



**KEYNOTE ADDRESS
YAB DATO' SERI ANWAR BIN IBRAHIM
PRIME MINISTER**

AT

**THE MPOB INTERNATIONAL PALM OIL CONGRESS AND
EXHIBITION (PIPOC 2023)**

8 NOVEMBER 2023 (WEDNESDAY)

KUALA LUMPUR CONVENTION CENTRE (KLCC)

Bismillahir Rahmanir Rahim

Assalamualaikum Warahmatullahi Taala Wabarakatuh dan Salam Sejahtera

Alhamdulillah, Nahmaduhu Wa Nusalli Ala Rasoolilah Kareem

Saudara YAB Dato' Sri Haji Fadillah Bin Haji Yusof,
Timbalan Perdana Menteri;

Saudara YB Datuk Seri Haji Mohamad Bin Sabu,
Menteri Pertanian dan Keterjaminan Makanan;

Menteri-menteri;

Keluarga besar MPOB;

Dan rakan-rakan yang saya muliakan.

1. *Persidangan dan pameran ini tentunya merupakan di antara acara yang bermakna kerana industri kelapa sawit ini adalah industri tunggal dalam pertumbuhan ekonomi negara selama sekian dekad dan kekuatannya serta pimpinannya itu berupaya untuk menangani cabaran-cabaran semasa.*

2. *Sebab itu saya fikir apa yang disebut daya tahan, atau resilience yang menjadi tema pada tahun ini membantu kita dalam memahami keperluan mendesak industri ini. Saya hargai sumbangan Menteri dan Timbalan Perdana Menteri, YAB Dato' Sri Haji Fadillah Bin Haji Yusof yang mempunyai komitmen yang kuat bukan sahaja mengembangkan industri ini tetapi mendengar keluhan dan permohonan di semua peringkat pemain industri termasuk di peringkat rendah, pekebun kecil, industri besar dan menggabungkan kekuatan menghadapi tentangan dan sekatan terutamanya dari Eropah.*
3. *Saya mengalu-alukan kerjasama dan tekad yang disuarakan juga oleh Presiden Indonesia, Ir. H. Joko Widodo (Jokowi) yang menggabung kekuatan dan disambut baik oleh YAB Dato' Sri Haji Fadillah Bin Haji Yusof yang telah berkunjung dan berbincang hal sedemikian. Saya berharap potensi ini dengan penyelidikan dan kegiatan dapat ditambah.*

Excellencies, Ladies and Gentlemen,

4. As I have alluded to earlier and well expounded by YAB Dato' Sri Haji Fadillah Bin Haji Yusof, who has a better grasp of the industry than me, the industry is one of the

key drivers of the economy, providing employment to more than 3 million people along its supply chain, including half a million smallholders. The industry stands out as a robust cornerstone in the pursuit of the MADANI economy, propelling Malaysia towards its aspiration of becoming one of the world's top 30 economies.

Distinguished Delegates,

5. Globally, palm oil is the largest produced vegetable oil which accounts for 32% of the 246 million tonnes of global oils and fats in 2022. Global production of palm oil is expected to reach 81.44 million tonnes in 2023, increasing by almost 3%. This is achieved by using only about 6% of the total land used by oil crops. Palm oil is the most productive oil which yields at least 4 to 5 times more oil per hectare as compared to other vegetable oils. Malaysia takes pride as the world's second largest palm oil producer, accounting for 31% of 87.39 million tonnes of palm oil produced globally in 2022, and 49% of the world's palm oil exports. We managed to achieve this with only about 5.67 million hectares of planted area. This accounts for less than 2% of the total 312 million hectares of total area for oilseed crops production globally.

6. Now, the overwhelming performance of the oil palm sector is also contributed by smallholders who account for 28% of the total area for palm oil production. Recognizing their vital role, I have announced the incentive for oil palm replanting programs with an allocation of RM100 million in the 2024 budget. I hope this incentive will enable smallholders to increase productivity by replanting old trees with new breeds.
7. Now there is one thing that I would like to add. We are proposing the possible synergy of the more established, advanced, successful industry with the smallholders. It has begun by some of the major companies but I think that would render and assist in firstly the economic advancement of this country and secondly the welfare of the smallholders.
8. I hope the MPOB and the Ministry would seriously consider this because relying totally on the smallholders and their capacity would certainly be more difficult because of the limitations in terms of research, understanding and the challenge of the industry generally.

