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U E389 AAE
MAHATHIR-PALM OIL
BM

KUANTAN, SEPT 5 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD TODAY CALLED ON LOCAL PALM OIL ENTREPRENEURS TO TAKE MEASURES TO COUNTER ALLEGATIONS AND MOVES BY DEVELOPED COUNTRIES TO WEAKEN MALAYSIA'S PALM OIL INDUSTRY.

THE PRIME MINISTER SAID THE THREAT BY THE COUNTRIES CONCERNED, INCLUDING THOSE FROM THE EUROPEAN ECONOMIC COMMUNITY (EEC), SHOULD NOT GO UNCHECKED, STRESSING THAT THEIR ACTIONS SHOULD BE MONITORED CONSTANTLY.

+WE HAVE TO PREPARE TO FACE MAJOR THREATS IN FUTURE TO ENSURE STABILITY AND CONTINUED DEMAND FOR OUR PALM OIL PRODUCTS,+ HE SAID WHEN OPENING THE FELDA OIL PALM COMPLEX IN TANJUNG GELANG NEAR HERE.

DATUK SERI DR MAHATHIR SAID THE RECENT MOVE BY THE EEC COUNTRIES TO IMPOSE TAX ON THE IMPORT OF ALL VEGETABLE OILS SHOWED THAT THEY WERE BEGINNING TO DISBELIEVE THE DOCTRINE OF FREE ENTERPRISE WHICH THEY THEMSELVES PROMOTED.

HE SAID THE AMERICAN SOYABEAN ASSOCIATION HAD ALSO CARRIED OUT A SMEAR CAMPAIGN AGAINST PALM OIL, ALLEGING THAT THE PRODUCT WAS DETRIMENTAL TO HEALTH. -- MORE

1411MST 05 09 87

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U E393 AAE
MAHATHIR-PALM OIL 2 KUANTAN

THE PRIME MINISTER DESCRIBED THE MOVE AS AN ATTEMPT TO HOODWINK CONSUMERS IN THE UNITED STATES INTO STAYING CLEAR OF PRODUCTS CONTAINING PALM OIL AND THUS REDUCE THE COMPETITION FROM MALAYSIAN PALM OIL IN THE AMERICAN AND OTHER MARKETS.

HE SAID THAT COMPETITION IN ANY FIELD WAS GOOD AS IT WOULD ENSURE BETTER QUALITY PRODUCTS AND SERVICE BUT THE MOVE BY THE DEVELOPED COUNTRIES WAS UNHEALTHY AND HAD NOW BECOME A THREAT.

DATUK SERI DR MAHATHIR ALSO URGED THE LOCAL ENTREPRENEURS TO CONSTANTLY LOOK FOR WAYS OF UPGRADING THEIR PRODUCTS TO BE ABLE TO COMPETE WITH OTHERS, ESPECIALLY NOW THAT MALAYSIA FACED STIFF COMPETITION FROM OTHER PALM OIL PRODUCING COUNTRIES IN ADDITION TO COMPETITION FROM OTHER VEGETABLE OILS AND SUBSTITUTE FATS.

ON COMPLAINTS BY CERTAIN ENTREPRENEURS THAT THE GOVERNMENT HAD NOT GIVEN SUFFICIENT INCENTIVES OF LATE, THE PRIME MINISTER SAID THE GOVERNMENT HAD PROVIDED VARIOUS FACILITIES TO ENCOURAGE GROWTH IN THE PALM OIL PROCESSING INDUSTRY AND IT WAS UP TO THE ENTREPRENEURS TO USE THESE AND ENSURE SUCCESS IN THEIR VENTURES.

HE SAID THE PRICE INSTABILITY COULD HAVE STEMMED FROM THE FACT THAT THE ENTREPRENEURS WERE MORE INTERESTED IN THE MARKET AND SALES METHODS AND DID NOT CONCERN THEMSELVES OVER WHO OR WHICH COUNTRY WAS THE ACTUAL BUYER OF THEIR PRODUCTS. -- MORE

1501MST 05 09 87

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U E399 AAE
MAHATHIR-PALM OIL 3 KUANTAN (CORRECTED RRTN)

THIS, HE SAID, WAS NO DOUBT EASIER BUT WOULD ENCOURAGE THE EXISTENCE OF MIDDLEMEN AND SPECULATORS AND WOULD CAUSE FLUCTUATING PRICES.

