

MISSION (BERNAMA EX)

BY K.H.CHAN

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LONDON, MAY 21 (BERNAMA) -- FLUSH FROM ITS SUCCESS IN BIRMINGHAM, DATUK SERI DR. MAHATHIR MOHAMED'S INVESTMENT PROMOTION MISSION FLIES TO FRANKFURT TODAY FOR A MAJOR INVESTMENT DRIVE ON TWO FRONTS.

THE TWIN OBJECTIVES: INVESTMENTS IN THE TIMBER AND RUBBER-BASED INDUSTRIES.

IN THIS, THE FRANKFURT MISSION DIFFERS FROM THE MISSION TO BIRMINGHAM AND, LATER, TO PARIS AND COPENHAGEN. IN THESE THREE OTHER PLACES, THE OBJECTIVE IS TO HIGHLIGHT THE OVERALL INVESTMENT POTENTIAL IN MALAYSIA.

BUT IN FRANKFURT, THE ACCENT IS ON ATTRACTING INVESTMENTS IN TIMBER AND RUBBER-BASED INDUSTRIES. DESPITE THIS, SOME OTHER INTERESTED INVESTORS WILL BE AMONG THE 80 COMPANIES ATTENDING THE INVESTMENT SEMINAR BEGINNING TOMORROW. -- BERNAMA 0910/YF

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MISSION 2 LONDON (BERNAMA EX)

WITH THE MISSION ARE THE DIRECTOR GENERAL OF THE MALAYSIAN TIMBER INDUSTRY BOARD, ENCIK ABDUL RAZAK MAJID, AND THE DEPUTY CONTROLLER OF THE MALAYSIAN RUBBER RESEARCH AND DEVELOPMENT BOARD, ENCIK AHMAD FAROUK BIN S.M. ISHAK.

IN INTERVIEWS WITH BERNAMA TODAY, THEY BOTH MAPPED OUT THE STRATEGIES FOR THE PROMOTION OF INDUSTRIES BASED ON THE TWO MAJOR NATURAL RESOURCES, TIMBER AND RUBBER.

ENCIK RAZAK MAJID OUTLINED TWO APPROACHES TOWARDS INVESTMENTS IN TIMBER BASED INDUSTRIES.

FIRST, THE IDEA IS TO MAKE THE EUROPEAN INVESTORS AWARE OF THE PROSPECTS FOR JOINT VENTURES IN INTEGRATED TIMBER COMPLEXES -- THAT IS, THE FOREIGN PARTNER GOES IN WITH THE LOCAL PARTNER, THEY OWN THE TIMBER AREA, THEY HAVE A SAWMILL, A PLYWOOD MILL, AND THEY MAKE MOULDINGS AND OTHER PRODUCTS. IF POSSIBLE, THESE COMPLEXES GO RIGHT DOWN TO TERTIARY PRODUCTS, SUCH AS FURNITURE AND TIMBER HOUSES. -- BERNAMA MORE 0914/YF

MISSION 3 LONDON (BERNAMA EX)

THIS CONCEPT, HOWEVER, IS MORE SUITABLE FOR SABAH AND SARAWAK, ALTHOUGH THERE IS SOME POTENTIAL IN TRENGGANU AND KELANTAN.

THE SECOND APPROACH IS TO GET THE POTENTIAL INVESTORS TO LOOK AT THE EXISTING INFRASTRUCTURE IN PENINSULAR MALAYSIA, WHICH HAS 551 SAWMILLS, 35 PLYWOOD FACTORIES, 52 MOULDING PLANTS, NOT TO MENTION A LARGE NUMBER OF DRY KILN PLANTS, TIMBER PRESERVATION PLANTS, A FEW HUNDRED FURNITURE FACTORIES, ANCILLARY INDUSTRIES CONNECTED WITH THE TIMBER INDUSTRY SUCH AS THOSE WHICH MAKE WOOD-WORKING MACHINERY, AND FOUNDRIES WHICH MAKE SAWMILL EQUIPMENT.

THIS INFRASTRUCTURE IS IDEAL FOR ANYONE WHO WISHES TO GO INTO PRODUCTION OF TERTIARY WOOD-BASED PRODUCTS -- ITEMS WHICH CAN BE PRODUCED FROM MILL WASTE OR FOREST RESIDUE IN LAND CONVERSION AREAS.

+WHAT MALAYSIA WANTS IS FOREIGN PARTICIPATION TO BRING IN THE MARKET AND THE KNOW-HOW TO PRODUCE WHAT THE MARKET IN EUROPE AND OTHER ADVANCED COUNTRIES WANTS,+ ENCIK RAZAK SAID.

