly contributing to rural development.

It has consistently provided employment opportunities, stimulated spin-off industries and bolstered foreign exchange earnings, while the entire supply chain contributed substantial tax revenues, the minister said.

As of December 2022, oil palm planted in Malaysia stands at 5.67 million hectares, and the yield accounts for approximately 18 per cent of the world’s exports of edible oils and fats.

“I want to emphasise that the industry’s sustained growth and competitiveness – even in the face of social and environmental concerns – has been laudable. Our country remains committed to confronting discriminatory trade practices aimed at undermining this essential agricultural commodity.

“As such, we will continue our efforts to engage with the European Union and other stakeholders following the implementation of the European Union Deforestation Regulation to protect our industry,” he added.

Themed “Palm Progress: Future-proofing competitiveness and sustainability”, the NPOC 2023 is organised by the MPOA.

During the event, the MPOA unveiled the MPOA Responsible Recruitment Guideline on the recruitment of foreign workers.

The guideline is an integral component of the MPOA Responsible Employment Charter. – Bernama

Budget 2024: Revise windfall levy for Sabah, Sarawak, oil palm growers - MPOA

KUALA LUMPUR: The Malaysian Palm Oil Association (MPOA) had called on the government to revert the rate of the windfall profit levy (WPL) for Sabah and Sarawak to 1.5 per cent in the upcoming Budget 2024 from the current three per cent.

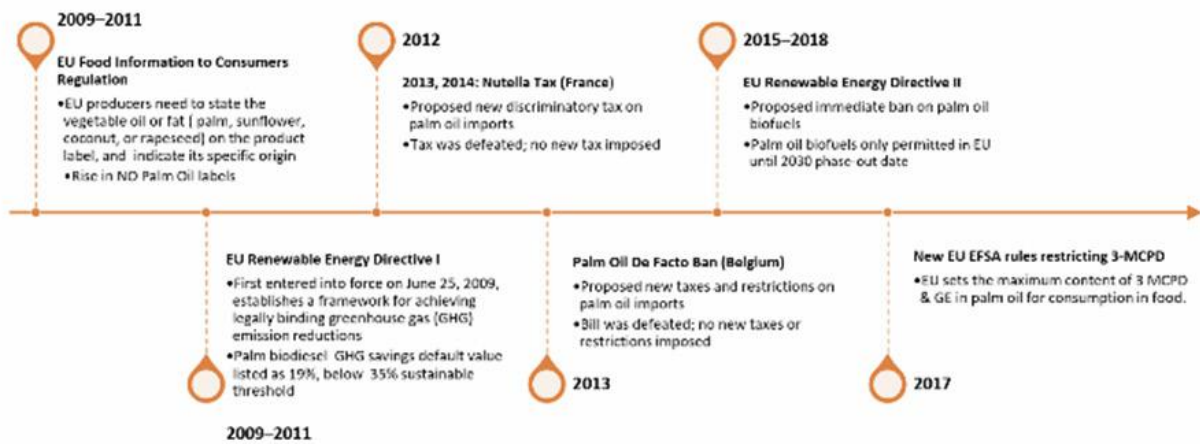
Given the further increase in the cost of production, the association also beseeched the government to revise the WPL price threshold upwards by RM500 per tonne of crude palm oil (CPO) to RM3,500 per tonne for Peninsular Malaysia growers and to RM4,000 per tonne for Sabah and Sarawak growers.



► From..02



EU Regulations



EU Regulations



MPOA also called for tax incentives to support large-scale replanting initiatives, recognising its critical role in safeguarding the sector’s future productivity to support its supply chain and sustaining competitiveness.

Its chief executive officer, Joseph Tek Choon Yee, said that while growers carry out replanting programmes annually, larger replanting hectareage must be immediately pursued.

"Accelerated replanting involving the private sector nationwide is imperative to achieve a large area of replanted hectareage to ensure the sustainability of the oil palm sector with uninterrupted support for its supply chain

while enhancing productivity with new planting material and better agricultural practices," he said at the MPOA National Palm Oil Conference 2023 today.

Tek said that the staggering statistics reveal that there are currently 660,000 hectares, or about 11.6 per cent of the country’s total oil palm planted area, with trees at or above 25 years old and overdue for replanting.

He pointed out that by 2027, the aged palm area will grow to 770,000 hectares if the replanting rate continues at less than two per cent of the total planted area a year.

► Cont..04

► From..03

"By 2027, there will be close to two million hectares, constituting 33 per cent of the total planted area, having trees which are 20 years old and above," he said.

Set against the ageing age profile of the oil palm trees, MPOA has called on the government for replanting tax support to be accorded to the private sector to entice a larger footprint of accelerated replanting.

"We appeal to the government to extend the reinvestment allowance (RA) tax incentive to specifically include the replanting of oil palm and to allow utilisation of RA against the company's statutory income.

"This calculated move is also a strategic manoeuvre that promises to substantially improve oil palm productivity, boost the nation's gross domestic product and fortify future tax revenue," he said.

On the issue of labour, Tek said the association has appealed for the uplifting of the freeze and an increase in the foreign worker recruitment quota for the plantation sector.

He said this adjustment is urgently needed to ensure the continued and sustainable operation of the sector and to address the skills gap among the incoming foreign workforce.

"Swift action in uplifting the quota is imperative to meet the sector's labour demands and maintain its productivity and competitiveness," he said.

Finally, MPOA hoped Budget 2024 would include enabling incentives to drive mechanisation in the estates and automation in the mills, particularly for the smallholders and small individual-owned mills.

"At the same time, there should be an appreciation among the policymakers that despite the substantial reduction in the labour deployment in the estates of about 35 per cent over the last 15 years, the estates are still in need of a significant number of foreign workers," it added. - Reuters

EU Deforestation Regulation: Challenges & Opportunities

Belvinder of MPOC predicted that the risks of ceasing palm oil export to EU would result in an immediate availability of a large volume of palm oil, amounting to approximately 4 over million MT will disrupt the global palm oil supply and demand. The oversupply can result in a sharp decline in prices. On top of that, there will a potential disruption of various businesses as other producers are unable to cater to the gap left behind from Malaysia and Indonesia.

She furthered that EUDR requirement is not purely targeted on palm oil but also on other commodities like beef, timber, coffee, cocoa, rubber and soya beans. The requirement requires companies to demonstrate that the products are both deforestation and forest degradation-free after 31 December 2020 through a due diligence statement.

She iterated that MSPO standards meet the regulatory requirements of the EUDR under Article 3, in that they prohibit deforestation after 2019, require legal compliance of all local laws and can link imported commodities to their source.

