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Malaysia to head timber venture

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KUALA LUMPUR, Sun. - Malaysia is to spearhead an Asean consortium to invest in the timber and plantation industries in South America and Africa, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said today.

"Certain Japanese multi-national companies have also indicated their interest in financing such a consortium," he added.

He said Japanese financing would go a long way as interest rates in some of the countries concerned was very high.

"It would not be a viable option to utilise financing from these countries," he added.

Dr Lim said Prime Minister Datuk Seri Dr Mahathir Mohamad would be meeting businessmen involved in the local timber and plantation sectors next month.

"Dr Mahathir is expected to tell these businessmen to introduce a development package focused particularly on the logging and oil palm industries in these countries," he said after chairing the Gerakan central committee meeting at party headquarters in Cheras.

Dr Lim, who is also Gerakan president, said Ecuador, Mexico, Peru and Brazil and several countries in Africa were among countries identified for potential investment.

"These countries have a similar climate which is ideal for oil palm cultivation," he added.

The drive to introduce oil palm cultivation in these countries, he said, was to ensure that palm oil became a principal crop and to ensure a bigger slice of the global market in the oil and fats market.

He said the "development package" would also dismiss criticisms from environmentalists and certain non-governmental organisations against Malaysian companies which have logging interests in South America and the South Pacific.

Dr Lim said oil palm had demonstrated its potential as a cash-rich crop over the past three to four years and had captured 15 per cent of the world oil and fats market.

"Demand for palm oil is expected to reach 125 million tonnes in 2010 from the present 95 million tonnes," he added.

He said oil palm cultivation also had proven advantages compared to other oils.

Besides being an edible vegetable oil, it also supports the oleo-chemical and pulp and paper industries.

Dr Lim, who visited Indonesia recently, said the Government there had temporarily "frozen" new applications by Malaysian investors to enter into palm oil cultivation joint-ventures with Indonesian counterparts.

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