



## Plantation sector emerges hero amid health crisis, says MEF



# IOI GROUP



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KUALA LUMPUR, Feb 10 – Despite being mired by the 3-D (dangerous, dirty and difficult) job perception, the plantation sector has emerged as one of the heroes amid the COVID-19 pandemic, with plantation companies dishing out handsome bonuses, the Malaysian Employers Federation (MEF) said.

For example, two public listed palm oil producers, namely IOI Corp Bhd and Kuala Lumpur Kepong Bhd (KLK) saw their net profit growing tremendously in their quarter results last year, and expected similar trend this year.

IOI Corp's net profit for the fourth financial quarter ended June 30, 2020 leapt to RM238.3 million compared with just RM100,000 for 3QFY20. The quarterly net profit was five times higher from RM46.6 million a year ago.

KLK's net profit grew 19.31 per cent to RM208.82 million in its Q4 financial results ended 4QFY20, from RM175.02 million.

"Malaysians, especially the youth should change their mindset that working in plantation industry is a 3-D job. In fact, this is an area that is worth venturing into amid these difficult times, as this sector offers interesting perks.

"The industry is productivity-oriented. The more you work, the more fresh fruit bunches you can produce and sell, and Malaysia is never short of palm oil demand for its versatility," MEF executive director Datuk Shamsuddin Bardan told Bernama.

Commenting on efforts by the government and plantation companies to woo locals to work in plantations, he said ironically, the plantation sector, one of the major contributors to the economy, was hit by double whammy of floods and scarce labour. Despite the efforts, the response from locals remained lukewarm.

Shamsuddin said plantation companies were currently facing labour shortage that could reduce yield production by 25 per cent.

And it is an uphill battle to hire or bring back foreign workers to Malaysia amid travel restrictions due to the health crisis.

At the same time, he said Indonesia's economy is doing quite well and its wages have increased.

To recap, both Indonesia and Malaysia are the world top two biggest palm oil producers, contributing 87 per cent of the global palm oil supply.

Unlike Indonesia, which has a large population, Malaysia has over the past few years experienced shortage of labour that it fears would not realise its potential production.

Malaysia relies on workers from countries such as Indonesia and Bangladesh as they account for 84 per cent of its plantation workforce, including that of plantation giants like Sime Darby Plantation Bhd, Kuala Lumpur Kepong Bhd, IOI Corp Bhd and United Plantations Bhd.

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