Therefore, The EU should acknowledge the benefits of MSPO, a mandatory compliance certification, and recognize it as a path to compliance with EUDR.

Libat Urus Strategik: Penambahbaikan Kualiti Peraturan Melalui Kolaborasi Sektor Awam Dan Swasta By MPC On 11 Oct

Introduction

Dr. Mazlina, Director of Malaysia Productivity Council (MPC) Kuching informed that the purpose of the program is intended to express as well communicate the importance of public private collaboration in moving the economy of the country in general and economy of the state of Sarawak specifically.

MPC

MPC is an agency under the Ministry of Investment, Trade and Industry that plays a role in driving national productivity through increasing talent, technology as well as creating robust business environment.

MPC drives productivity and competitiveness improvement holistically at national, sectoral and enterprise levels guided by 5 thrusts, comprising development of future workforce, accountable for productivity digitalization and innovation, forging robust ecosystem, and productive mindset.

MPC will collaborate strategically with the private and public sectors to forge productivity as the game changer in boosting productivity and competitiveness of the nation towards wellbeing and prosperity.

One of the productivity online services provided by MPC is MyMudah.

MyMudah

The government implemented the #MyMUDAH initiative in July 2020 as a fast-forward solution to address the economic impact of Covid-19. It was initially a strategy to improve regulatory quality to mitigate against regulatory challenges being faces by businesses due to Covid-19 and has since been adapted to also help in achieving national economic recovery in the endemic period.

On 24 November 2021, YAB PM chaired an EAC meeting that decided the meeting that decided the #MyMUDAH initiative should be strengthened by establishing #MyMUDAH unit in all federal ministries and agencies. The meeting also proposed for #MyMUDAH units to be established at the state

government level, local authorities and industry associations to holistically facilitate the doing of business country-wide.

The purpose of #MyMudah is to identify, review and remove business regulations that no longer make sense. This initiative is expected to lessen business compliance cost, create more job opportunities and stimulate the economy.

According to a government report, business in Malaysian spent approximately RM40 bil on regulatory compliance cost. Upon its implementation, #MyMudah is expected to reduce it by 25%, generating around RM10 bil in savings for businesses, following the reduction in regulatory burden and compliance costs. This would mean more productive hours, better use of expenses and a more conducive business environment for economic growth.

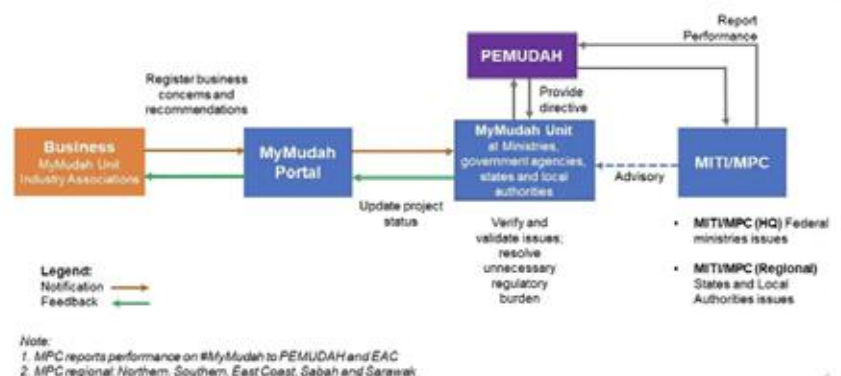
Businesses or associations can forward and highlight their regulatory issues through the MyMudah portal besides taking part in dialogues organized by EAC and MPC.

The highlighted issues will then be analyzed by PEMUDAH and escalated to the EAC meeting to be assessed before a decision is made.

The decisions made by the EAC meetings will be implemented by ministries and state governments. These decisions may include temporarily or permanently abolishing, modifying, waiving or exempting regulations that are unnecessarily burdensome to businesses, as well as simplifying procedures and shortening processing time to facilitate ease of doing business.

Governance Structure

MECHANISM (STRUCTURE & PROCESS) FEDERAL AND STATES



Dinner Engagement With Deputy Governor Of Bank Negara Malaysia On 12 Oct



(From 2nd left) Shahrarum bin Ramli, Chief Operating Officer, NAIM Holdings Bhd; Mohd Irman Hj. Mohd Din, Head, BNM Kuching; Ngieng Sii Jing, Vice President, Longi; Dr. Felix Moh Mee Ho, CEO, SOPPOA; Dato' Steve Ng Thian Yew, MD, Plaza Merdeka; Dato' Marzunisham Omar, Deputy Governor, BNM; Rudolph Du Preez, Works Manager, Sakura; Victor Loh Yew Ping, Assistant Finance Manager, Sakura; Gloria Tsan Ern Hui, Senior Economist, BNM and Thomas Tan Koon Peng, Director, BNM.

Background

The purpose of the session was mainly for the Deputy Governor to network with local stakeholders and gain latest insights on the outlook of the economy from the perspective of Sarawak business sectors from agriculture, services, manufacturing, construction, and mining sectors.

Invitation By University Of Technology Sarawak On 26 Oct



ORGANIZED BY SCHOOL OF BUSINESS & MANAGEMENT, UTS
IN COLLABORATION WITH
SARAWAK OIL PALM PLANTATION OWNERS ASSOCIATION (SOPPOA)

**An Overview of the Malaysian Palm Oil Industry:
Job Opportunities & Career Prospects**

Date: **October 26, 2023 (Thursday)**
Time: **1pm-3pm**
Venue: **LTC**
LEAd Point will be provided to UTS students

Speaker: Mr Richard Cheang
Advisor for Consumer Packs Exports
in FCLs, Sarawak Oil Palms Bhd (SOP)

Speaker Profile
The speaker has a rich experience in the palm oil industry, starting as a Brand Manager in 1979 and working in various roles until retirement in 2013, including CPD trader, Operations Manager, General Manager, and Overseas Business Manager in Vietnam, Bangladesh, and Myanmar. Currently serve as an Advisor to Consumer Packs Exports in SOP, Miri. Additionally, he served as Chairman of PORAM from 2005 to 2007. Educational background includes Post Graduate Export Marketing studies in England in 1978 and Masters degrees in Communication Management (UNISA) in 1999 and Leadership in Organizational Learning (Monash) in 2018.

Founded on 1 April 2013, University of Technology Sarawak (UTS) is located at the central region of Sarawak, Sibu and the only university which is wholly owned by Sarawak State government.

UTS was initially established to cater the development of Sarawak Corridor of Renewable Energy (SCORE). Currently, it has diversified and plays an important role in Sarawak's human capital development to produce skilled workforce required for Sarawak to be a developed state by 2030.

