



THE MALAYAN AGRICULTURAL PRODUCERS ASSOCIATION
PERSATUAN PENGELUAR PENGELUAR PERTANIAN TANAH MELAYU

Official Newsletter for MAPA Members

MAPA Newsletter

April 2026 Edition

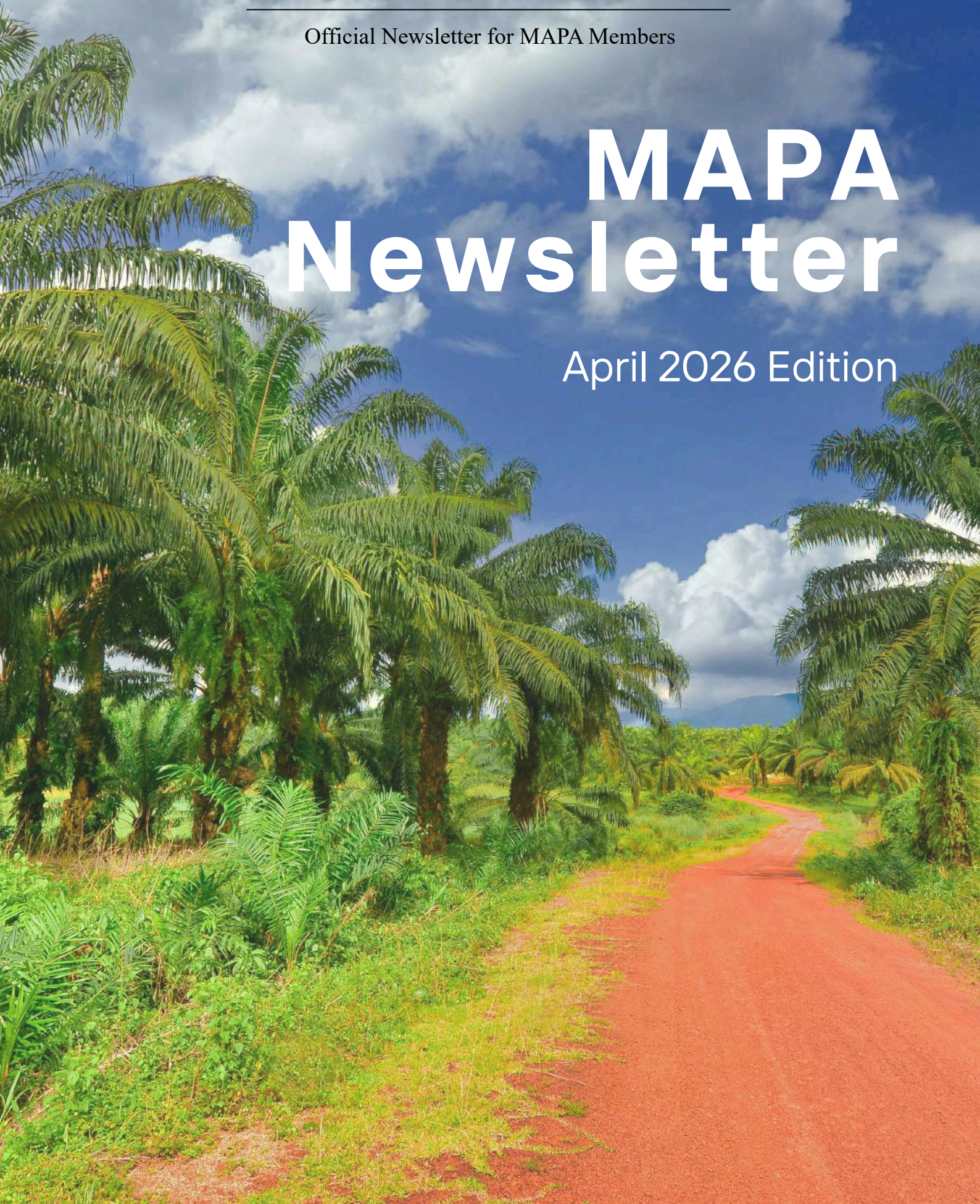




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DIRECTOR'S WRITE



The palm oil industry continues to navigate a period of steady recalibration shaped by evolving global expectations, cost pressures and domestic policy adjustments. While commodity prices have shown moderate resilience in early 2026, operational margins remain sensitive to rising labour costs, compliance requirements and productivity challenges across estates and mills.

A key development is the continued emphasis on sustainability and traceability. Buyers are increasingly demanding verifiable ESG standards, placing pressure on producers to strengthen certification compliance while balancing cost efficiency. At the same time, mechanisation and digitalisation are no longer optional. Progressive estates are accelerating adoption to address labour shortages and improve yield consistency.

On the industrial relations front, the landscape remains active. Recent engagements reflect a growing need for clear interpretation of collective agreement provisions, particularly in wage structures and productivity-linked benefits. Employers must remain vigilant in ensuring that implementation aligns with both contractual obligations and evolving legal standards.

