

Siphoning activity damaging nation's image as quality palm oil producer



PETALING JAYA: Malaysia risks losing its reputation as a producer of top quality palm oil if rampant theft of the commodity goes unchecked.

Malaysian Palm Oil Board director-general Datuk Dr Mohd Basri Wahid said the illegal activity was not just costing the industry millions of ringgit in losses annually but was also putting the country's image at stake.

He said Malaysia, which is still one of the world's largest exporters of palm oil, supplied the commodity to countries such as China, the United States, Pakistan, India and several in Europe.

He said the palm oil industry estimated that the stolen crude palm oil constituted 1% of total local production.



Dastardly act: Sequence of events from top right – (a) The CPO tanker entering one of the fenced-off siphoning hotspots in Jalan Rantau Panjang, Klang, where (b) a worker uses a set of pliers to loosen the seal on top of the CPO tanker. Once he's done that, (c) he sticks in a hose to siphon off the crude palm oil. — MOHD SAHAR MISNI / The Star

Dr Basri said quality was being compromised by the siphoning activity because the amount siphoned off was replaced by liquid such as water, used oil or sludge.

“This is where the problem starts, this sort of additive can result in contamination of the crude palm oil which will go through the processes at refineries.

“The presence of such substances can affect the quality of the end product for export,” he told *Starprobe* in an exclusive interview yesterday.

He revealed that the industry had lost an estimated RM325mil last year to thieves, who can only be stopped with the active participation of industry players like millers, transporters and refineries.

The palm oil board, he said, had been conducting enforcement raids and 46 offenders were hauled to court last year.

The board has 244 enforcement personnel who are armed and empowered to make arrests.

“However, we don't have handcuffs and can't hold the suspects. Our responsibility is to surrender them to the police.

“We have our own prosecuting officers to handle court cases, but that is all,” he added.

Dr Basri said the situation could be checked if millers, transporters and refinery operators were more alert.

“We realise that the offenders have been cashing in on the loopholes in the system.

“We are curious to find out who they are selling the palm oil to.

“How can the thefts go on if manufacturers are not buying stolen crude palm oil?” he asked.

Dr Basri advised transporters to use the GPS system to monitor the movement of their tankers.

GPS monitoring, he added, had proven effective in curbing the movement of the tankers as it provided details of the route taken by the vehicles and stops made at any point.

© 1995-2009 Star Publications (Malaysia) Bhd (Co No 10894-D)