

Malaysia, China in RM6bil FDI deal

Chinese state-owned companies to work with local firms to produce palm oil products

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KUALA LUMPUR: Malaysia will collaborate in a joint venture with Chinese state-owned companies to produce palm oil products in Malaysia involving an estimated RM6bil in foreign direct investments (FDI), says Datuk Seri Ismail Sabri Yaakob.

The Prime Minister said the Federal Government would continue to encourage FDI in a bid to diversify agricommodity products with high added value.

“For palm products, Chinese state-owned companies will collaborate with local Malaysian companies, as well as the Malaysian Palm Oil Board (MPOB) to produce hydro-treated vegetable oil (HVO) and sustainable aviation fuel (SAF) in Malaysia involving FDI worth RM6bil,” he said at the launching of the Malaysia International Agri-commodity Expo and Summit 2022 yesterday.

Organised by the Plantation Industries and Commodities Ministry, the three-day event will see industry players, researchers and academicians sharing ideas related to the industry.

According to Ismail Sabri, the joint venture was expected to pro-

duce more than 1,000 job opportunities.

“The establishment of the first HVO and SAF factories will be among the main initiatives to drive the country’s palm oil sector towards a high technology and value-added industry,” he said.

“Companies from China (involved) are Shanxi Construction Investment Group Co Ltd (SCIG) and Institute of Coal Chemistry, Chinese Academy of Sciences (ICC-CAS), while the Malaysian companies are Pengerang Maritime Industries Sdn Bhd (Benalec) and Sabah Oil and Gas Development Corporation (SOGDC),” he said.

Ismail Sabri also pointed out that Malaysia’s agricommodity sector remains firm at RM31.6bil as of February despite challenges, including bad weather.

The value of commodity exports increased by 5%, which was RM31.6bil, compared to the same period last year.

“Towards the end of last year, the sector also achieved an export value of RM270.2bil, which is an increase of 39.7% compared to the year before,” he said.

He also noted that emphasis would be placed on the use of materials extracted from commodity waste in the country to drive the



All ears: Ismail Sabri being briefed by MRC chief executive officer Nor Hizwan Ahmad (left) at the Malaysia International Agricommodity Expo and Summit 2022. Also present is Plantation Industries and Commodities Minister Datuk Zuraida Kamaruddin (second from left). — Bernama

circular economy.

This includes making biomass sources one of the main components for producing value-added products.

“This will allow us to emerge as a biomass hub, which is appropriate for the country’s status as the sec-

ond largest palm oil producer and biggest biomass industry contributor,” he said.

He pointed out that Malaysia remains a pioneer in the implementation of digital certification for tropical timber products, known as the Malaysian Timber Certification

Scheme (MTCS), which is recognised worldwide.

“In fact, products from Malaysia had been used in the building of Japan’s National Stadium for the Tokyo Olympics 2020,” he said.

Malaysia, as one of the largest rubber and high quality rubber products exporters, would continue to diversify its products and turn them into high value items, he said.

“I hope that the agricommodity sector will continue to boost the country’s economy and bring stability to the people’s economy,” he added.

On food security, the government realises that the whole world, including Malaysia, are facing challenges due to global economic and geopolitical crises, as well as climate change.

“This development will affect the food chain supply as some countries have stopped exporting food materials for the needs of animal livestock,” he said, adding that the government encourages the use of palm kernel dregs as raw material alternatives for animal feed.

Watch the video
TheStarTV.com