Looking ahead, the industry's resilience will depend on three core areas: disciplined cost management, strategic workforce planning and proactive compliance. Employers who adapt early to these shifts will be better positioned to sustain competitiveness in an increasingly scrutinised global market.

MAPA will continue to support members through timely guidance, advocacy and practical solutions to meet these ongoing challenges.

SHAFWAN BIN DATUK HJ. SHAMSUDDIN
EXECUTIVE DIRECTOR



The removal of estate produce is a serious breach of trust. This case tests whether dismissal remains appropriate despite 15 years of service.

VIKNESHWARAN A/L TATHAN

VS.

SIME DARBY PLANTATION BERHAD

(SD GUTHRIE BERHAD)

A long serving estate worker (tractor driver, 15 years' service) was dismissed after being found removing four bags of loose oil palm fruits from the estate and placing them outside the boundary in a neighbouring smallholder area.

He was caught during patrol, admitted at the scene ("saya sikit juga ambil") and later pleaded guilty to two charges at the Domestic Inquiry:

- unauthorised removal of company property; and
- failure to carry out assigned duties (non-delivery of fruits).

The company followed proper procedure, suspension with pay, show cause letter and a Domestic Inquiry with union representation.



**VIKNESHWARAN A/L TATHAN
VS
SIME DARBY PLANTATION BERHAD
(SD GUTHRIE BERHAD)**

The Court upheld the dismissal as with just cause and excuse.

- Misconduct was clearly proven based on admission, witness evidence and recovery of fruits.
- Claim of not understanding Bahasa Malaysia was rejected as an afterthought.
- Taking company produce without permission is serious misconduct, even if quantity is small.
- Trust and integrity are fundamental in employment, once breached, dismissal is justified.
- Long service is not a defence.



**VIKNESHWARAN A/L TATHAN
VS
SIME DARBY PLANTATION BERHAD
(SD GUTHRIE BERHAD)**

Theft in Industrial Relations context does not require criminal proof, unauthorised removal is sufficient.

Employment is a fiduciary relationship, breach of trust justifies dismissal.

Always ensure:-

- Show cause letter issued
- Domestic Inquiry conducted if applicable
- Opportunity to defend given
- Admission during Domestic Inquiry is critical evidence
- Do not rely on long service as mitigation for integrity offences

One Line Guidance:-

- Any unauthorised removal of estate produce, even in small amounts, will be treated as a serious breach of trust, warranting dismissal.

Principles & Doctrines

01

Just Cause or Excuse

Under section 20 of the Industrial Relations Act 1967, an employee cannot be dismissed without just cause or excuse. Malaysian law recognises the employee's right to livelihood and protects employees from arbitrary dismissal.

Case: Hong Leong Equipment Sdn Bhd v Liew Fook Chuan [1996] 1 MLJ 481.

02

Doctrine of Proportionality

Even where misconduct is proven, the punishment must be proportionate to the offence. The Industrial Court may substitute a lesser punishment if dismissal is too harsh.

Case: Norizan Bakar v Panzana Enterprise Sdn Bhd [2013] 9 CLJ 409.

03

Constructive Dismissal

Constructive dismissal occurs when an employer commits a fundamental breach of the employment contract, forcing the employee to resign. The resignation is treated as a dismissal by the employer.

Case: Wong Chee Hong v Cathay Organisation (M) Sdn Bhd [1988] 1 CLJ 298.



Questions of Interest

QUESTION 1

Who is dependant under Section 2 Act 446?

Spouse, parent (including stepfather and stepmother), grandparent, child (including stepchild), brother and sister (including half-brother and half-sister and stepbrother and stepsister of an employee, who is dependent on such employee and illegitimate child or child adopted and parents of illegitimate child and any person by whom the employee was adopted.

QUESTION 2

What is the maximum number of occupants in one house under the Act 446?

Not more than five (5) person, unless there is added fully enclosed area of 4 square meters for every adult in excess. Two (2) children over age of three (3) but below twelve (12) years shall be deemed to be an adult.

QUESTION 3

How much free and adequate water supply should be given under the Act 446?

Based on the minutes of the meeting dated 30th November 1995 between JTK, MAPA, UPAM and NUPW, it was decided that the free and adequate water supply is up to 35 gallon or 132 litres per person per day.

EXECUTIVE MOVEMENT



En. Shafwan Bin Datuk Hj. Shamsuddin

Promoted to Executive Director



Tuan Haji Mohamad Bin Audong

Redesignated as Special Adviser



Mr. V.T. Chandra Segaran

Redesignated as Executive Adviser

MAPA ACTIVITIES



**MAPA COUNCIL MEETING
NO.1/2026**

**MAPA COUNCIL MEETING
NO.2/2026**



MAPA ONE DAY OFFICE



MAPA ACTIVITIES



**MAPA ADVISORY PANEL
AGM 2025/2026 FOR ALL
REGION**

**STAKEHOLDER MEETING
ON MINIMUM WAGES WITH
NATIONAL WAGES
CONSULTATIVE COUNCIL**



**MAPA COURTESY VISIT TO
DIRECTOR GENERAL OF
LABOUR**