



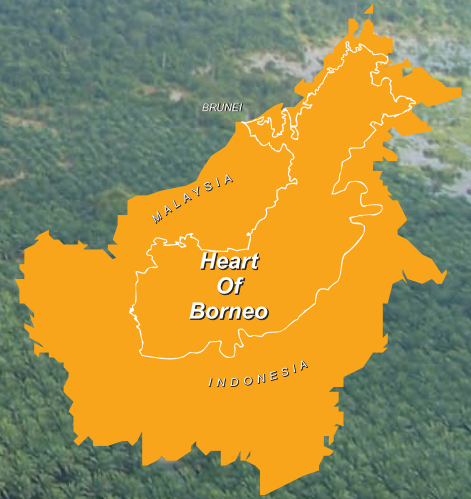
WWF

FACTSHEET

HoB

2012

Towards Sustainable Palm Oil Production



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FACTSHEET 6

The Malaysian oil palm sector contributes substantially to the economic growth of the country. Malaysian corporations play a significant role in its development. In 2010, palm oil covered 4.85 million hectares across Malaysia. Export earnings from oil palm products reached RM59.77 billion, an increase of 20.4% from RM49.66 billion recorded the previous year. Demand for palm oil and other edible oils increases with population growth, improved living standards and a consumer shift away from animal fats. As a result, global demand for palm oil is expected to double by 2020.

For Malaysian corporations, there is relatively limited potential for further expansion of cultivated areas within the country. However, Sarawak does offer significant expansion possibilities. Malaysian growers will also seek more land-banks overseas, such as in Indonesia, Papua New Guinea, and Indochina.

TOTAL EXPORTS OF OIL PALM PRODUCTS INCREASED BY 2.8% OR 0.63 MILLION TONNES TO 23.06 MILLION TONNES IN 2010 (FROM 22.43 MILLION TONNES RECORDED IN 2009)

Source : Government of Malaysia, 2010

Land Clearing

Oil palm only grows in the tropics, but its cultivation can often have negative impacts on the natural environment, in particular, the rainforest, its people and the flora and fauna.

- Forest clearing threatens some of the world's greatest forests;
- Habitat loss threatens many endangered species;
- Burning forests and peat lands to liberate land leads to poor air quality; and
- Issues related to land clearing still exist especially with the rights and interests of local indigenous communities.

In order to try to reduce these risks, WWF Malaysia is promoting sustainable palm oil production. With better management practices, the palm oil industry could provide benefits without threatening some of our most breathtaking natural treasures. WWF recognizes the vital role the industry plays and seeks to work with it to improve its sustainability.

Reducing land conversion and loss of diversity

Through its dealings with the palm oil industry, WWF aims to ensure sustainable palm oil production occurs in Malaysia by 2015 where high conservation value forests (HCVF) are no longer converted for plantations and measures are in place to reduce biodiversity loss arising from plantation activities.

WWF-Malaysia's Palm Oil Strategy has the following objectives:

- Strengthen the Roundtable on Sustainable Palm Oil (RSPO), a not-for-profit association that unites stakeholders from the palm oil industry, promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders;
- Embed sustainability in policies and legislation; and
- Become an influential organization that provides opinion on oil palm in Malaysia.



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Engaging stakeholders in sustainable palm oil production

WWF-Malaysia is in search of clear directions in its dealings with the palm oil sector to establish internal synergies while consolidating and streamlining ongoing activities, such as:

- Engaging palm oil companies along the Kinabatangan-Corridor of Life (KCoL); a forested alluvial floodplain on the east coast of the Malaysian state of Sabah in Borneo. Efforts are being made to establish a balance between the growing demands of private land development (such as forest conversion), the local community and the need to protect its unique wildlife;
- Working together with WWF offices regionally and internationally on advocacy work in the EU and US markets (and in the future with China and India); and
- Addressing the Malaysian palm oil companies' environmental footprint abroad.



Key achievements so far

- Co-organized a Roundtable on Sustainable Palm Oil (RSPO) Training on 'Sustainable Palm Oil - From Tree to Table' in Sabah to recommend RSPO as the vehicle for palm oil producers to be competitive in the market;
- Successfully encouraged two palm oil companies (Sawit Kinabalu & Genting Plantations) to commit to setting-aside land for conservation efforts through the signing of official agreements with WWF-Malaysia;
- Engaged in partnerships with palm oil companies on conservation work, including building of wildlife bridges for the safer passage of wildlife to and from wildlife sanctuaries and tree planting on degraded land to enhance forest cover and improve food sources;
- On-going promotion of RSPO membership to oil palm estates in the KCoL;
- Compilation of a database on oil palm estates within the KCoL; and
- Successfully encouraged a few palm oil companies to remove oil palm trees illegally planted beyond their boundaries (and also to remove structures constructed within the wildlife sanctuary) and replant the encroached area with native trees.

	<p>Why we are here To stop the degradation of the planet's natural environment and to build a future in which humans live in harmony with nature. http://www.panda.org</p>
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Towards a Greener HoB

Developing a strategy to support and promote sustainable palm oil production aims at encouraging corporations to engage in sustainable oil palm production practices. This engagement of corporations to adhere to credible global standards contributes towards conservation, allowing the continuity of economic activities while ensuring a decrease in conversion rates of forest areas into agricultural land.