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Mahathir-oil palm

OIL PALM INDUSTRY MUST BE KEPT COMPETITIVE, SAYS MAHATHIR

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KUANTAN, May 22 (Bernama) -- Prime Minister <sup>97</sup> Datuk Seri Dr Mahathir Mohamad said today the oil palm industry must be kept competitive with upgrading of research at the various stages, from cultivation to final product.

He said this was not something easy to do but not impossible either.

"It required greater investment, particularly on human resources, so that the industry has trained manpower and skilled scientists," he said.

There must be manpower available to undertake planning and to resolve problems at the many levels of production, distribution and marketing, he said when opening a plant of the FPG Oleochemical Sdn Bhd, here.

The plant is a joint venture between Perbadanan Kilang Felda and Proctor and Gamble (P&G) of the United States, and produces methyl ester, fatty alcohol and glycerine which are used in the manufacture of cleansing products and cosmetics. -- more

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A total of RM330 million has been invested in the factory, which is said to be the biggest oleochemical plant in Asia with an annual production capacity of 200,000 tonnes.

Dr Mahathir said that though the government had no complaints about the present oil palm industry, it was not the time to feel satisfied with the progress.

"Actually, the best time to prepare oneself for any eventuality is during the time of luxury and prosperity," he said, adding that the oils and fats sector was the most competitive and placed a demand on products of the highest quality.

Dr Mahathir said the machinery was an important sector of plantations following a shortage of workers in the estates, which he said could help improve productivity.

"This is a serious problem which has to be overcome by the oil palm industry for it to remain healthy, active and competitive," he said. --

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The government, he said, would play its part to provide a conducive atmosphere for trading and encourage continued shift of the economy towards industrialisation.

Dr Mahathir said development based on agriculture and primary commodities was unstable and exposed to market manipulations.

Therefore, he said, the government would step up efforts to continue with the industrialisation process to have value added to raw materials to reduce their exposure to the uncertainties of the market.

He said the Malaysian economy was part of the economy of the Pacific Rim area which had been identified as a region of intense economic growth in the 21st century.

The dynamic prospect was not only a blessing but also a challenge which must be confronted with wisdom and resilience, he said. -- more

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"As a developing country, we cannot behave like a developed country. We must use our comparative advantage, particularly our low cost, without falling for the intimidations of our competitors who want to see our cost go up," he said.

On the oleochemical industry, he said it had been identified as one of the industries with bright potential under the Malaysian Industrial Masterplan.

Malaysia is now the leading manufacturer of oleochemical in the world, with production capacity expected to reach 1.3 million tonnes next year. National production was estimated to increase to 20 and 25 per cent of total world output from non-petroleum oils.

Dr Mahathir said the export of oleochemical was expected to contribute to 10 per cent of the total export value of national oil palm production.

Also present at the opening were Pahang Menteri Besar Tan Sri Khalil Yaakob, Cabinet ministers and state executive councillors. -- Bernama

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