+IT IS RISKY FOR MALAYSIA TO PRODUCE FINISHED PRODUCTS WITHOUT KNOWING WHAT THE MARKET WANTS. IT IS SAFER TO HAVE A LINK-UP WITH SOME ONE WHO KNOWS THE MARKET AND WHO HAS A READY-MADE MARKET.+

AS FOR KNOW-HOW, MOST OF THE TERTIARY PRODUCTS REQUIRE EXPERT KNOWLEDGE AND DESIGN WORK WHICH CANNOT BE DONE BY MALAYSIANS YET.

BUT MALAYSIA HAS ENOUGH SKILLED WORKERS WHO CAN LEARN QUICKLY HOW TO MAKE THE PRODUCTS, EVEN IF NOT HOW TO DESIGN THEM, ESPECIALLY AS THEY ARE NOT FAMILIAR WITH WHAT THE MARKET WANTS. -- BERNAMA MORE 0920/YF

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MISSION 4 LONDON (BERNAMA EX)

THESE TERTIARY INDUSTRIES WILL NOT BE BASED ON NEW WOOD IN THE FORESTS, BUT ON THE RESIDUE FROM THE MILLS AND THE FORESTS.

+AT THE MOMENT THERE IS A COLLOSAL WASTE AND ALL THIS RESIDUE IS GOING UP IN SMOKE,+ ENCIK RAZAK SAID.

+FOR EXAMPLE, 700,000 ACRES OF FOREST ARE FOR CONVERSION INTO AGRICULTURAL AREAS UNDER THE THIRD MALAYSIA PLAN, BUT EVERY YEAR ABOUT 1.4 MILLION CUBIC METRES OF FOREST RESIDUE ARE GOING UP IN SMOKE.

+THIS RESIDUE INCLUDES LOGS WHICH ARE NON-COMMERCIAL BUT OF SUFFICIENTLY LARGE SIZE TO BE MARKETABLE FOR DOMESTIC HOUSING, AND POLES AND UNDERSIZED LOGS WHICH ARE RECOVERABLE AND MARKETABLE.+

THERE IS A FACTORY IN KUALA LUMPUR WHICH BUYS UNDERSIZED LOGS FROM AGRICULTURAL CONVERSION AREAS AND CONVERTS THEM TO ITEMS LIKE MOULDING PROFILES, TURNERIES, DOORS, AND DOWELS.

+WE WOULD LIKE TO SEE MORE OF THIS,+ ENCIK ABDUL RAZAK SAID.
-- BERNAMA MORE 0925/YF

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MISSION 5 LONDON (BERNAMA EX)

HE ADDED: +THERE IS ALSO RESIDUE IN THE MILLS THEMSELVES. ABOUT 45 TO 55 PER CENT OF THE ANNUAL LOG INPUT OF 5.5 MILLION CUBIC METRES IN THE SAWMILLING INDUSTRY IS ACTUALLY BEING WASTED IN THE FORM OF OFF-CUTS, SLABS, SMALL PIECES OF TIMBER AND DEFECTIVE TIMBER.

+THIS COLLOSAL WASTE COULD BE CHIPPED AND MADE INTO COMPOSITE PANELS SUCH AS PARTICLE BOARDS AND FIBRE BOARDS.

+PIECES OF WOOD COULD ALSO BE RECOVERED FROM FINGER JOINTING AND LAMINATING.

+THIS WILL RECOVER ALL THE OFF CUTS WHICH ARE NOW BEING BURNED.

+THERE ARE ALSO POSSIBILITIES OF TURNING SOME OF THE OFF CUTS INTO BRICKETS FOR FUEL NOT ONLY LOCALLY BUT ALSO FOR EXPORT.

+BESIDES RESIDUE RECOVERY BY INDUSTRIES AT TERTIARY LEVEL, WE WOULD ALSO LIKE TO SEE SOME OF THE MANUFACTURING ACTIVITY IN THE CONSUMING COUNTRIES WHICH CONVERT OUR ROUGH SAWN TIMBER INTO DOOR FRAMES, WINDOW FRAMES AND OTHER JOINERY ITEMS FOR THE CONSTRUCTION INDUSTRY TO DO IT IN MALAYSIA.

