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## **NEWS RELEASE**

## MALAYSIA SETS RECORD AS WORLD'S LARGEST PRODUCER OF CERTIFIED SUSTAINABLE PALM OIL

RSPO commends Malaysia for commitment and achievement in sustainable arena

**Kuala Lumpur, 16 June 2011** – Setting the record as the world's largest producer of Certified Sustainable Palm Oil (CSPO) accounting for over 50% of total CSPO production to date, Malaysia is certainly deserving of recognition on the world stage with regards to sustainable practices.

The achievement is a reflection of Malaysia's active representation and contribution in the Roundtable on Sustainable Palm Oil (RSPO), a multi-stakeholder organization that aims to develop and implement global standards for sustainable palm oil. Malaysian companies make up 20% of RSPO's total membership, the highest by country representation amongst the organization's 600 members from over 50 countries around the globe, with United Kingdom and Indonesia tracking closely.

The Secretary General of RSPO, Darrel Webber said that: "Malaysia is growing from success to success, and is undoubtedly on the crest of a wave right now in the production of sustainable palm oil. Achieving the status as the world's largest CSPO producer in less than three years since certification commenced, while being the world's second largest producer of Crude Palm Oil (CPO), is no small feat. This astounding success should be attributed to the dedicated Malaysian growers, the Malaysian Palm Oil Association and the Malaysian Government." Webber reiterated.

With over half a million of its population involved in the palm oil agricultural sector that contributes 8% to the country's GDP, Malaysia has forged ahead in an exemplary manner to embrace changes in all aspects ranging from technical competence, technological innovations, financing mechanisms as well as national and international collaboration. Malaysia should be referred to as a solid and encouraging role model who has participated actively together with RSPO in coming up with innovative ideas and solutions in achieving CSPO.

"Malaysia's expertise in the production of sustainable palm oil will be applied to markets such as Thailand; Central and West Africa, Latin and Central America. RSPO will share these successful case studies from Malaysia in the international arena, through its outreach exercise in Europe, India and China." Webber stated.

In Malaysia, approximately 11% of oil palm plantations are owned by smallholders. "The private sector and government have been very supportive and committed in supporting the agricultural sector, primarily smallholders. In fact, the Malaysian Government had allocated RM50million to the Malaysian Palm Oil Board to support independent small holders in oil palm cultivation.

"The fact that thousands of smallholders in producing countries have been certified and with that, been given international market access, is an exemplary achievement of companies, communities, individuals and governments involved." Webber further reiterated.

The RSPO has recently finalized a substantial funding mechanism valued at EURO200, 000 per year for a period of 3 years with Solidaridad, a social development non-governmental organization. This sum which is the largest single funding contribution ever made by RSPO, is part of a larger fund that Solidaridad aims to generate for the purpose of supporting independent smallholders from around the world. Malaysia stands to benefit from this initiative given the presence of smallholders and their contribution to the palm oil sector.

The recent launch of the RSPO trademark is a labeling that would finally allow discerning consumers around the world to make educated and informed choices over their purchase of products that contain certified sustainable palm oil. The RSPO trademark is aimed also increasing the commitment of stakeholders along the supply chain beyond the palm oil producers, in ensuring increasing demand and uptake of CSPO.

On the introduction of the Trademark, the Ambassador of the Kingdom of the Netherlands to Malaysia, His Excellency Paul Bekkers, commented that: "We believe that the establishment of the RSPO Trademark is a strategic and positive progression. The Trademark is a critical component in serving the demands and needs of consumers who are becoming more and more conscious of their purchasing decisions based on responsibly sourced products. The Trademark will also further enhance and solidify the uptake of certified sustainable palm oil amongst manufacturers and retailers. I would like to complement Malaysian palm oil producers for providing half of the world's sustainably produced palm oil. The Netherlands reaffirms its promise towards supporting certified sustainable palm oil and is looking forward to the inclusion of criteria for carbon emission in the certification standards as well." The Netherlands is Europe's largest importer of palm oil and the first country to commit towards 100% RSPO certified sustainable palm oil by 2015.

"Embracing sustainable standards and practices today and into the future for palm oil or any commodity, is inevitable. The way forward is 'Commercial Wisdom' - capitalism combined with compassionate responsibility. RSPO will continue to facilitate the adoption of our certification standards amongst growers while necessitating demand through the Trademark, to allow businesses, communities and nations to ride on the bandwagon towards a promising future." Webber concluded.

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## **About RSPO**

The Roundtable on Sustainable Palm Oil (RSPO) was established in 2004 with the objective promoting the growth and use of sustainable oil palm products through credible global standards and engagement of stakeholders. The Secretariat is based in Kuala Lumpur with a satellite office in Jakarta.

RSPO is a not-for-profit association that unites stakeholders from seven sectors of the palm oil industry - oil palm producers, palm oil processors or traders, consumer goods manufacturers, retailers, banks and investors, environmental or nature conservation NGOs and social or developmental NGOs - to develop and implement global standards for sustainable palm oil. For further information, please refer to our website: <a href="https://www.rspo.org">www.rspo.org</a>