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## Guyana: Malaysian investment in oil palm plantations

Following a recommendation of the Privatisation Unit's Board, the government of Guyana is considering a proposal under which Primegroup Limited and Matthews Associates would take over the Wauna Oil Palm Estate in the north west region of the country, on condition that they establish a local company. Primegroup Ltd. is a major investor in oil palm development in Malaysia, ranked as the first producer in the world.

Matthews Associates and its local partner are providing US\$1 million in the initial investment financing and Primegroup Limited has committed itself to a capital injection of US\$2.5 million in the estate. Approximately 4,000 hectares of land in the North West District will be granted to the investors at a first stage of the project. The government has said that an additional lease of 10,000 hectares will be executed in favour of the investors if the feasibility, environmental and other studies required by the work programme indicate that oil palm cultivation in the region is viable.

Malaysian investment in Guyana is yet another example of the spread of monoculture oil palm plantations throughout the tropics, which is causing widespread social and environmental impacts in Asia, Africa and Central and South America, while generating very few benefits to local people. As usual, in this case the investors have given an undertaking that the level of employment will increase on a yearly basis -moving from 339 employees at the end of year one to 1,545 employees by year seven- but experience shows that employment levels in this activity is minimal and working conditions poor.

Article based on information from: Fergus MacKay, Guyanas Office, Forest Peoples Programme, 15/5/2000,