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AGRICULTURE SECTOR IMPORTANT TO THE ECONOMY, SAYS KENG YAIK

KUALA LUMPUR, March 26 (Bernama) -- The agriculture sector will continue to be revitalised as an important sector of the national economy although the manufacturing and services sectors will be the main vehicles that will take the nation into the next millennium, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said.

Primary commodities and commodity-based products, excluding petroleum and gas, made up about 17.4 percent or RM34 billion of Malaysia's total export earnings last year, he added.

Speaking at the Malaysian Estate Owners' Association (MEOA) annual dinner here tonight, he said the National Agriculture Policy (NAP) will be revised.

His ministry, been given the task to review the industrial subsector which includes palm oil, rubber, cocoa, pepper, pineapple, tobacco and forestry, and the Agriculture Ministry will prepare the draft of the new National Agro-Forestry Policy.

Dr Lim said the current thinking of the government is that forestry and agriculture were considered a single entity and need to be developed in a whollistic manner and in integrated fashion in order to reap maximum returns from the land.

Compartmentalised development can never be profitable as competition for scarce resources becomes more intense, he added.

He said primary industries will have to play a significant role in ensuring that sufficient supply of raw materials are produced to feed the growing demand of the downstream processing industries as well as resourced-based manufacturing industries.

Given the tight labour supply and land for expansion locally, the plantation sector will have no choice but to rationalise their resources to maximise production and continue to be in the business, he added.

Those financially sound are encouraged to invest in the plantation sector overseas.

Dr Lim said as more resources go towards industrial development and less to agriculture in the future, the agriculture sector in general and commodity sector in particular must be prepare to strive hard in order to remain afloat in the turbulent environment, a highly competitive one where only the fittest will survive.

MEOA president Boon Weng Siew urged association members to look objectively at Prime Minister Datuk Seri Dr Mahathir Mohamad's suggestion to plantation companies to plant teak trees in view of a much reduced labour force in the future.

He said if 10 percent of the five million hectares of plantation in Malaysia were planted with teak in the next 15 years, the country will have 500,000 hectares of teak plantations by the year 2012.

This means a total revenue of RM4 billion annually based on RM600 per cubic metre with production capability of 6.666 million cubic metres of teak wood from an annual harvest from 33,333 hectares at a rate of 200 cubic metres per hectare, he added.

He said the future prospects for teak should be bright in view of the International Tropical Timber Organisation's objective by the year 2000, to which all members are committed to ensure that export of timber and timber products will be produced from forest under sustainable management. --

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