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MAHATHIR-PALM OIL  
BM

SLIM RIVER, MARCH 15 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THAT REDUCING THE PRODUCTION COST OF PALM OIL IS ONE WAY TO ENSURE THAT THE COMMODITY BRINGS IN GREATER PROFITS AND ENJOYS A STABLE MARKET.

THE PRIME MINISTER SAID THAT MALAYSIA'S PRODUCTION COST OF PALM OIL WAS HIGHER THAN THAT OF OTHER PRODUCING COUNTRIES SO MUCH SO THAT THE COUNTRY SUFFERED LOSSES WHEN PRICES DECLINE.

+AS LONG AS WE ARE NOT SUCCESSFUL IN REDUCING OUR COST OF PRODUCTION, WE WILL CONTINUE TO SUFFER LOSSES NO MATTER HOW FAR WE TAP NEW MARKETS,+ HE SAID WHEN SPEAKING TO SETTLERS OF FELDA TROLAK AT PADANG TROLAK UTARA NEAR HERE.

HE SAID THAT MALAYSIA LOST \$60 FOR EVERY TONNE OF PALM OIL PRODUCED AT PRESENT. A TONNE OF THE COMMODITY WAS SOLD FOR \$420 WHILE THE PRODUCTION COST AMOUNTED TO \$480.

DATUK SERI DR MAHATHIR SAID THAT MALAYSIA WAS LOOKING FOR NEW MARKETS LIKE CHINA AND COUNTRIES IN WEST ASIA +BUT IN THE LONG RUN WE MAY LOSE BECAUSE BUYERS FINALLY WILL RETURN TO PRODUCERS WHO OFFER LOWER PRICES.+ -- MORE

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MAHATHIR-PALM OIL 2 SLIM RIVER

+WE HAVE TO FACE THIS REALITY. OUR EFFORTS TO REDUCE PRODUCTION COST WILL HAVE TO BE BASED ON PROPER MANAGEMENT, BETTER STRATEGY AND UPGRADING THE QUALITY OF PALM OIL,+ HE SAID.

THE PRIME MINISTER ALSO SAID THAT THERE WERE COOKING OIL MORE EXPENSIVE THAN PALM OIL BUT THEY STILL ENJOYED HIGH DEMAND.

HE SAID THAT THE GOVERNMENT WAS AWARE OF THE PROBLEMS FACED BY SETTLERS FOLLOWING THE DROP IN PRICES OF COMMODITY PRODUCTS AND ADVISED THEM TO DIVERSIFY THEIR SOURCES OF INCOME.

+BUT DON'T GET INFLUENCED BY ELEMENTS TO HATE AND OPPOSE THE GOVERNMENT WHEN FACING THESE DIFFICULTIES,+ HE SAID.

HE SAID THERE WERE POLITICIANS WHO MADE USE OF THE QURAN AND RELIGION FOR POLITICAL INTERESTS AND TO WIN IN ELECTIONS.

+SETTLERS SHOULD NOT ALLOW THEM TO ENTER THE VILLAGERS TO CREATE CHAOS,+ THE PRIME MINISTER SAID, AMIST SHOUTS OF +SOKONG, SOKONG.+ -- MORE

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MAHATHIR-PALM OIL 3 SLIM RIVER

ABOUT 8,000 SETTLERS ATTENDED THE GATHERING AT WHICH DATUK SERI DATIN PADUKA DR SITI HASMAH AND PERAK MENTERI BESAR DATUK SERI RAMLI NGAH TALIB WERE ALSO PRESENT.

THE PRIME MINISTER LEFT FOR KUALA LUMPUR AFTER THE FUNCTION. -- BERNAMA

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