+ANY APPREHENSION ON THE PART OF MANUFACTURERS IN EUROPE ABOUT THE ABILITY OF MALAYSIAN WORKERS TO MEET PRECISE SPECIFICATIONS CAN BE PUT ASIDE, BECAUSE WE HAVE THE SKILLED LABOUR WHICH IS QUICK TO LEARN NEW SKILLS.+

AT PRESENT WOOD EXPORTS IN THE FORM OF TERTIARY PRODUCTS, INCLUDING PLYWOOD MOULDINGS, JOINERY ITEMS, PARQUET AND FURNITURE, ACCOUNT FOR ONLY 20 PER CENT OF TOTAL EXPORTS.

THE REST IS EXPORTED IN THE FORM OF SAW LOGS AND SAWN TIMBER.

— BERNAMA 0930/YF

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MISSION 6 LONDON (BERNAMA EX)

ENCIK AHMAD FAROUK, SPEAKING ON RUBBER-BASED INDUSTRIES, POINTED OUT THAT OF THE 1.6 MILLION TONS OF NATURAL RUBBER PRODUCED IN MALAYSIA, ABOUT 37,000 TONS OR ONLY 2.3 PER CENT OF THE TOTAL PRODUCTION WERE FABRICATED LOCALLY.

FROM THE BUSINESS POINT OF VIEW THERE IS NOTHING WRONG WITH THIS, BECAUSE EVERY POUND OF NATURAL RUBBER MALAYSIA PRODUCES CAN BE EXPORTED.

BUT MALAYSIA ALSO WANTS TO DIVERSIFY AND NOT RELY ONLY ON THE EXPORT OF RAW MATERIALS. THUS THE DESIRE FOR INDUSTRIES IN MALAYSIA USING THE COUNTRY'S NATURAL RESOURCES.

THERE ARE ALSO THE ADVANTAGES OF VALUE ADDED CONTENT, EMPLOYMENT, AND TRAINING IN PARTICULAR SKILLS.

FURTHER, SMR EXPORTED FROM MALAYSIA IS SUBJECT TO EXPORT DUTY AND CESS, WHILE RUBBER PRODUCTS MADE IN MALAYSIA AND EXPORTED IS NOT SUBJECT TO THIS.

THE MALAYSIAN RUBBER RESEARCH AND DEVELOPMENT BOARD, WORKING CLOSELY WITH FIDA, HAS ADOPTED THE PROMOTION OF RUBBER-BASED INDUSTRIES IN MALAYSIA AS ONE OF THE MAJOR OBJECTIVES. — BERNAMA 0935/YF

MISSION 7 LONDON (BERNAMA EX)

TOWARDS THIS AIM, THE MRRDB HAS DRAWN UP A NUMBER OF SCHEMES, ONE OF WHICH IS THE SETTING UP OF THE RUBBER RESEARCH INSTITUTE'S TECHNOLOGY CENTRE IN SUNGAI BULOH.

THIS STATION IS EQUIPPED FOR PRODUCT TESTING, PRODUCT DEVELOPMENT, TYRE DEVELOPMENT, AND OTHER TESTS. THE MRRDB AND RRI ARE MORE EQUIPPED NOW TO HELP MANUFACTURERS TEST AND THINK UP NEW PRODUCTS.

A STUDY HAS ALSO BEEN UNDERTAKEN OF THE POTENTIAL MARKET FOR FINISHED RUBBER PRODUCTS WHICH CAN BE MADE IN MALAYSIA. IT WAS CONDUCTED JOINTLY BY FIDA AND THE MRRDB AND HAS BEEN PUBLISHED IN 18 VOLUMES.

+THIS STUDY HAS SET THE STAGE FOR A SUBSTANTIAL TAKE OFF TOWARDS THE TARGET OF MORE NATURAL RUBBER FABRICATION IN MALAYSIA,+ ENCIK AHMAD FAROUK SAID.

HE ADDED THAT MALAYSIAN RUBBER BUREAUS IN VARIOUS COUNTRIES, WHICH PROVIDE TECHNICAL ADVISORY SERVICES TO CONSUMERS, HAD BEEN TOLD TO KEEP THEIR EYES OPEN AND PROVIDE INTELLIGENCE ON ANY INTEREST SHOWN BY INDUSTRIALISTS TO MANUFACTURE FINISHED PRODUCTS IN MALAYSIA.

AT THE SEMINAR IN FRANKFURT, SMR RAW MATERIALS AS WELL AS SAMPLES OF FINISHED PRODUCTS MADE IN MALAYSIA WILL BE DISPLAYED.

— BERNAMA 0940/YF