

15 AUG 1998

OLEOCHEMICAL-TAX

PRIMARY INDUSTRIES MAY IMPOSE EXPORT TAX ON RAW MATERIAL FROM OLEOCHEMICAL

KUALA LUMPUR, Aug 15 (Bernama) -- The Primary Industries ministry may impose tax for the export of raw material derived from the oleochemical industry, its minister Datuk Seri Dr Lim Keng Yaik says.

He said this is one of the moves which the ministry may consider so that oleochemical producers would penetrate further into downstream activities.

"I've warned them (the oleochemical producers) that we may impose export tax to force them to go further into downstream activities," Dr Lim, who is also Gerakan President, told reporters after the party's meeting here today.

Commenting on a daily English newspaper report that palm oil derivative product market is yet to be exploited, he said the ministry had set up advance oleochemical centre which was opened by prime minister Datuk Seri Dr Mahathir Mohamad two years ago.

He said those who made comments in the article were the oleochemical producers, who exported oleochemical as raw material.

Oleochemical products derived from downstream processing of palm oil and palm kernel oil have a large variety of end-uses, among others, in the manufacture of soaps, detergents, cosmetics and pharmaceuticals.

Dr Lim said to make consumer end products is not easy and asked whether consumers would opt for local cosmetic products compared with foreign made brand.

"Would you prefer to rub petroleum on your face or to rub vegetable oil called palm oil on your face. What would petroleum do to your face? You would prefer natural vegetable oil products made from olechemical derived from palm oil," he said.

Meanwhile, Dr Lim also urged banks to provide credit facilities for export oriented manufacturers, namely the furniture business to provide them with working capital, "especially if they have orders from overseas."

He stressed that the ministry would look into all complaints and urged the manufacturers to provide them with details of banks (which did not want to provide loan facilities) and the amount of the facilities so that appropriate steps could be taken. -- BERNAMA

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