

# KERATAN AKHBAR

TARIKH : 6 OKTOBER 2022  
AKHBAR : NEW STRAITS TIMES  
MUKA SURAT : 13

## Provide tax relief, urge planters

PALM OIL INDUSTRY

# PROVIDE TAX RELIEF, URGE PLANTERS

Sector may see RM20b in opportunity loss by year end due to shortage of workers

FARAH ADILLA  
KUALA LUMPUR  
bt@nst.com.my

**M**ALAYSIA'S palm oil industry stands to suffer some RM20 billion in opportunity loss by year end from unrealised crops and palm products due to a shortage of workers, said industry players and experts.

The acute worker shortage in the sector had led to oil palm yield plunging to a nearly 40-year low, they added.

Hence, they proposed for a tax relief or other incentives in the 2023 Budget to expedite the recruitment of foreign workers.

The tax relief could be used by industry players to cover the ex-

BUDGET  
**2023**

penditures incurred in initiating recruitment programmes and awareness campaigns at the approved source countries.

Academy of Professors Malaysia agriculture and food security cluster head Prof Datin Paduka Fatimah Mohamed Arshad said the palm oil sector needed 120,000 foreign workers to maintain trees and harvest fruit bunches.

"With harvesting time at some plantations now extending to as high as 90 days from the usual 10



The palm oil sector needs some 120,000 foreign workers to maintain trees and harvest fruit bunches. PIC BY LUQMAN HAKIM ZUBIR

to 15 days, producers are losing up to a quarter of their crops.

"The sector estimates opportunity losses from unrealised crop and palm products could exceed RM20 billion by year end," she told the *New Straits Times*.

Fatimah said the government could start a programme to employ locals to work in estates on a contractual basis with a wage of at least RM1,500 monthly and other financial incentives.

"The financial incentives can include bonuses, the opportunity to own shares in plantation companies and share-cropping opportunities for small areas of the estates."

Fatimah said the government could also introduce a special fund to help smallholders build

small oil palm mills or rubber processing facilities.

"This will enable smallholders to diversify their income," she added.

Malaysian Palm Oil Association (MPOA) chief executive officer Joseph Tek Choon Yee said it proposed for a waiver or reduction of import duties and tax relief on selected heavy machineries and equipment used in the plantation sector for a specified period.

"Grants via financial institutions can also be made available to eligible plantation companies to enable them to acquire the critical machineries for their operations in the absence of sufficient workers."

Tek said the government could also review the windfall profit

levy (WPL), especially in Sabah and Sarawak, of which plantation was the only sector that was subjected to it since 1999.

"MPOA is appreciative that the government had on Jan 1 this year, raised the WPL threshold for the palm oil sector to RM3,000 per tonne (from RM2,500) of crude palm oil in Peninsular Malaysia, and to RM3,500 (from RM3,000) in Sabah and Sarawak.

"However, the levy rate in the two states was also doubled to 3.0 per cent from 1.5 per cent to be in alignment with the Peninsular Malaysia.

"Thus, oil palm growers from Sabah and Sarawak have deemed the doubling of the levy rate to be unfair," he added.