

FREE TRADE HYPOCRITES

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By Lee Min Keong

KUANTAN, Sat. — Malaysia's palm oil industry is being threatened by some developed countries who no longer believe in the doctrine of free enterprise, Prime Minister Datuk Seri Dr Mahathir Mohamad said here today.

He said the attempt by the European Economic Community (EEC) to impose a levy on the import of all types of vegetable oil as well as the anti-palm oil campaign of the American Soyabean Association (ASA) were against the principles of free enterprise.

Dr Mahathir said that ASA's campaign that palm oil was a danger to health was aimed at pressuring the US Government to pass legislation requiring all foodstuffs with vegetable oil to be labelled. He said they hoped to deceive consumers and stop them from buying goods containing palm oil.

If they succeeded palm oil products would become less competitive in the US and other countries, he added.

The Prime Minister was speaking at the opening of the Felda palm oil refinery complex at the Kuantan Port in Tanjung Gelang, 25km from here.

Dr Mahathir said steps had to be taken to stop the anti-palm oil lobby from succeeding. "We have to guard against such threats and at the same time, to prepare to face even more serious threats in the future," he added.

Dr Mahathir also said local palm oil producers' biggest challenge came from producers of other vegetable oils as well as from producers of fatty acids substitutes. To meet this challenge and the effects of the recession they would have to upgrade their products and productivity.

Dr Mahathir said there had been complaints recently from some entrepreneurs that the Government had not provided enough support for palm oil refineries, who had suffered huge losses as a result and in some cases folded up.

The Government, he said, had given enough incentives and support. "It is up to them to succeed. Success cannot be achieved without facing up to the challenge of efficiency in production as well as management," he added.

He said local producers had helped swell the ranks of middlemen and

speculators by taking the easy way of selling their palm oil to middlemen instead of directly to the consumers in other countries. These middlemen and speculators manipulated the prices in order to make quick profits, hence the fluctuating price.

Dr Mahathir urged producers to make arrangements to sell directly to consumers so that the palm oil price could be stabilised and the demand for the commodity maintained.

He then urged local entrepreneurs to look to the quality of their products. "This is important because poor quality products will not only adversely affect the image and credibility of the country but also that of the industry," he said.

They also had to reduce the cost of production as well as become involved in research and development so that they could compete effectively with producers from other countries.