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Time to prepare for our oil, food security

Mustapha Kamil

I HAD lunch with the head of a big oil company last week and among the various topics that cropped up in our casual conversation was Malaysia's oil reserves.

Apparently our reserves will last less than a decade, at the present production rate - seven or eight years tops, according to those in the market. I am not an oilman so I wouldn't know for sure but I do know that nothing lasts forever.

That is not the issue though. Nobody expects oil to gush from our wells till the end of time. I remember when Petroliam Nasional Bhd (Petronas) was incorporated, its officials said our reserves would last for something like 25 years.

And Petronas was incorporated on August 17 1974.

Two days after my lunch date, Petronas chairman Tan Sri Mohd Hassan Marican was quoted in an interview with the World Economic Forum as calling on Asian countries to form a mechanism to stockpile oil.

He reasoned that the region must prepare for the time when Asia becomes a net importer of what is now the world's most strategic commodity.

Mohd Hassan's views seem to be in line with that of the head of the big oil company, and I am certain the Petronas chief knows just how long more our reserves will last.

What he said has to be taken seriously. Even if the other Asean countries hesitate, Malaysia must press ahead to find a way to stockpile oil, at least for our own use.

The main source of world's oil, West Asia, is hardly known for its stability, with the risk of supply disruption almost ever present.

Fortunately, we have quite substantial reserves of natural gas with operations in Bintulu, Sarawak, alone currently contributing about 7 per cent to the nation's gross domestic product.

For comfort, I tell myself that when eventually we do become a net importer of oil, gas could still be bartered for petroleum.

And Petronas has also begun to drill for oil elsewhere in the world.

This brings to mind what Prime Minister Datuk Seri Dr Mahathir Mohamad said in his speech at the Malaysian Agricultural, Horticultural and Agrotourism show 2002 recently.

Dr Mahathir brought up an important security issue. No, not about building a missile system, buying a fleet of battle tanks or hunting down every suspected terrorist.

He was more concerned with the danger of Malaysians going hungry - food security, that is.

While Dr Mahathir had many times asked Malaysians to toil the earth once more, albeit in more modern ways, I cannot remember another time when he related the supply of food to our very survival. Something must have prompted him to do so.

Really, it is not that difficult to appreciate what he said. Just take a look at our food import bill.

In 1985, we bought about RM3.5 billion worth of food from abroad. Last year, we paid a whopping RM13 billion to import food.

The more we import, the more exposed we become to the vagaries of the international market.

Honestly, I don't think we should subject our tummies and appetites to the whims and fancy of other food exporting nations or to what traders at

the Chicago Board of Trade and the New York Commodities Exchange deem appropriate.

Worse still, we could risk being held ransom over the most basic of needs.

But unlike petroleum, there is still ample fertile land that Malaysians can work on. All that is needed is to toil a little.

True, few people are interested in farming these days. But those who are should consider modern farming methods, and use technology in a significant way.

At least on paper, we do have a plan. The Ministry of Agriculture said it will turn Malaysia into a net exporter of food by 2010.

And it was written somewhere that the imports of farm machinery and equipment have more than doubled to RM358 million in 1995 from RM179 million in 1990. These are promising signs.

So let us not forget that security is not just about buying weapons and putting up a sophisticated defence system.

Look around. Some of the poorest and weakest nations on earth are those who rely almost entirely on imports to get by.