As a TVET university, and heading Sarawak towards industrialization and digitalization, UTS provides qualified graduates with the latest technical knowledge, skills and expertise in science and technology.

UTS continues to commit in providing access to an affordable world-class university education that nurtures creative and entrepreneurial leaders through a broad education in science and technology, while combining the career benefits of an applied approach for industry-related research and career opportunities.

In teaching and learning, UTS has produced 2,200 graduates since its inception with an average

employability rate of 99.1%, among the highest employability rate in Malaysia.

For Sarawakian students, UTS is not selective in its admission procedures. All local and non-local students are given full scholarships to enrol in UTS's one-year Foundation course, and those who pursue their undergraduate studies therein are offered 50% scholarships of the cost of their tuition. Students will also receive the 50% scholarship if they wish to pursue their studies for a Master's or PhD.

In 2023, UTS offers 34 programs from Foundation, Bachelor's Master's to a PhD degree.



At the invitation of the School of Business and Management, UTS, SOPPOA, represented by Mr. Richard Cheang, Senior Advisor from Sarawak Oil Palms Bhd, has presented a comprehensive overview of palm oil to university students, covering its cultivation, environmental impact, and social-economic aspects.

More than 300 students turned up for the event.

The event likely had a positive impact by fostering awareness and understanding of palm oil-related issues among the students. It may have prompted them to reflect on the complexities of sustainable practices and encouraged critical thinking about the supply-chain and potential of palm oil industry.

Cadangan Pengaktifan Semula Skim Pensijilan Kod Amalan Baik MPOB Untuk Kilang Kelapa Sawit (COPM) On 23 Oct



1. MPOB CoP

The MPOB CoP certification scheme was first introduced to the Malaysian palm industry starting in 2009.

The CoP certification scheme is fully operated by MPOB.

The purpose of CoP certification is to harmonize and help the industry comply with aspects of food safety, quality and sustainability along the oil palm production chain.

An alternative to industry before moving to other higher sustainable standards schemes such as MSPO, RSPO and ISCC.

As of 2018, the number that has been successfully certified under the CoP certification scheme is as follows:-

No.	CoP Category	Total
1	CoPN	429
2	CoGAP	206
3	CoPM	47
4	CoPRF	13
5	CoPCF	9
6	CoPB	2
7	CoPT	Nil

On 24 February 2017, the YB Minister of MPIC made the announcement that the Malaysian Sustainable Palm Oil (MSPO) certification skin will be mandated from 1 January

2020. The CoP is a "normative reference" to the MSPO standards.

Accordingly, the MPOB management believes that it is better for the Malaysian oil palm industry to focus on the implementation of the MSPO because when the auditor performs the MSPO audit, the CoP will also be used as a reference by the auditor apart from other auditing guidelines at that time.

Finally in 2018, the MPOB management has agreed to temporarily close the implementation of the CoP certification scheme except CoPN because CoPN is not included in the category under MSPO standards.

2. Challenges

The Malaysian Ministry of Health (MOH) and MPOB have classified palm oil mill premises as food production premises.

Based on the legal requirements under the Food Hygiene Regulations 2009, Food Act 1983, every owner and occupant of food manufacturing premises must prepare and hold a Food Safety Assurance Program (CMP or in Bahasa Malaysia, Program Jaminan Keselamatan Makanan, PJKM).

Among the PJKMs introduced to the premises involved in food manufacturing are Good Manufacturing Practice (GMP), Hazard Analysis and Critical Control Point (HACCP), ISO 22000 and so on.

▶ Cont.09

► From..08

7 Kod Amalan

1. Kod Amalan Baik Tapak Semaian untuk Tapak Semaian Sawit (CoPN)
2. Kod Amalan Baik Pertanian untuk Ladang dan Pekebun Kecil (CoGAP)
3. **Kod Amalan Baik Pengilangan Sawit untuk Kilang Kelapa Sawit (CoPM)**
4. Kod Amalan Baik Penapisan Sawit untuk Kilang Penapis Sawit (CoPR)
5. Kod Amalan Baik Pelumat untuk Kilang Pelumat Isirung Sawit (CoPC)
6. Kod Amalan Baik Penyimpanan untuk Instalasi Simpanan Pukal (CoPB)
7. Kod Amalan Baik untuk Penyimpanan dan Pengangkutan (CoPT)



MOH mandates that every food production premises including oil palm mills have PJKM.

The existing MSPO certification scheme does not directly emphasize PJKM to contract palm oil processing operations at palm oil mill.

3. Objective of Meeting

The intention of this dialogue between MPOB and stakeholders was to look at the possibility to:-

- i. Reactivate the implementation of the CoPM certification scheme,
- ii. Give options to palm oil mill premises to implement the MPOB CoP certification scheme in order to comply with PJKM, and
- iii. Ensure that all palm oil mills in Malaysia comply with the regulations under the Food Act 1983.

4. Points Raised at Meeting

- i. According to DG, MoH has insisted that CPO is 'food' and therefore POM should be treated as food production premises.
- ii. After deliberation with MPOB, instead of implementing PJKM on POM, MoH accept accepts CoPM as an alternative on 30 May 23.
- iii. He explained the advantage of having CoPM is that the certification is administered entirely MPOB. Thus, the industry is more confident with the CoPM certification carried out by MPOB auditors who are more knowledgeable about the process involving technical, engineering in oil palm mills.

iv. However, after lengthy debate on the issue, the stakeholders' stand was that:-

- In principle, the industry is not against the CoPM,
- However, its implementation should be voluntary and must not be perceived as the industry accept the classification of 'CPO as food' by MoH,
- That said, the industry still insists the CPO is a raw material and should not be classified 'as food'.

v. In view of no agreement achieved at the meeting, DG suggested that the matter to be brought to MPOB Board for further deliberation to the Minister.





Launching Of Training Program For The Plantation Industry Under SBF Bizfund At Sibu On 11 Nov



To Obtain Higher Fresh Fruit Bunch (FFB) Production & Sustainable Growth

This hands-on training program will help participants improve their competencies in the area of Fresh Fruits Bunch (FFB) harvesting techniques. With proper operational practices in harvesting, plantation owners will enjoy higher yields & income, and to achieve sustainable business growth.

***SIBU**
Dates: 10-11 Nov 2023

***BINTULU**
Dates: 5-8 Jan 2024

***KUCHING**
Dates: 23-24 Feb 2024

Intended Outcomes:
At the end of the workshop, participants will be able to:

- identify & avoid current FFB harvesting problems
- develop proper harvesting plans to boost FFB yields
- design innovative harvesting strategies for sustainable business growth
- improve oil extraction rates (OER) to fetch higher income
- adhere to standard operational practices to ensure post-harvesting practices are followed through

Limit to 25 pax only! To Register



SCAN ME

Programme Fee: RM1000 (RM500 per person)
Refundable Deposit: RM1000 per person

For info, please contact: 011-55568859

Organized by: Sarawak Oil Palm Plantation Owners Association (SOPPOA)
Conducted by: Methodist Pilley Institute (MPI)
Sponsored by: Sarawak Business Federation

agricultural practices, principles of plantation sustainability, and plantation bookkeeping.

