

**SPEECH BY
THE RIGHT HONOURABLE
CHIEF MINISTER OF SARAWAK
YANG AMAT BERHORMAT DATUK PATINGGI (DR) ABANG
HAJI ABDUL RAHMAN ZOHARI BIN TUN DATUK ABANG
HAJI OPENG**

**SARAWAK OIL PALMS BERHAD
50TH ANNIVERSARY GALA DINNER**

**IMPERIAL HOTEL KUCHING
WEDNESDAY | 8 AUGUST 2018 | 7.00 PM**

ADDRESS TO THE TYT

On behalf of the audience this evening I would like to thank Tun and Toh Puan for being able to join us on this special occasion to celebrate the 50th Anniversary of Sarawak Oil Palms Berhad.

It is indeed fitting for Tun to be present here for you have been the prime mover of large scale land development in Sarawak during your tenure as Chief Minister.

You have seen how the industry grew throughout the years which had contributed to the economy of Sarawak in one way or another.

Now Tun let me speak to the audience present here.

INTRODUCTION

1. First of all, on behalf of the Sarawak State Government, I would like to extend my heartiest congratulations to Sarawak Oil Palms Berhad on the occasion of its 50th anniversary.

HISTORY OF SOP & LAND DEVELOPMENT

2. The Sarawak State Government played a major role in the establishment of SOP. Back in 1968, it had the foresight to partner with Britian's Commonwealth Development Corporation (CDC) to form Sarawak Oil Palms Sdn Bhd, thus starting the commercial planting of oil palm in Sarawak. From the time it was formed, SOP has led the way in oil palm industry in Sarawak.

3. When the state government saw the needs to develop underutilized vast land in Sarawak, SOP has not only been a pioneer of the palm oil industry, but also the vehicle of the government to alleviate poverty through generating job opportunities among the rural population.

4. One of the state government's first moves was forming the Sarawak Land Consolidation and Rehabilitation Authority (SALCRA) in 1976, encouraging NCR land owners and small holders to get involved in oil palm cultivation. By developing the vast tracts of unutilized native customary rights land, people living in the rural communities have been able to attain a steady income and improve their quality of life. Later, in 1980, the Sarawak Land Development Board (SLDB) ventured into the oil palm sector as another push by the State Government for oil palm industry growth in Sarawak.

5. Today, the palm oil industry here is the main contributor of revenue from the agriculture sector in the state and also for the development of rural economies as well as development of rural

areas. In 2017, the palm oil industry provided employment to over 119,521 people (locals and foreign workers) with more than 39,213 smallholders actively involved in the industry which augurs well for the state. The state's target of 2 million hectares for oil palm by 2020 is well under way and we have also pledged that no more new areas will be opened up for oil palm cultivation in the state except for NCR titled lands.

SUSTAINABLE DEVELOPMENT

6. In today's global economy, businesses and NGOs are demanding a more sustainable production of agricultural products, including palm oil. In meeting these stringent requirements and increasing concerns on sustainability, the state government has taken a stewardship role and is committed to ensuring the statewide palm oil industry is fully certified under MSPO by December 2019.

7. We have issued a moratorium on clearing of our forest for large scale oil palm plantation except on NCR lands to stop further destruction of our forest. This simply means that the existing cultivation has to be managed sustainably. This is a policy laid down by my predecessor, the Late Pehin Sri Adenan Satem, and this policy is still in force.

8. The state government is also committed to ensuring our forest resources are sustainably managed. Foremost, we have pledged to commit 80 percent of our land mass as primary and secondary forests which include industrial forest for planting of trees for raw materials for the timber industry.

9. Additionally, we have also decided to expand our water catchment area, dubbed the "Heart of Borneo" (HoB), from 2.1 million hectares to 2.7 million hectares which will ensure that our Bakun, Baleh, Murum and Batang Ai dams will receive sufficient water. As for our Permanent Forest Estate (PFE) we are planning to increase it from 4.3 million hectares to 6 million hectares while

the Totally Protected Area (TPA) from 788,000 hectares to 1 million hectares. Sarawak also has implemented STLVS (Sarawak Timber Legality Verification System) and SFM (Sustainable Forest Management) which are laws and regulations on forests and timber trade for the state.

CHALLENGES OF THE OIL PALM INDUSTRY

10. The palm oil industry in Sarawak still faces labor shortages which need to be addressed by innovative means rather than just increasing the number of workers. R&D will play a significant part through the development of artificial intelligence, robotics and mechanization. These and other uses of ICT will enable the industry to gain competitive edge and further enhances the development of the industry locally while adding value to the whole industry.

CONCLUSION

11. On a final note, I would like to congratulate SOP's Group Executive Chairman, Tan Sri Datuk Ling Chiong Ho for his leadership and vision in taking SOP to its new heights, particularly since the turn of the century. I am proud to say that, today, SOP has become one of Sarawak's corporate icons, and its success is a proud testament of our people's capabilities.

12. Once again, I would like to express my heartiest congratulations to all in SOP who have led it, worked in it, and partnered with it – past, present and future.