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Mexico-Palm

MEXICO SEEKS MALAYSIAN OIL PALM INVESTMENT

KUALA LUMPUR, May 24 (Bernama) -- Mexico is seeking Malaysian expertise and investments to expand oil palm cultivation under a high priority programme to boost its agricultural sector, said Francisco Labastida, the Mexican Agriculture, Livestock and Rural Development Minister.

He said oil palm has been successfully grown in Mexico on a 3,700-hectare pilot scheme which yielded between 15 and 20 tonnes of fruits per hectare, less than half the Malaysian average yield.

Encouraged by the success, the Mexican government has allocated about 30,000 hectares for an oil palm plantation project in Chiapa in the southern part of the country, Labastida told a news conference at the end of his four-day visit to Malaysia today.

Mexico now imports about 830,000 tonnes of edible oils worth US\$600 million (RM\$1,488 million) yearly, he said.

A letter of intent was signed on Wednesday between three Malaysian companies and a Mexican company to undertake a study on the viability of developing oil palm plantations in Mexico.

The Malaysian companies are Kuala Lumpur Stock Exchange-listed TSH Resources Bhd, Mas Monte Sdn Bhd and Sikap Hermat Sdn Bhd while the Mexican partner is Serbia Grupo.

Oil palm cultivation in Mexico was suggested during a meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Mexican President Ernesto Zedillo Ponce de Leon when they attended the Asia Pacific Economic Cooperation (Apec) summit in Osaka, Japan, last year.

Labastida said his government gave high priority to developing the agricultural sector because it supports more than 22 per cent of the population although agriculture contributed only about seven per cent to the country's Gross Domestic Product.

The main crops cultivated include tomato and coffee. Last year, Mexico exported about US\$1 billion worth of tomato and tomato products to the United States.

The country has 20 million hectares available for agriculture and another 100 million hectares for livestock and cattle rearing.

During his visit, Labastida had talks with officials of the Malaysian Agricultural Research and Development Institute (Mardi), Palm Oil Research Institute of Malaysia (Porim) and Rubber Research Institute of Malaysia (RRIM).

Describing the visit as very fruitful, he added that rubber was also a crop being considered by his government and discussions are being held with the relevant Malaysian bodies on a possible transfer of technology to Mexico. -- BERNAMA

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