Meanwhile, SOPPOA chairman Eric Kiu said that the intention is to help spur the industry to come up with more training.

He observed that there is a need for good training and a better understanding of the industry.

“This is one of our first steps as an association in attempting to promote and also bring in the newer generation into the industry – to them excited. Also, to have a more structured way to train our people,” said Kiu. – The Borneo Post



Plantation classes conducted at MPI, Sibu

Sibu: Two categories of training programs are being organized by Methodist Pilley Institute (MPI) here, in collaboration with Incorporated Society of Planters (ISP) and Sarawak Oil Palm Plantation Owners Association (SOPPOA).

In revealing this, MPI principal Hii King Kai said these programs are the operational modules and the Certificate in Plantation Management (CPM).

Hii said “these two categories of training programs are designed to cater to the needs of planters in Sarawak”.

This project on training programs is funded by SBF. According to Hii, under the current approval, the trainings will be run in Sibu, Bintulu and Kuching.

The operational modules comprise sustainable FFB harvesting techniques, field pests and diseases of oil palm, and the importance of yields, nutrients, and fertilizers.

The CPM is made up of communication skills in English, supervisory and leadership, soil and plant biology, good



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畢理種植業培訓課程

助增強發展油棕業能力



众人于“种植业培训计划”新闻发布会上合影。坐者左起为毕理学院董事黄良蓉、院长许钧凯、砂拉越油棕种植业者协会首席营运员邱冠森及首席执行官毛维浩。

(诗巫11日讯) 毕理学院联合种植者协会 (ISP)、砂拉越油棕种植业者协会 (SOPPOA) 为砂拉越商业联合总会会员提供“种植业培训计划”，希望藉以吸引更多年轻人加入该领域，进而帮助他们提高及增强发展油棕业的能力。

这项计划是由砂拉越商业联合总会在复苏援助计划下提供资金。“种植业培训计划”设计两项培训课程，来满足砂拉越种植园主的需求。其中一个为种植管理认证，通过考核即可获得种植者协会发出的专业认证。这项课程有7个内容，参加者必须在3个月内完成。面对面的学习课程则将在星期六和星期日交替进行，

尽可能减少对种植园的运营造成干扰，同时也预留更多时间进行应用学习、回馈及反思的部分。

另一项课程为3种为期两天的实用课程，帮助培训主管和员工，来提高日常种植园运作的效率。所学的技能将带来更高的生产力，如增加产量、减少废物、更好的肥料管理与应用、安全处理化学品等。

凭藉毕理学院现有的硬体设施和软体资源，种植者协会的设立、现场测试的培训模式，以及一群经验丰富的培训导师，有助于增强砂拉越种植业的能力。

共享新知识技能资源

种植业是砂拉越经济的主要贡献领域，这一类的改善将为种植业带来可观的利益。此外，更

佳的种植园管理和营运实践有助于永续生产、经济成长和生产工作环境长期效益。

“种植业培训计划”将迎来一个新知识、技能及资源共享，且进一步增强和提高种植园管理的效率和新效果，以及提高生产力及更长的永续产量为目标。

此培训计划的受益者不仅限于不同经营规模的企业家、企业主和员工，也包括建立及提升人力资本发展的正面影响，确保社会经济效益永续到了子孙的后代。这些可预见的结果符合砂政府的远见，为永续发展致力投资于人力资源的开发。

期盼透过“种植业培训计划”能吸引更多年轻人加入油棕领域，帮助他们提高及增强发展油棕业的能力。





Joint Press Statement – 15 Associations Unite To Appeal For Review On Windfall Profit Levy On Palm Oil In Malaysia On 6 Nov

- The palm oil industry in Malaysia, a cornerstone of this country's economy is currently at a critical juncture. Despite being commodity centric, the sector has displayed remarkable resilience throughout the challenging COVID-19 period and thereafter. While it faces numerous hurdles, including continued labour shortages and crop losses, the industry continues to contribute significantly to our nation's economic growth, employment and tax revenue.
- The Windfall Profit Levy (WPL), levied exclusive on all the oil palm planters and no other business sectors in Malaysia will cause undesirable ripple effects going forward throughout the oil palm supply chain and impacting its overall sectorial long-term competitiveness and sustainability. Over the past five years, the oil palm planters have been levied a substantial RM5.2 billion to the government's coffers, with last year alone yielding over RM3 billion through the WPL.
- In response to these concerns, the following 15 associations affiliated with the palm oil supply chain are jointly appealing to the government for immediate review and reconsideration post Budget 2024 announcement. Our collective voice echoes the sentiments of the industry and underscores the need for meaningful and fair changes.
 - Malaysian Palm Oil Association (MPOA)**
 - Malaysian Estate Owners' Association (MEOA)**
 - National Association of Smallholders (NASH)**
 - Sarawak Oil Palm Plantation Owners Association (SOPPOA)**
 - Sarawak Dayak Oil Palm Planters Association (DOPPA)**
 - East Malaysian Planters Association (EMPA)**
 - Sabah Oil Palm Millers Association (SOPM)**
 - Sabah Employers Consultative Association (SECA)**
 - Palm Oil Millers Association (POMA)**
 - Palm Oil Refiners Association of Malaysia (PORAM)**
 - Malaysian Oleochemical Manufacturers (MOMG)**
 - Malayan Edible Oil Manufacturers' Association (MEOMA)**
 - Malaysian Biodiesel Association (MBA)**
 - Malayan Agricultural Producers Association (MAPA)**
 - Incorporated Society of Planters (ISP)**
- Commodity palm oil finds itself in a distinctive different position in the marketplace – it's a price taker rather than a price maker. Although the current year holds promise with relatively favourable CPO prices, the palm oil industry remains under the heavy weight of labour shortages leading to palpable losses in the fields and the continued national low yields that have led to today's uppermost cost of production. It is discouraging to realise that there is abundant revenue to be made from the crop on the oil palm trees, but significant unharvested crop goes to waste and ended rotting away without realising its commercial value.
- It's worth noting that the WPL levied in Malaysia is exclusive levied on the oil palm industry in Malaysia. The term "windfall" implies excessive profits. WPL on oil palm sector does not only impact the competitive edge of the industry's upstream sector but will also affect through the entire supply chain, affecting stakeholders in the supply chain and will deteriorate in the future with lack of reinvestments against aging oil palm trees and southward trending productivity. Therefore, it stands to reason that the WPL threshold for triggering this levy should be reviewed to be set higher especially considering today's realities and to address the wrong notion that the planters have unceasingly been making windfall profits since its inception in 1999.
- Recent media reports on **26 October 2023** have shed light on the Ministry of Finance's (MoF) stance on the WPL for the palm oil industry. The current WPL is charged based on the following formula with payment to be made within 28 days of the following month. *In Peninsular Malaysia = 3% x monthly fresh fruit bunches (FFB) production x MPOB Malaysia monthly average CPO price of more than RM3,000/tonne; and in Sabah and Sarawak = 3% x monthly FFB production x MPOB Malaysia monthly average CPO price of more than RM3,500/tonne.* Notwithstanding the WPL price threshold is based on CPO prices, the WPL is ultimately levied on all oil palm growers (excluding the smallholders) on their FFB production. The MoF has expressed its intent to retain the WPL but remains open to revising its methodology including levy rates and profit threshold levels. The associations welcome the latter statement, notwithstanding this is not new and has been reiterated numerous times. We implore on the government to pursue to completion a long-overdue taxation review initiated some years ago.

