

# Khor Reports' Palm Oil: The Sabah-Sulu Crisis

## An annotated map, 5 March 2013

**Sabah-Sulu crisis hotspots:  
Felda Sahabat (Kg Tandou) , Lahad  
Datu, Kunak and Semporna**

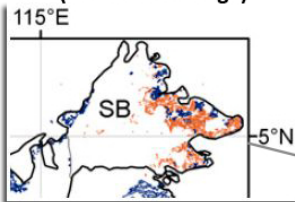


Graphic source: Malaysiakini.com

The signing of a Framework Agreement for Bangsamoro on 15 Oct 2012 between the Philippine government and the Moro Islamic Liberation Front (MILF) may end a 40-year long insurgency. 11 February 2013, saw the launch of "Sajahatra Bangsamoro" (Peace Bangsamoro) to address the socio-economic roots of the conflict.

Felda Global Ventures reported to express interest in converting the estimated one million hectares of fallow grassland in Mindanao to oil palm plantations.

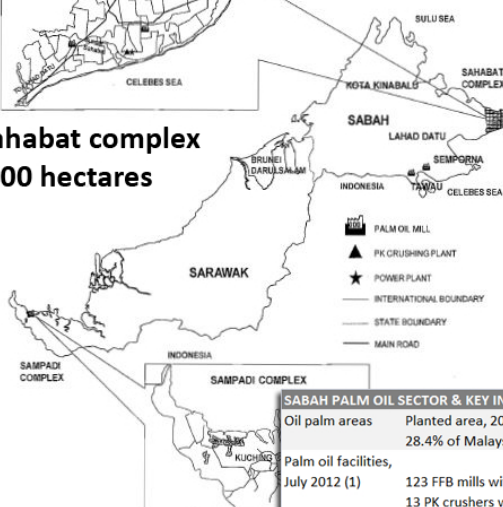
**Sabah's key oil palm areas  
(marked in orange)**



Note: from remote sensing for closed canopy oil palm in 2010 by Koh, Miettinen et al.



**Felda Sahabat complex  
96,000 hectares**



Graphics source: Felda Global Ventures



### Planters exposure in Sabah and Lahad Datu

Company	Landbank near Lahad Datu <sup>1</sup>		Landbank in Sabah		Area
	(ha)	% of total landbank	(ha)	% of total landbank	
Sime Darby	16,000	2%	54,276	8% <sup>**</sup>	Sandakan, Tawau, Kunak, Tenom
IOI Bhd	2,265	1%	107,402	85%	Kinabatangan, Lahad-Datu, Suout
KL Kepong	19,405	8%	40,369	18%	Lahad Datu, Tawau
FGV	95,542	28%	103,173	30%	Lahad Datu
Genting Plant.	-	0%	47,829	29%	Beluran, Sandakan, Kinabatangan
Hap Seng Plant.	38,354#	91%	39,803	100%	Tawau, Kota Marudu, Between Lahad Datu and Sandakan
Wimar#	10,477	2%	49,833	9%	Labuk-Sugut, Beluran, Lahad Datu

CIMB review of key plantations in the vicinity of the clashes: "About 95,542ha of FGV's estates in Sabah or 28% of the total plus one refinery are in a contiguous area and is close to where the intruders have landed. KL Kepong has 19,405ha of estates in Lahad Datu and one refinery."

### SABAH PALM OIL SECTOR & KEY INDICATORS

Oil palm areas	Planted area, 2012 (1)	1,442,588 hectares	GDP per capita	Malaysia, 2012F (2)	RM 31,097 / USD 10,031
	28.4% of Malaysia total			Sabah, 2010 (3)	RM 17,242 / USD 5,562
Palm oil facilities, July 2012 (1)	123 FFB mills with 31.8 million MT of capacity		Population	Sabah, 2011 (3)	3.3 million
	13 PK crushers with 2.3 million MT of capacity		Poverty rate	Malaysia, 2009 (2)	3.8%
	11 refineries with 7 million MT of capacity			Sabah, 2009 (2)	19.2%
CPO output & value, 2012	Production of 5,542,649 MT (1)		Minimum wage indicators	Sabah, undocumented migrants in towns (4)	c. USD 120 / month
	Average price of CPO for 2012: RM2,764 per MT (1)			East Kalimantan, 2013	c. USD 140 / month
	Thus, CPO output value: RM15.3 or USD 4.9 billion			official minimum wage	

Note: East Kalimantan is the Indonesian province directly south of eastern Sabah and a significant source of its migrant workers. Data sources: (1) Malaysia Palm Oil Board, (2) Bank Negara Malaysia, (3) Department of Statistics Sabah, (4) Khor Reports' interview with Sabah plantation executive and verified by Sabah lawyer, Feb 2013. Forex USD 1 = RM 3.10.