9. I would like to reiterate the point that with this initial grant of RM100 million, now with the support of the major players in the industry, I would certainly be able to consider the possibility of increasing on condition these companies do have some form of support and synergy with these smallholders. So it is always carrot and stick. I believe this is important.
10. The second reason is because MADANI economy would require us to advance the welfare of society at large and we cannot continue to see this gross difference in inequality between the more successful companies and the relatively smaller ones which is huge in number and sometimes fall into the lower income bracket
11. Now advancing to other areas, I would take note of the fact that numerous studies have shown that palm oil is rich in phytonutrients and other beneficial components which can prevent and manage various non communicable diseases.
12. As the world population hits the 10 billion mark by 2050, the demand for edible oils will increase tremendously. Palm oil remains a crucial factor in global food security. Apart from palm oil's high yield, its long economic lifespan

between 25 and 30 years, assures a reliable supply of palm oil to the world.

Excellencies and distinguished delegates and guests,

13. Given this significant role in food production, Malaysian food manufacturers have assured that the palm oil use is safe. Now it is a growing ensuring battle which the Ministry is familiar and MPOB is actively pursuing this and I have alluded to earlier working with Indonesia and I am pleased that the new Prime Minister of Thailand, Prime Minister H.E. Srettha Thavisin has given me the assurance that Thailand will come on board to work together with Malaysia and Indonesia and hopefully other countries in presenting our case, particularly to the European Union (EU).
14. I must say that in my recent meeting with the Prime Minister of the Netherlands, Mark Rutte who was here, he has given the assurance at least as the largest importer of palm oil in Europe that he would certainly show better understanding and empathy to the concerns of the industry, particularly the more advanced in terms of oil and palm oil production like Indonesia, Malaysia and now growing to be in Thailand. I, on behalf of the government,

expressed my appreciation to the efforts of the Prime Minister of Netherlands.

15. Malaysian agrocommodity products, primarily palm oil, timber, cocoa and rubber exposed will also be subject to European Union Deforestation-free Regulation (EUDR), which is expected to take effect by January 2025. While we agree with the spirit behind this regulation, I mentioned to Premier Abang Johari yesterday that the huge campaign against the emission of carbon emission of peat soil in Sarawak that has been the past.
16. You must commend the efforts, aggressive effort by Sarawak government to stop this and it is only, should I say, reasonable on the part of EU to recognize this and show some sort of appreciation and to not dict the problems of the past. I mean, they have taken this measure at the cost of. It is not something which is readily taken by governments because that was the practice in some areas in the past but the government had taken very aggressive, responsible measures and I think countries in Europe should show some appreciation and reciprocate by not necessarily supporting financially, but at least to give that recognition and therefore recognize the efforts by Malaysia, Indonesia and Thailand in this regard and in

their desire to continue with this reduction of carbon emission and etc, take into consideration of the problems of the emerging economies.

17. Malaysia strongly believes sustainable production is the way forward the palm oil industry. Hence, we introduced a mandatory Malaysian Sustainable Palm Oil (MSPO) certification scheme in 2015, revising the standards with the MSPO 2022, which focuses on transparency, safety and employment conditions, as well as environment, biodiversity and ecosystem protection. In this regard, I am pleased to state that almost 100% of the plantations and palm oil mills in Malaysia have been certified sustainable under the MSPO scheme.

18. We are also committed to protecting its forests, flora and fauna through conservation and sustainable management. Malaysia pledged to maintain 50% of its landmass under forest cover at the 1992 Rio Earth summit and it is still intact. Meanwhile, the Food and Agriculture Organisation's State of the World's Forests (SOFO), attended by Minister YB Datuk Seri Haji Mohamad Bin Sabu, reported flagship since 1992, 22 countries, including Malaysia, have succeeded in raising national food security levels, while at the same time increasing the

forest cover.

19. The Council of Palm Oil Producing Countries (CPOPC) should play its roles effectively in communicating the importance of palm oil to the economy and the well-being of the producing countries.

Ladies and gentlemen,

20. We have pioneered research in the oil palm sector and developed hundreds of breakthrough innovations upstream and downstream, leveraging on genomic insights to increase productivity. MPOB's ground breaking work in decoding the oil palm genome in 2013 is the first reference oil palm genome in the world, which led to the discovery of SHELL, the single most important gene controlling yield.
21. The GenomeSawit web portal developed by MPOB provides a platform to share the oil palm genome sequence data with the industry and the global scientific community. It is estimated that the DNA testing for SHELL on a national scale would increase palm oil production by more than 3 billion annually.

22. Malaysia showcased numerous technologies for the oil palm plantations to match the Fourth Industrial Revolution (IR 4.0). These include a system which will be launched today called Sawit Intelligence Management System or SIMS to facilitate transactional data management along the supply chain. SIMS aim to promote self-regulation, reduce government oversight and provide user friendly features, enhanced security and valuable decision making insights.
23. The oil pump industry faces many future challenges including threats, trade issues and climate change. However, I am optimistic that we can overcome these challenges if we continue to work together in harnessing technological breakthrough and sustainable production.
24. So thank you again to the organizers, the ministry, MPOB, and related agencies. *Bismillahirrahmannirrahim* it is my great pleasure to declare the PIPOC 2023 officially open.

Terima Kasih.