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7. Despite initial anticipation, Budget 2024 did not present any awaited favourable outcomes regarding the WPL and other industry wants. Notably, the Deputy Prime Minister and the Minister of Plantation and Commodities, YAB Dato' Seri Fadillah Yusof, had earlier conveyed that his Ministry of Plantation and Commodities (KPK) submitted a proposal to the MoF to reduce the WPL in Budget 2024. The submission included a proposal to lower and revert the WPL rate for Sabah and Sarawak from 3.0% to 1.5% respectively following engagement with MPOA. The Deputy Prime Minister stated, "They (the industry) are not objecting to the WPL, but if it is imposed, they want to look at how the levy can benefit the industry, including in terms of incentives and programmes such as oil palm replanting." The industry was also expectant then that portions of the WPL can be allocated and channelled to the levy-paying planters in Budget 2024 for replanting reinvestment allowance.

8. The MoF has highlighted that the WPL on the palm oil industry has been in place since 1999 with periodic revisions to the levy rate and price threshold value. Notably, the adjustment to the levy rate in January 2022, equalising it between Peninsular Malaysia and Sabah and Sarawak, but may have not taken cognisance of the Sabah and Sarawak State Sales Taxes (SST) in the overall taxation equation. This revision has led to a scenario where Sabah and Sarawak planters end up paying higher WPL than before when the CPO prices exceed RM4,000 pmt when it is added to their prevailing 5% and 7.5% state sales taxes in Sabah and Sarawak respectively.

9. WPL in Malaysia different to the global norms

- The associations do not contend that the concept of a windfall tax is inherently flawed; in fact, we acknowledge that it can offer distinct advantages in terms of redirecting profits from exceptionally profitable business sectors to benefit government fiscal for the well-being of the rakyat.

- Our joint appeal is pertaining to the manner in which this windfall tax is applied within the Malaysian palm oil sector. Malaysia's approach to the WPL distinguishes itself from the international standard. While the WPL is a well-recognised fiscal policy tool employed worldwide, Malaysia has a distinctive implementation that places a disproportionate burden on continual basis set upon the palm oil industry, resulting in significant and adverse economic consequences, low reinvestment going forward and competitiveness of the sector amid its current challenges.

- To illustrate this deviation, it's essential to consider the global consensus on the definition of "Windfall Tax." This term universally refers to a one-off tax on excess profits, closely aligned with descriptions like "a piece of unexpected good fortune" or a tax applied in response to extraordinary historical events, and not as a routine policy tool. Oil and gas companies are common targets of windfall taxes. For instance, the UK imposed a one-off tax on private utility owners in 1997, Sweden levied windfall profits from the EU's carbon emissions trading programme, and the US applied it during the 1970s oil crisis due to the Yom Kippur war and OPEC embargo. More recently, China taxed refiner's profits in 2020 when oil prices plummeted below USD40 per barrel. All these instances align with the universal definition, being exceptional responses to historical events, unfortunately in contrast to Malaysia's WPL approach on palm oil. Thus, the present threshold for palm oil is not "unexpected", "one-off" or indicative of "a large amount of money" as these definitions imply. This inequity may have arisen because palm oil producers lack the option of relocating their operations overseas unlike other sectors. The crux of equitable taxation based on level playing field and shared contribution to the nation's fiscal need to be in line with Malaysia MADANI agenda and the noble efforts to generate tax revenue.

- It is essential to recognise that oil palm planters have dutifully contributed to the WPL to support the government's fiscal requirements. However, we implore upon MoF to take cognisance of the current cost-yield-competitiveness dynamics in the palm oil sector and therefore to consider the industry's appeals believing that the appeals are well-grounded and deserve immediate attention.

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Sarawak plantation owners want govt to review palm oil windfall profit levy

BY CHURCHILL EDWARD ON OCTOBER 4, 2023, WEDNESDAY AT 4:33 PM

SARAWAK

10. The associations earnestly implore the government to consider the following:

- A. Review on the WPL levied on Palm Oil
- B. Raise the WPL's effective Price Threshold for Palm Oil
- C. Revert the WPL Levy Rate for Sabah and Sarawak Planters

A. Review on the WPL levied on Palm Oil

- The current imposition of the WPL is prejudiced as it assesses windfall profit based solely on commodity prices and revenue, rather than a more comprehensive assessment of return on investment or profitability. A WPL repeal may have to be considered if it is to enable the industry to utilise much-needed funds for reinvestments to ensure its long-term competitiveness and sustainability – unless they are rechannelled to the industry. These available funds for the planters could enable them to use for pivotal initiatives such as replanting, modernisation including mechanisation and equipment upgrades, supply chain improvements, ESG compliance and other essential advancements.
- It must be noted that certain aspects of the WPL's validity may remain ambiguous. In the first quarter of this year, the Parliament had a deliberation the Windfall Profit Levy (Oil Palm Fruit) Order 2023, which came into effect on 1 February 2023, the government's intention to levy "extraordinary profits" on the palm oil sector for additional revenue was approved. However, along with this, the Windfall Profits Levy (Validation) Bill 2023 was also approved with the intention to indemnify the government for imposing a WPL on palm oil producers from 1 January 1999 to 31 January 2023, despite the levy orders was found not being in compliance with the Windfall Profit Levy Act 1998. It was reported that the ministerial orders to impose this levy had not been officially presented in the Dewan Rakyat, a step that should have been taken, and no resolution was passed by the House to confirm these levy orders. This has sparked concerns that the government must be shielded from the prospect of refunding billions in collected taxes.
- The aforementioned Act was reported to have stirred the curiosity of Parliamentarian YB Wong Chen, who has sought an explanation regarding the government's introduction of a windfall profit tax bill. The

parliamentarian characterised this bill as an "extraordinary retrospective" law and raised questions about whether certain parties had initiated legal action against the imposition of the windfall profit tax. Consequently, some stakeholders within the industry may be contemplating legal action to contest this retrospective Act.

