



TAN SRI DATUK DR. YUSOF BASIRON
CHIEF EXECUTIVE OFFICER

Date : 2 July, 2010

Editor,
The Economist,
25 St James's Street,
London SW1A HG
United Kingdom

Fax: 020 7839 4092

Sir,

The Economist has a laudable record in demonstrating the benefits of free trade for developing countries and the dangers of protectionism.

It is a pity, then, that your briefing on the campaign against palm oil ('The Other Oil Spill', June 24) virtually omitted protectionist moves against palm oil in the EU and US.

Last year European Parliament voted to restrict imports of palm oil and other biofuels as part of its Renewable Energy Directive. The National Farmers Union has argued that already subsidised US farmers will benefit from an end to palm oil expansion.

These actions – and your briefing – are blind to palm oil's role in promoting growth and bringing entire communities out of poverty in developing countries.

Returns per hectare for Indonesian oil palm outstrip other agrarian land use (estimates published in *Conservation Letters* are as high as USD9000). More than 40 per cent of oil palm is grown by smallholders with plots as small as two hectares and the industry employs upwards of 3 million workers. In Malaysia, the palm oil industry directly employs more than 570,000 persons including about 300,000 smallholders, and generated USD 15.6 billion for the country in 2009.

Palm oil, like free trade, is unlikely to be fashionable; this is more than can be said for the campaign against it.

Sincerely,

Dr Yusof Basiron
Chief Executive Officer

MALAYSIAN PALM OIL COUNCIL (192835-K)

2nd Floor, Wisma Sawit, Lot 6, SS6, Jalan Perbandaran, 47301 Kelana Jaya, Selangor Darul Ehsan, Malaysia.

Tel: +603-7806 4097 Fax: +603-7806 2272

Websites: www.mpoc.org.my, www.malaysiapalmoil.org