

# PM: Intensify palm oil research

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KUANTAN: Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday advised the palm oil industry to carry out more research to maintain a competitive edge.

He said more investments were needed to produce the required trained personnel and scientists, he said when opening the Felda Procter & Gamble Oleochemicals plant here.

Dr Mahathir said the plantations should switch to using machines to overcome the shortage of workers and to increase productivity.

He said the Government would ensure a conducive trading environment in its efforts towards becoming an industrialised country.

"We know that develop-

ment based on agriculture and the main commodities is open to market manipulation," he said.

The Government would intensify efforts to reduce the exposure of raw materials to the uncertainties of the market, he said.

On the use of palm oil for oleochemicals, Dr Mahathir said that before 1990, only a small percentage was sourced for this purpose but it had now increased to over 10 per cent.

Dr Mahathir said that besides the increased usage of palm oil in the oleochemical sector, there had also been encouraging demands from those who were once suspicious of palm oil.

"Many of the consumers in

the developed and developing countries have now changed to using vegetable oils," he said.

Dr Mahathir said the oleochemical industry had potential for growth.

The production capacity of oleochemical in Malaysia was expected to reach 1.3 million tonnes in 1994 and exports expected to increase to between 20 and 25 per cent of the oleochemical market.

Felda Procter & Gamble is a partnership between Felda Mills, the world's largest producer and processor of palm and palm kernel oil, and Procter & Gamble, one of the world's biggest manufacturers of household products.