- Deputy Finance Minister YB Datuk Seri Ahmad Maslan confirmed that there would be no refunds of the windfall tax collected. He was quoted to say that this revenue was used to subsidise cooking oil and reduce the cost of living. This further raises question about whether the palm oil sector was singled out to be the solitary party to subsidise the cooking oil for the whole country.

B. Raise the WPL's effective Price Threshold for Palm Oil

- Are palm oil planters enjoying "extraordinary" or windfall profits? It's important to dispel the notion that a high profit margin equates to super-normal profit in the palm oil sector. What is more intriguing is that WPL on palm oil has been unceasingly applicable since 1999. Unlike many other industries, palm oil companies require a higher profit margin to generate a reasonable Return on Investment (ROI) due to the capital-intensive nature of their business.
- The cost of palm oil production reached unprecedented levels in 2022 due to various factors such as rising wages, increased fertiliser, energy and agrochemical inputs. The industry also grapples with declining CPO yields, primarily attributed to labour shortages, adverse weather condition, aging palm oil estates. This situation has led to a significant increase in per-tonne production costs for CPO. Renowned analyst, Ivy Ng from CIMB recently presented that based on an estimated CPO yield of 3.2 tonnes per hectare in 2023, national production costs are expected to be around RM3,000 per tonne. With the current CPO price at RM3,700, the 19% gross profit margin is hardly excessive and is closer to average or normal returns. For companies realising low yields or servicing large loans, it may even be insufficient to cover their operational costs.
- Looking ahead, there is a potential for further increases in labour costs if a multitier levy system on foreign workers is introduced along with a coming review on the minimum wage. To mitigate these uncontrollable cost escalations, the palm oil industry must urgently focus on improving CPO yields. CIMB's industry model indicates that every 0.5 tonne per hectare variance in CPO yield relates to production costs of RM462 per tonne of CPO.

To achieve a sustainable reduction in costs, the Malaysian palm oil industry have to realise two key strategies: enhancing worker productivity and expediting the replanting of old trees to boost CPO yields. In 2022, only 97,130 hectares were replanted out of the estimated 664,000 hectares of Malaysian palm oil

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estates that are 25 years old and above. This represents a meagre replanting rate of just 1.7% of the total palm oil cultivation area. The industry must focus on rejuvenating declining yields to avert a potential losses and sectorial competitiveness cross the supply chain. The industry also needs urgent and effective key policy enablers including reinvestments and not to be further burdened by taxes.

- If WPL is to be continued and to be aligned with the correct definition of windfall profits, the associations request for an equitable increase in the WPL's price threshold from the present thresholds of RM3,000 pmt in Peninsular Malaysia and RM3,500 pmt in Sabah and Sarawak in line with the true sense of today's production cost and correct profitability.

C. Revert the WPL Levy Rate for Sabah and Sarawak Planters

If the WPL continues, the levy rate in Sabah and Sarawak should take cognisance of the State Sales Taxes (SST) in entirety. These were levied in the two regions since 1999 in line with the Malaysian Agreement 1963. Therefore, we appeal that the WPL

levy rates should immediately be reverted from 3.0% back to 1.5% with the above SST consideration for the oil palm planters in Sabah and Sarawak. The unique challenges faced by the two East Malaysian states today, including higher input and logistics costs, necessitate for this adjustment. The cost of palm oil production in Sabah and Sarawak has significantly increased and the producers do not enjoy extraordinary profits now. New entrants into the industry are also burdened with loan repayments for their businesses.

CONCLUSION

The 15 associations of the Malaysian palm oil industry jointly seek for a fair and balance approach to the WPL that considers the industry's present sectorial challenges and the pivotal need for long-term competitiveness and sustainability. The palm oil sector has been a consistent contributor to our nation's progress, and we hope our joint appeal to review WPL in Budget 2024 can resonate with the government and all stakeholders to pave the way for a prosperous and equitable future for the sector and nation.



MPOB International Palm Oil Congress & Exhibition 2023 On 7-9 Nov

1. INTRODUCTION

PIPOC is an international congress that provides a platform to introduce and present new technologies in all aspects of oil palm/palm oil. It is organized by MPOB once every two years since 1987 and it serves as a medium for interaction and change of perspective specifically in the development of palm oil industry and generally in global oils and fats.

The theme of PIPOC 2023 is 'Navigating Uncertainties Building Resilience'.



PM Anwar Launches System to Ease Transactional Data Management Along Palm Oil Supply Chain

KUALA LUMPUR, Nov 8 – Prime Minister Datuk Seri Anwar Ibrahim today launched the Sawit Intelligent Management System (SIMS) which is designed to facilitate transactional data management along the palm oil supply chain.

Anwar said the system, developed by the Malaysian Palm Oil Board (MPOB), enables comprehensive information management, enhancing industry efficiency and cost savings.

"SIMS aims to promote self-regulation, reduce government oversight, provide user-friendly features, enhance security, and offer valuable decision-making insights," he said in his keynote address at the MPOB International Palm Oil Congress and Exhibition (PIPOC 2023) here, today.

The oil palm sector contributed significantly to the Malaysian economy with export earnings of palm oil and palm-based products surging to RM137.89 billion in 2022 from RM108.52 billion in 2021.

Malaysian palm oil accounted for 31 per cent of the world's palm oil exports, totalling 51 million tonnes last year.

In recent years, the Malaysian oil palm industry has faced several challenges, including trade issues, false allegations such as forced labour in plantations, trade barriers, and climate change, all of which have impacted the image and export of palm oil products.

However, the Plantation and Commodities Ministry remains optimistic that these issues will be appropriately addressed.

Also present at the event was Deputy Prime Minister and Minister of Plantation and Commodities Datuk Seri Fadillah Yusof.

Earlier, Anwar officiated PIPOC 2023, the world's largest palm oil congress and exhibition. The biennial event organised by MPOB encompasses four concurrent conferences and is one of the largest exhibitions showcasing the latest technologies, innovations, products and services in the palm oil industry.

