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Lim-Commodity
COOPERATION CAN SUSTAIN COMMODITY PRICES, SAYS LIM

KUALA LUMPUR, Aug 11 (Bernama) -- Malaysia is confident that the current high prices of commodities like rubber and oil palm can be sustained following the establishment of a mechanism for cooperation among major producing countries.

Primary Industries Minister Datuk Seri Dr Lim Keng Yaik said with the cooperation forged between Malaysia, Indonesia and Thailand, the supply of the commodities in the world market could be controlled to prevent a glut which would bring down prices.

The agreement signed by Malaysia, Indonesia and Thailand in Bali recently to set up a consortium to control rubber price was the best mechanism to regulate its price in the world market, he told reporters after opening the Selangor Gerakan delegates conference here today.

He said the consortium, known as the International Tripartite Rubber Organisation, would serve to market rubber in the world market apart from creating a stockpile if necessary.

"This will benefit some 10 million smallholders in the three countries which produce 70 percent of the world's rubber," Dr Lim said.

Dr Lim said the consortium was formed following the Bali Agreement on Dec 31, 2001 with an initial agreed capital of US\$225 million (RM855 million).

He said the current SMR 20 rubber price was 306 sen per kilo compared to 180 sen per kilo previously, an increase of 80 per cent.

He also said that in conjunction with Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to Bali last Wednesday, Malaysia and Indonesia signed an agreement to stabilise world palm oil prices.

Under the agreement, the private sector of both countries would cooperate in the aspect of supply to prevent prices from plunging, he said.

"I am confident that with the cooperation, the price of palm oil that has risen from under RM700 per tonne to almost RM1,500 per tonne can be sustained," he said.

-- BERNAMA
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