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PALMOIL-UKRAINE

ODESSA PORT GATEWAY FOR PALM OIL TO PENETRATE BALTIC AREA

By: R. Ravichandran

KUALA LUMPUR, July 19 (Bernama) -- The potential for more Malaysian palm oil to penetrate Ukraine and its neighbouring areas including the Commonwealth of Independent States (CIS) countries can be further enhanced if exported via the Ukrainian port city of Odessa.

The Black Sea port has immense potential to be a distribution centre for Malaysian palm oil, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, said today.

Dr Lim said that the Black Sea port, which lies in the south of the Ukrainian capital, Kiev, could be used not only as a distribution point for Ukraine, but also for other neighbouring countries and CIS countries, many of whom were landlocked countries.

Ukraine, situated in the south-eastern part of Central Europe, is the biggest eastern European country after Russia covering over 600,000 square kilometres.

It borders the Black Sea, Belarus, Hungary, Moldova, Poland, Romania, Russia and Slovakia.

Dr Lim said the port could be developed to handle the imports of some 400,000 tonnes to 500,000 tonnes of palm oil in future.

Currently, Ukraine, which lies in a strategic position at the crossroads of Europe and Asia, imports about 100,000 tonnes of palm oil.

"I think the potential is great. We can use the Odessa port as a distribution point," Dr Lim, who is also Gerakan President, said after launching the SATU Academy at the party headquarters in Menara PGRM here today.

Dr Lim accompanied Prime Minister Datuk Seri Dr Mahathir Mohamad during his visit to the former Soviet republic from July 13-16.

Dr Lim said Dr Mahathir had the opportunity to tour and have a close look at Odessa port while there and also visited palm oil storage facilities.

"I think Odessa port is a very strategic port, a big and deepwater port. (It) can take in bigger ships," he said.

Dr Lim said that in the past, Malaysia was thinking of getting a suitable place as a palm oil distribution centre to CIS and neighbouring countries, and Bandar Abbas in Iran and Istanbul of Turkey was among the places which were considered.

He said Malaysia had offered US\$10 million (RM38 million) in palm oil credit payment arrangement (POCPA) to Ukraine importers and this would increase Malaysian palm oil imports by Ukraine.

Replying to a question, Dr Lim said Kazakhstan were also given US\$10 million (RM38 million) under POCPA.

"For others, (CIS countries), we will consider it on a case by case basis," he said.

Diplomatic relations were established between Kuala Lumpur and Kiev in March 1991.

The volume of trade between the two countries last year was only US\$83.1 million (RM315 million). -- BERNAMA

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