This year's theme, 'Navigating Uncertainties, Building Resilience,' is particularly relevant given the persistent global uncertainties that prompt Malaysia to reassess its strategies and approaches in how the country operates. – Bernama



SOPPOA Chairman greeted The Right Honorable Dato' Seri Anwar Bin Ibrahim, Prime Minister of Malaysia



Introduction

The Sawit Intelligent Management System (SIMS), developed by the Malaysian Palm Oil Board (MPOB), helps licensees comply with MPOB regulatory requirements. It manages information efficiently, cutting costs and boosting industry productivity. SIMS also organizes data for easy monitoring and tracing in the palm oil supply chain.

Why is SIMS Developed?

- The palm oil industry faces tough competition, labor shortages, price fluctuations, high expectations from stakeholders, technological changes, and environmental worries.
- Additionally, the industry deals with outdated technology and manual compliance methods, lacking integration. This highlights the urgent requirement for a centralized information system.
- SIMS, utilizing modern technology, aims to meet these challenges. It strives to improve efficiency, simplify processes, and adapt to the changing needs of the palm oil industry.



Objectives of SIMS

SIMS aims to:

- Provide the government and MPOB with vital data for better decisions.
- Improve agricultural services using digital technology.
- Enhance monitoring of oil palm product transactions for transparency.
- Offer an easy way for licensees to follow regulations and standards.
- Simplify information management for licensees, making operations smoother.
- In short, SIMS benefits stakeholders by empowering them, improving services, ensuring transparency, simplifying compliance, and making information management more efficient.

Benefits of SIMS

The benefits of SIMS are directly aligned with its objectives and are enjoyed by the respective stakeholders involved.



Enhancing oil palm products transaction monitoring by utilizing information provided by licensees through SIMS.

Smallholders/Estates



- Mobile access to real-time fresh fruit bunches (FFB) transactions.
- Access to FFB purchase prices.

Industry Players



- Dealers/Manufacturers:**
- Recording and tracking of oil palm products transactions details.
 - Access to sales and purchase statistics.
 - Automatic generation and submission of daily records.



- Transporters:**
- Provision of palm oil monitoring system.
 - Enhancement of transportation security with GPS.



- Exporters/Importers:**
- Supervision of quality declaration during export/import.

Functions of SIMS

SIMS has important roles:



Users of SIMS

SIMS addresses the requirements of diverse stakeholders:

- **Smallholders:** Farmers growing palm oil independently.
- **Plantation Owners:** Individuals or companies managing palm oil farms.
- **Dealers:** Businesses trading palm oil products.
- **Palm Oil Mills:** Entities processing palm fruits into crude palm oil.
- **Kernel Crushing Factories:** Facilities extracting palm kernel oil.
- **Refineries:** Plants refining palm oil for different uses.
- **Oleochemical Manufacturers:** Companies making chemicals from palm.
- **Service Providers:** Transporters, surveyors, and labs.
- **Exporters/Importers:** Entities trading palm oil globally.

Features of SIMS

SIMS offers cutting-edge features:



Photo session with some of the industry players at PIPOC Gala Dinner

Courtesy Visit By General Manager & Management Team Of Miri Port Authority (MPA) On SOPPOA Chairman On 10 Nov

1. Corporate Information

Miri Port Authority (MPA) is a State Statutory Body under the Ministry of Infrastructure and Port Development, Sarawak, established in 1981 and operating since 1983.

Previously it was located at Miri river directly in front of the town area (near River Road), with limited vessel access due to the notorious sand bar and the shallow depth of the Miri River mouth.

Since there was a need for Miri to have a port at least beyond eight meters deep, a new port was chosen at a site of upriver at Baram which is about 30 km from the original site, and has been operational since its completion in 1998.



Located strategically within a vast industrial estate at Kuala Baram and for having better facilities and huge land areas for expansion, the port is poised to take its place as the catalyst in promoting international trade by facilitating industrial and commercial activities which directly assist the economic progress of Miri in particular and the state of Sarawak as a whole.

2. Challenges

The port is currently dealing with the challenges of shallow channel access to Kuala Baram. As a result, this has hindered the utilization of wharf and other facilities of the port.

3. Future Plan

As part of its vision to transform Miri Port into a world class port by 2030, MPA has implemented its Strategic Development Plan – a blueprint to steer the port's growth to 2030 and beyond.

The plan includes the widening and deepening of the access channel to enable more and bigger vessels to pass through.

This will potentially turn Miri Port into a major trans-shipment hub, seamlessly facilitating the movement of cargo between east and west.



MPOB SOPPOA Seminar On R&D Progress On 15 Nov

1. INTRODUCTION

MPOB SOPPOA meeting on R&D is an annual event. It normally conducted on a roundtable format that involves delegates from both parties.

This year it took place in an open seminar format.

The open seminar format encourages more participation and knowledge-sharing among SOPPOA members.

The seminar was conducted in Bintulu and have received an overwhelmed responses with an incredible turnout of 138 participants from member companies.

The proceeding was jointly-chaired by Datuk Dr. Ahmad Parveez, DG MPOB and Mr. Simon Wong, 1st Vice Chairman SOPPOA, representing the Chairman who was oversea on business trip.

A total of 10 research papers were presented covering various research works conducted by MPOB.