HE SAID THE FLUCTUATING PRICES HAD OBVIOUS EFFECTS ON THE NATIONAL ECONOMY WHICH TO A LARGE EXTENT WAS DEPENDENT ON AGRICULTURAL EXPORTS.

EFFORTS SHOULD ALSO BE UPGRADED TOWARDS DIRECT SELLING TO CONSUMERS TO ENSURE STABLE PRICES AND CONTINUED DEMAND, HE ADDED.

+DIRECT SELLING WILL GIVE US STRONG FOOTING IN THE MARKET, BESIDES FOREIGN EXCHANGE WILL BE SAVED WHEN WE USE OUR OWN TRANSPORT SERVICES AND INSURANCE.

+IN THIS REGARD, PROCESSING SHOULD BE FOLLOWED BY MORE DYNAMIC AND ORGANISED MARKETING TECHNIQUES TO EXPAND THE MARKET AND DETERMINE GOOD RETURNS FOR THE INDUSTRY.+

THE PRIME MINISTER SAID THE COUNTRY'S SUCCESS IN THE PALM OIL INDUSTRY DID NOT STOP AT THE OPENING OF LAND AND SETTING UP OF FACTORIES FOR THE INDUSTRY BUT INCLUDED THE PRODUCTION OF VALUE-ADDED DOWNSTREAM ITEMS WHICH COULD BE USED IN THE MANUFACTURING OF CONSUMER GOODS. -- MORE

1527MST 05 09 87

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U E401 AAE
MAHATHIR-PALM OIL 4 KUANTAN

DATUK BERI DR MAHATHIR SAID DOWNSTREAM ACTIVITIES WOULD NOT ONLY CONTRIBUTE TO THE GOVERNMENT'S POLICY OF SPEEDING UP GROWTH IN THE MANUFACTURING SECTOR BUT ALSO IN THE ASSIMILATION OF TECHNOLOGY, CREATION OF MORE JOB OPPORTUNITIES AND PROVIDING GREATER SKILLS EXPOSURE FOR THE MANPOWER.

HE REMINDED ENTREPRENEURS TO ENSURE THAT THEIR PRODUCTION QUALITY WAS NOT JEOPARDISED IN THEIR FERVOUR TO CUT DOWN COSTS.

THE PRIME MINISTER SAID THIS WAS IMPORTANT AS INFERIOR PRODUCTS WOULD NOT ONLY TARNISH THE COUNTRY'S IMAGE AND CREDIBILITY BUT ALSO RESULT IN ADVERSE EFFECTS ON THE INDUSTRY.

HE SAID HE WANTED TO SEE MORE RESEARCH AND DEVELOPMENT IN THE PALM OIL INDUSTRY WHICH WAS A MAJOR REVENUE EARNER FOR THE COUNTRY.

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1530MST 05 09 87

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U E405 AAE
MAHATHIR-PALM OIL 5 KUANTAN

RESEARCH SHOULD COVER ALL ASPECTS OF THE INDUSTRY AND BE AIMED AT UPGRADING PRODUCTIVITY, REDUCING COSTS, ENHANCING QUALITY AND FORMULATING NEW USES FOR THE COUNTRY'S PRODUCTS.

HE ALSO HOPED FELDA WOULD SUCCEED IN ITS EFFORTS TO DEVELOP THE OIL PALM INDUSTRY, ESPECIALLY WITH THE SETTING UP OF THE COMPLEX.

PRESENT WERE PAHANG MENTERI BESAR DATUK KHALIL YAKOB, YOUTH AND SPORTS MINISTER DATUK SERI NAJIB TUN RAZAK AND TOURISM AND CULTURE MINISTER DATUK SABBARUDDIN CHIK. -- BERNAMA

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