

# Consider dynamic prospects a challenge, says PM

By Farush Khan

KUANTAN, Sat. — Malaysia's dynamic prospects are not only a blessing but a challenge that must be faced wisely and with determination, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said that being a developing country, Malaysia should not behave like a developed one.

It must therefore use its comparative advantages and not allow itself be influenced by instigations from competitors who might want to see an increase in the country's production costs.

He said this when launching the RM330 million FPG Oleochemicals Sdn Bhd plant in Tanjung Gelang, about 25km from here.

The project is a joint venture between the Felde Mills Corporation and Procter & Gamble from the United States.

Felde Mills through the Felde Group is the world's largest producer and processor of palm and palm kernel oil. Procter & Gamble is one of the world's biggest manufacturers of household products.

Dr Mahathir said although Malaysia was glad to see its palm oil industry in a very healthy position, this was not the time for those involved to be complacent.

"In fact, the best time to prepare ourselves against any eventuality is during prosperous times."

The oil and fats sectors are the most competitive business ventures and need products of the highest quality.

SUN, 23 MAY 1995

To maintain its competitiveness, research on the palm oil industry must be upgraded at all levels of production from planting to the end-products.

He reminded those in the sector that although this was not simple, it was not impossible.

To achieve this, higher levels of investment in human resources are required to produce trained staff and scientists who can plan and overcome problems in the production and marketing aspects.

Because of the shortage of workers in the estates, it is necessary for the plantation sector to upgrade the use of machines for activities which need a lot of workers.

"This is a critical problem which needs to be overcome by the palm oil industry to ensure it is always healthy, active and competitive," he said.

The Government will continue to create a conducive atmosphere to encourage economic growth towards industrialisation.

Dr Mahathir said the oleochemicals industry had been identified as having a bright future under the Malaysian industrialisation master plan.

He said this was proven from its rapid growth rate though it only began to develop during the first half of the decade.

As a result, Malaysia has become one of the most known oleochemical producing countries in the world.

Its production capacity is expected to touch 1.3 million tonnes next year. The country's production now is

estimated to increase by between 20 and 25 per cent of the world's oleochemicals produced from non-petroleum oil.

He said the industrial growth was also clearly seen from the increase in the use of palm kernel oil by the oleochemical sector.

Dr Mahathir said another positive growth which benefited vegetable oil producers was the increasing use of natural oil by the oleochemical industry throughout the world.

The increase in the use of palm oil by the oleochemicals industry is an indication of the versatility in the use of this oil as edible and non-edible products.

The healthy growth in the use of the oil is also supported by the encouraging demand from traditional and non-traditional buyers, who at one time were sceptical over its effects on health.

Dr Mahathir pointed out that people all over the world had now become more aware of the importance of physical health and the environment.

"As a result, more consumers in developed and developing countries have started to substitute animal fats for cholesterol-free vegetable oil."

Present at the event were Defence Minister Datuk Seri Najib Tun Razak; Culture, Arts and Tourism Minister Datuk Sabbaruddin Chik; and Menteri Besar Tan Sri Khalil Yaakob.

Also present were Felde's group chairman Raja Tan Sri Muhammad Alias Raja Mohd Ali and group vice-president of Procter & Gamble Allen Lafley.