MPOB-SOPPOA SEMINAR ON R&D PROGRESS TENTATIVE PROGRAM

Time	Activity
8.00 - 8.30am	Arrival of participants and guests
8.30 - 9.00am	Welcoming Remarks YBrs. Mr. Eric Kiu Kwong Seng, Chairman SOPPOA YBhg. Datuk Dr. Ahmad Parveez Ghulam Kadir, Director General, MPOB
Session 1 9.00 - 9.20am	Chairman: YBrs. Dr. Felix Moh Mee, SOPPOA Paper 1 Managing Food Safety Challenges Associated to 3-MCDOPE and GE in Palm Oil Dr. Azmil Haizam Ahmad Tamizi, MPOB
9.20 - 9.40am	Paper 2 Research progress on Air Pollution Control for EFB Combustion and Advances of POME Treatment En. Nasrin Abu Bakar, MPOB
9.40 - 10.00 am	Q & A
10.00 - 10.30 am	Tea Break
10.30 - 10.50 am	Paper 3 Screening for Ganoderma Disease Resistance, Emerging Diseases & Biosecurity Dr. Mohd Hafiz Rusli, MPOB
10.50 - 11.10 am	Paper 4 Peat and Ganoderma: Research Progress Dr. Shamala Sunsham, MPOB
11.10 - 11.30 am	Paper 5 IPM Strategies for Bagworm Management in Oil Palm: An Update on Current Research and Progress Dr. Mohamed Mazrina Mohd Maar, MPOB
11.30 - 11.50 am	Paper 6 Controlling Major Pests of Oil Palm on Peat-Termite and bunch moths En. Mohamed Rosman Sulaiman, MPOB
11.50 - 12.10 pm	Paper 7 First Report on Mealybugs Outbreak in Oil Palm Plantation En. Mohd Helmy Husain bin Mohd Zin, AARSB
12.10 - 12.30 pm	Q & A
12.30 - 2.00 pm	Lunch
Session 2 2.00 - 2.20 pm	Chairperson: YBrs. Dr. Mellina Ong Abdullah, MPOB Paper 8 Factors Affecting the Pollination Efficiency of Oil Palm Pollinating Weevil En. Zaharul Abidah Mohamed, MPOB
2.20 - 2.40 pm	Paper 9 Advances of Oil Palm Plant Breeding for Crop Improvement En. Mustaqim Rahman, MPOB
2.40 - 3.00 pm	Paper 10 Understanding Premature Frond Dessication (PFD) and Frond Snapping in Oil Palm Plantation Pn. Farawahida Mohamed Darus, MPOB
3.00 - 3.20 pm	Q & A
3.20 - 3.45 pm	Tea Break
3.45 - 5.00 pm	Mini Forum/Dialogue between MPOB & SOPPOA Jointly Chaired by - YBhg. Datuk Dr. Ahmad Parveez Ghulam Kadir, Director General, MPOB - YBrs. Mr. Eric Kiu Kwong Seng, Chairman, SOPPOA



ABOUT THE SEMINAR

The seminar serves as an opportunity for MPOB to share the latest updates on oil palm research and development covering various programs with members of SOPPOA

WHEN

November 15th, 2023
8.00am – 5.00pm

WHERE

Greens Hotel & Suites,
Bintulu Sarawak

CONTACT

Dr. Felix Moh Mee
010 963 2081
secretariat@soppoa.org.my

REGISTRATION IS FREE.
TO PARTICIPATE, SCAN THIS QR CODE.
REGISTRATION ENDS ON NOVEMBER 10TH, 2023



Note: While the minutes of the meeting for the event would be shared in once is endorsed by the committee, some of the presentation slides are available for viewing on www.soppoa.org.my

Introductory Meeting Between Oil Palm Industry's Associations With Malaysian Palm Oil Certification Council On 17 Nov



(From left) Patricia Chan, Salcra; Jacintha Graely Jutien, Salcra; Dr. Felix Moh, CEO SOPPOA; Ong Kim Pin, Council Member MEOA; Joseph Tek, CEO MPOA, Jeffrey Ong, President MEOA; Mohd Shahari Idris, CEO MPOCC; Dato' Dr. Suraya Idayu Wati Osman, Chairlady MPOCC; Dr. David Lim, Vice Chairman POMA; Leslie Ong, Council Member MEOA; Shreen Xavier, MPOA; Nur Aida Ab. Ghani, SDB and Lim Wan Yee, Council Member MEOA.

The main agenda of the meeting was to introduce the palm oil industry's associations namely MEOA, MPOA, POMA and SOPPOA to the Chairlady of MPOCC as well as the newly appointed CEO.

Among the issues discussed related to palm oil sustainability landscapes are:

1. certificate fatigue experienced by the industry,
2. shared the views on how various governmental bodies affecting the implementation of MSPO.

The associations have also proposed several suggestions to improve the implementation of MSPO in particular the MSPO 2.0.



PALM FACTS CORNER

Why is the World Still Confused About Trans Fats?

A scientifically-accurate description of the link between palm oil and trans fats could be summarised with two simple facts:

1. Trans Fats are uniquely harmful to human health
2. Palm oil contains zero trans fats

These facts are universally accepted and supported by research, analyses and dietary advice issued by everyone from the World Health Organization, United Nations, European Union, and scientific and academic institutions the world over.

And yet, sometimes a lie will not die. Whispers persist that palm oil is somehow linked to trans fat (which has never been true, and remains untrue today).

A short and simple walk through the scientific data is all that is needed to expose this falsehood.



Trans fats are a proven danger to human health. Research by leading international institutions – including the Institut National de la Sante et de la Recherche Medicale in France – shows that trans fats are linked to development of breast cancer. The US Food and Drug Administration (US FDA) has declared that trans fats are no longer ‘generally recognized as safe’ and they are withdrawn from foodstuffs in the USA. The European Union has imposed strict limits, following opinions from the European Commission and European Parliament, warning that *“high consumption of trans fats significantly increases the risk of coronary heart disease (CHD)”*.

To summarise: not only is palm oil 100% free of trans fats – it is helping to remove trans fats from the world by acting as a healthier replacement.

How does this work?

Trans fats are found in partially hydrogenated vegetable oils (PHOs): this process of partial hydrogenation takes place in order

to transform a liquid oil (such as rapeseed or sunflower) into a solid fat by adding hydrogen.

In the process, trans fatty acids (trans fats) are created. These trans fats increase the risk of cardiovascular disease and have also been linked to the development of cancer. Trans fats increase bad cholesterol (LDL cholesterol) and decrease levels of good cholesterol (HDL cholesterol).

Now that trans fats, and therefore PHOs, are being banned or phased out, a solution is needed. Solid fat is still required for multiple food uses – including cakes, pastry, biscuits and other household items.

Palm oil provides the ideal solution. It is a solid fat – as a result it is never partially hydrogenated, and so it never contains trans fats. This is the primary reason why the food sector in Europe and the United States has increasingly turned to palm oil to replace partially hydrogenated oils and other sources of trans fats.

What, then, about palm oil itself? In a comprehensive literature review on the subject, Drs Elena Fattore and Roberto Fanelli of the Mario Negri Institute for Pharmacological Research in Milan have pointed out that the majority of scientific studies *“do not seem to support a detrimental role of palmitic acid in relation to cardiovascular disease”*. The scientists also concluded that the effect of palmitic acid on the HDL/LDL cholesterol ratio is neutral.

A separate review conducted for the World Journal of Cardiology found that palm oil and olive oil are comparable in their effects on blood cholesterol and lipoproteins.

To anyone familiar with the decades of scientific work on this question, these data are part of the globally-accepted public health norms. Governments all around the world warn about trans fats; many have banned them. Palm oil is widely used as a healthier replacement.

It is bizarre that some institutions or individuals continue to push narratives that are so comprehensively disproven.

Medical science does not stand still, of course. The chemical complexities and research questions related to diet and human health are many and varied. On the trans fats issue, though, only two points really matter:

1. Trans Fats are uniquely harmful to human health
2. Palm oil contains zero trans fats.

It really should be that simple.

Source: mypalmoilpolicy.com