

Tabled 18.04.11  
Dr Yusof Basiron gave  
this opening statement

**Testimony of Dr Yusof Basiron  
Chief Executive Officer of the Malaysian Palm Oil Council (MPOC)  
to the Hearing of the Senate Community Affairs Committee (Truth in Labelling -  
Palm Oil) Bill 2010**

Thank you, Chairman for the opportunity for the Malaysian Palm Oil Council to appear before this Committee and to participate in the consultation regarding the Truth in Labelling - Palm Oil Bill, currently being considered by the Committee. I am also authorized to appear before this Committee representing the Ministry of Plantation Industries and Commodities of Malaysia.

Before I give some background to this issue, there are some points I would like to make.

Last week, the National Secretary of one of Australia's most influential trade unions said that his union would not support the Australian Government if just one of the members of his union lost his or her job as a result of Government carbon policy.

Other unions have made similar statements.

My organization, and indeed the government of my nation, would take the same view if the livelihoods of some 570,000 Malaysians were threatened.

This Bill, and the campaign that has been associated with it, has that potential.

Like your trade unions, and like your constituents, our industry will act to protect the jobs and the livelihoods of those who work within our industry and their families.

Truth in labelling should be driven by health issues, not political expedience, which is behind some of the campaigns revolving around this Bill.

It may make the adherents and supporters of Greenpeace and World Wildlife Fund have a great degree of self satisfaction when sipping their skinny lattes, but to 570,000 Malaysians and their families there is no self satisfaction. All they see is a threat to the livelihoods.

Do the international NGO's – Greenpeace and WWF – want to keep people in poverty?

Do they view the people of my country as participants in some sort of case study?

The commitment of our industry is sustainability and growing our industry.

Non sustainability would inhibit our industry's growth.

Without that growth the lives of our industry's workers and their families would not improve.

Don't those who work in our industry have the right – and the opportunity – to improve their way of life?

Don't they deserve the dignity of providing for their families?

Don't they, and their children, deserve a more prosperous future?

Fortunately, with the opportunity the Committee has given me and my colleagues through this appearance the views of our industry, its workers and their families will be heard in this Parliament.

As well, by us presenting to this Committee, we can address the misinformation, disregard for the truth and misrepresentation that have been a feature of the campaign in support of the Truth in Labelling – Palm Oil.

This Committee, and through it the Parliament of Australia, will have before it fact, not fiction, truth not wild allegation and the views of the actual workers in our industry and not the views of those who presume to understand the day to day life of the people who work in our industry – the human face of our industry.

By way of better understanding on the part of the Committee, I am the Chief Executive of the Malaysian Palm Oil Council, which is a Malaysian Government authority tasked with the promotion and expansion of the palm oil market. MPOC considers this Bill to be based on misleading claims, erroneous statistics and is directly aimed at harming the Malaysian economy and Malaysia's largest agricultural export - palm oil.

In particular, I wish to note to the members of the Committee that this Bill will have no benefit for the environment, forests or Orang-utan populations of Malaysia. It is unfortunate that the Orang-utans have been used – or more accurately misused – in this debate.

Our industry is not a rapacious destroyer of either forests or Orang-utans.

We have been accused of this, we have been pilloried on it – and it is totally inaccurate.

The greatest impact of this Bill will be to single out palm oil as the only product in Australia to mandatorily be labelled for reasons other than health or nutrition, and to severely hinder Malaysian Government attempts to utilise palm oil as a means for alleviating poverty in our country.

Our nation is not resource rich like Australia.

We do not have mountains of iron ore and other minerals to underpin our national economy and the prosperity of our citizens.

Palm oil is a major commodity in our national economy.

We have developed markets and we have grown the industry, sustainably and for the betterment of our people.

It is an industry of which we are proud and one which we intend to grow.

There are a number of claims that have been made regarding palm oil as a generic product, which are completely unfounded. Malaysia is the second largest exporter of palm oil in the world.

I wish to object to this Bill firstly because it seeks to classify palm oil as a single generic product based on the environmental impact of production methods without differentiating between country of origin. This is extremely misleading and defeats the stated purpose of the Bill, which is to protect the environment.

In relation to the erroneous and misleading claims made in support of the Bill, these issues have been addressed as a part of the Malaysian Government submission to the Committee.

However, I will go briefly over these claims one more time, merely to highlight the disingenuous nature of this piece of legislation. Palm oil cultivation does not cause deforestation in Malaysia. Malaysia pledged at the United Nations Rio Earth Summit in 1992 to retain at least 50% of its total land area under forest and that plantation crops would only be permitted on the land set aside for agriculture. Malaysia has greatly exceeded this target considering that 56% of its land is still under forests.

Palm oil cultivation does not threaten Orang-utan populations in Malaysia.

In Malaysia, large tracts of forests are being preserved permanently.

For every hectare of oil palm, the country preserves four hectares of permanent forest, which is a very healthy balance in terms of land use policy. Even the habitats of the orang-utans are preserved as the States of Sabah and Sarawak maintain about 50% or more of their land area under permanent forest.

The Sabah and Sarawak State governments have gazetted a number of forest areas known to contain higher populations of orang-utans as wildlife sanctuaries, national parks or forest reserves. Leading conservationists have noted that the primary threats to the orang-utan in Borneo are poachers, hunting by local people, poor regulation of existing conservation laws and mining. The Malaysian government and the palm oil industry area actively advancing programs to protect the orang-utan.

Palm oil is an extremely sustainable and viable plantation. It produces more oil per hectare of land, requires less fertilizer, generates 10 times more energy than it utilizes and also sequesters more carbon than other major vegetable oil crops. Palm oil also returns a higher income per hectare than almost any other agricultural crop.

Palm oil also has significant health benefits. While proponents of this Bill have made much of the saturated fat content of palm oil, I note that Australian consumers are already given access to the total saturated fat content of foods through the nutrition panel. Palm oil is trans-fats free.

Trans-fats have been banned by many sub-national Governments in the United States for being more harmful to heart health than saturated fats. I find it strange that proponents of this Bill would seek to mandatorily label palm oil on nutritional grounds at all when such a move, when combined with western environmentalists anti-palm oil campaigns, is more likely to harm Australian consumers' health than improve it.

Finally, the Malaysian Government wishes to stress again the importance of palm oil for the Malaysian economy and our efforts to alleviate poverty.

Forty three percent of oil palm plantations are owned by smallholders. Palm oil companies have invested significantly in schools, roads, water and hospitals for their workers. The palm oil industry directly employs over half a million Malaysians. Hundreds of thousands more rely on these incomes.

I note that the Bill recommends the use of sustainable palm oil or CSPO marking to indicate sustainable oil as a differentiating factor between countries or modes of production. I would however note to the Committee that the process of being certified under the Roundtable for Sustainable Palm Oil is highly costly for smallholders. Furthermore, any labelling of palm oil whether indicated as sustainable or not, will significantly harm the Malaysian palm oil industry when combined with highly funded western environmentalist anti-palm oil campaigns.

In conclusion, I wish to endorse the formal policy of the Australian Government and Department of Foreign Affairs to support economic development of countries in ASEAN and in APEC economies by facilitating and promoting economic growth, trade and investment.

I ask that the Committee sees fit to continue this policy for the sake of the Malaysian people.

If there are any questions any of the Senators have, I and my colleagues are ready to answer them.

Thank you again for this opportunity.