

We've got what it takes, industry told

RAWANG, Sat. — Datuk Seri Dr Mahathir Mohamad said today he wanted to see more downstream activities in oleochemical derivatives because of its positive developments in this area.

The Prime Minister said that this could be done because of the availability of the resources such as fatty acids, glycerine and methyl esters.

He said that the country's comparative advantage as a manufacturing base was another factor which could contribute to such a progress.

Dr Mahathir was launching the Malaysian-Japanese joint venture RM60 million oleochemical plant of the Palm-Oleo Sdn Bhd, at Kundang Estate near here.

He called on more Malaysian companies to acquire new technologies or join with foreign firms to develop the oleochemical industry.

He said with increasing prosperity and growth of the Asia Pacific region and the Indian sub-continent, there was a huge potential in demand for oleochemical derivatives such as fatty aminos, alcohols, food and industrial esters.

In line with this, he said, the Palm Oil Research Institute of Malaysia would establish a research and development centre solely for oleochemicals.

Dr Mahathir also spoke of the palm oil industry as one of the country's many success stories.

"It has been an important component which contributed to the country's agricultural development in the 1970s and 1980s when the future of rubber was dimming."

Despite the country's move towards an industrialised economy, the palm oil industry remained a significant contributor, he said.

In 1993, its annual production of palm oil was 7.4 million tonnes, with exports of six million tonnes.

Foreign exchange earnings of RM6.3 billion was earned last year from palm oil products.

Also present at the opening was Primary Industry Minister Datuk Seri Dr Lim Keng Yaik; chairman of Asahi Denka Kogyo K.K. Ltd Mitsuru Matsui; president of Miyoshi Oil and Fat Co Ltd Toshiyuki Miki; and Mitsui & Co Ltd senior executive managing director Kyoichi Suzuki.

Company chairman Lee Oi Hian said the plant was designed by an in-house Malaysian technical team where most of the equipment was fabricated locally.

The plant is designed to produce 45,000 metric tonnes of products yearly and includes the capacity to produce oleic acid and short-chained acids such

as capric and caprylic acids.

Palm-Oleo is a joint venture company headed by a local company, KL-Kepong Bhd, and three other Japanese companies.

Mitsui & Co Ltd executive managing director Datuk K. Suzuki said the company represented the first group of Japanese investors to be involved in the manufacturing of fatty acids in Malaysia.

He said compared to petrol chemical products, oleochemicals had the advantage of being environment-friendly and bio-degradable.

"Processes of producing palm oil-based fatty acids use only natural vegetable oils and fats for raw materials. Therefore, we can rest assured that the products manufactured here are environment-friendly and in line with the Government's drive for a more environment-conscious nation."