

18 AUG 1996

Lim-Oleochemicals

EXPORT DUTY MAY BE IMPOSED ON BASIC OLEOCHEMICAL RAW MATERIALS

SITIAWAN, Aug 18 (Bernama) -- The Primary Industries Ministry may impose export duty on basic oleochemical raw materials to "partly encourage and force" the 15 oleochemical plants in the country to go further into downstream activities.

Its Minister, Datuk Seri Dr Lim Keng Yaik, said today the ministry was monitoring the situation and would impose the duty, if necessary, to ensure that the raw materials were kept in the country to allow the local production of more finished products, including consumer goods.

Currently, the oleochemical plants, some of which are joint ventures between multinational companies and the locals, produced only fundamental oleochemicals like glycerol and fatty acids which were exported to the United States, Europe and Japan to be processed to make finished products, he said.

"The plants can use their own brand names when producing the more value-added products locally," he told reporters after opening the RM150,000 philanthropy society's building, here.

Dr Lim was commenting on Prime Minister Datuk Seri Dr Mahathir Mohamad's statement yesterday that the palm oil industry must venture into more downstream activities, especially the non-food sectors.

Dr Mahathir had said that finished products such as detergents, cosmetics, lubricants, fuel, pharmaceutical products and animal feed, which cost many times more than the raw materials, could be produced from basic oleochemicals derived from palm oil.

Dr Lim said Malaysian companies should also build up their own brand names by using the country's "far more superior" basic oleochemical raw materials to come up with more end-products.

Through intensive research and development (R&D), the chemical composition of oleochemicals could be "cracked" just like the petrochemicals and by adding other substances, new products could be made, he said.

In petrochemicals, for example, their carbon and hydrogen chain was "cracked" and together with other substances, products such as synthetic rubber and plastics were produced, he added.

The Advanced Oleochemical Technology Centre in Bandar Baru Bangi, which is under the Palm Oil Research Institute of Malaysia (Porim), has been operational since January to conduct R&D into the industrial usage of palm oil, with emphasis on end-products.

Dr Lim said although oleochemicals had the same chemical composition as petrochemicals, the former was renewable and bio-degradable, making it acceptable to the world which is now concerned about the environment.

On palm oil, he said Malaysia had successfully promoted palm oil as an edible oil over the last 10 years and it was now sold in about 100 countries.

"Palm oil constitutes about 35 per cent of the world market in oils and fats. Of the 35 per cent, Malaysia has a 62 per cent stake, making it the main exporter of edible vegetable oil in the world today," he said.

Dr Lim said Malaysia had also proven that palm oil was versatile, economical and nutritious and that "it has been accepted as an oil of much demand in the world today." -- BERNAMA

ASM JK