



**KEYNOTE ADDRESS BY
THE RIGHT HONOURABLE DATO' SERI ANWAR BIN
IBRAHIM
PRIME MINISTER OF MALAYSIA**

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

**8 NOVEMBER 2023 (WEDNESDAY)
KUALA LUMPUR CONVENTION CENTRE (KLCC)**

The Right Honourable Dato' Sri Haji Fadillah Hj Yusof
Deputy Prime Minister and Minister of Plantation and
Commodities Malaysia

Excellencies

Distinguished delegates and participants of PIPOC 2023

Ladies and Gentlemen

Assalamu'alaikum waarahmatullahi wabarakatuh,
and Salam Malaysia MADANI.

1. The theme for PIPOC 2023, '*Navigating Uncertainties, Building Resilience*' is apt as it reflects the concerted efforts by the industry in addressing global challenges and strive for greater heights.

2. The oil palm industry is one of the key drivers of the economy, providing employment to more than 3 million people along its supply chain including around half a million smallholders. The oil palm 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 Delagates,

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. accounts for 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.

7. 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. Recognising 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, including clonal materials, with high yield potential of fresh fruit bunches.

Ladies and Gentlemen,

8. Over 80% of palm oil is primarily used for food applications and its diverse use enriches the array of food choices available to consumers.

9. In addition, numerous studies have shown that palm oil is rich in phytonutrients and other beneficial components which can prevent and manage various non communicable diseases.

10. As the world population hits the 10 billion mark by 2050 the demand for edible oils will increase tremendously, rendering Palm oil a crucial factor in global food security. Apart from palm oil's high yield, its long economic life span, between 25 and 30 years, assures a reliable supply of palm oil to the world.

Distinguished Guests,

11. Given this significant role in food production, Malaysian food manufacturers have assured that the palm oil used is safe. The government has set regulations to ensure that the palm oil produced meets the international food safety standards of importing countries, including EU requirements.

12. Malaysian agrocommodity products, primarily palm oil, timber, cocoa, and rubber exports will also be subject to the European Union Deforestation-free Regulation (EUDR), which is expected to take effect in January 2025. While we agree with the spirit behind this regulation, we urge that the implementation must be carried out in a fair and balanced manner. Working together with Indonesia, the establishment of the EUDR Ad-Hoc Joint Task Force aims to make sure that the outcome of this

regulation will not have an adverse impact on the livelihood of our agricommodity producers, especially smallholders. As I stated earlier, Malaysian oil palm takes up only 2% of the total area for global oilseed crops production. Therefore, we strongly believe that oil palm is in fact part of the solution to deforestation.

Ladies and Gentlemen,

13. Malaysia strongly believes sustainable production is the way forward for the palm oil industry. Hence, we introduced the 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.

14. Malaysia is 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) flagship publication reported that since 1990, 22 countries, including Malaysia have succeeded in raising

national food security levels while at the same time increasing the forest cover.

15. 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,

16. Malaysia has 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.

17. 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 RM3 billion annually.

18. Malaysia has 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 Intelligent Management System or SIMS to facilitate transactional data management along the supply chain. SIMS aims to promote self-regulation, reduce government oversight and provide user-friendly features, enhanced security, and valuable decision-making insights.

19. The oil palm 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 breakthroughs and sustainable production.

Ladies and Gentlemen,

20. I would like to wish all participants today a fruitful congress. On that note, with the lafaz of *Bismillahhirrahmannirrahim* it is my great pleasure to declare the PIPOC 2023 officially open.

Thank you.