



GENEROUS: Felda chairman Datuk Dr Yusof Noor presenting a RM3 million mock cheque to Dr Mahathir for the Felda Foundation when the Prime Minister officiated Settlers Day 2001 at Bandar Ketengah Jaya in Terengganu on Nov 10 that year. Standing in the middle is Land and Cooperative Development Minister Tan Sri Kasitah Gaddam.

The Felda success story

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Islam is not spread by battering our heads against stone walls, by obstinacy and foolhardiness and certainly not by arrogance and by force (but) Islam is spread by wisdom and strategy.

— Launching an Islamic seminar, November 1981.

Filmmakers, whether they are producers, directors, script writers (or) actors and actresses, are endowed with such special qualities that they can contribute in one way or the other towards the happiness of their audience.

— At the 27th Asian Film Festival, September 1982.



With Datuk Seri Dr Mahathir Mohamad's vision and foresight, Felda is primed for bigger challenges once it is listed at the end of the year. **RUPA DAMODARAN** writes.

IF IT HAD BEEN THE VISION OF late Prime Minister Tun Abdul Razak to give land to the landless poor, it is Prime Minister Datuk Seri Dr Mahathir Mohamad who had seen to it that the Federal Land Development Authority (Felda) settlers also developed their entrepreneurial skills.

To chairman Tan Sri Dr Mohd Yusof Nor, Dr Mahathir has played a unique role in terms of promoting Felda to become the biggest single producer of palm oil in Malaysia and the world.

Now it has the potential of becoming an international brand when Felda Holdings Sdn Bhd is floated on the Kuala Lumpur Stock Exchange by the end of the year.

It is expected to become among the 10 biggest companies on the bourse, with a market capitalisation of between RM11.7 billion and RM33.7 billion.

A listed Felda will be the biggest integrated oil palm plantation company in the world by market value.

"His sense of farsightedness as to how far Felda — which has been in land development and settlement for five decades — can go in the future is quite overwhelming," said Dr Yusof in an interview with the *New Straits Times*.

"He is looking after the interests of the first generation land settlers and extending further to include their second and third generations."

Felda currently owns 354,554ha of plantation, 72 palm oil mills and six refineries.

In announcing the listing plans for Felda when tabling Budget 2004, Dr Mahathir,

who is also Finance Minister, said that its settlers would have the opportunity to hold shares in the listed entity as members of its investment co-operative and as settlers.

Dr Yusof also praised Dr Mahathir's concerted efforts in promoting palm oil in the international community.

"We're indebted to him as Prime Minister for his effective role in promoting the palm oil industry, especially during the period when US traders and soya bean producers attacked the commodity and downgraded its image," he said, adding that the concerted efforts were further supported by the Primary Industries Ministry and the International Trade and Industry Ministry.

Since 1956, Felda has been doing consistently well locally and has emerged as a market leader in palm oil-based products.

"When I took over in 2000, my focus was based on his advice and foresight.

He hoped to see Felda go into downstream activities as it would supplement the settlers' incomes."

With growing competition from neighbours like Indonesia, which has a bigger oil palm planting area, it was important to stay ahead through downstream activities.

Although this entailed costs, the returns were attractive. Felda has now built a RM160 million fatty acid plant in Sabah.

Fatty acids is in high-demand in the international market. It is used to produce soap.

To date, Felda has 275 settlements

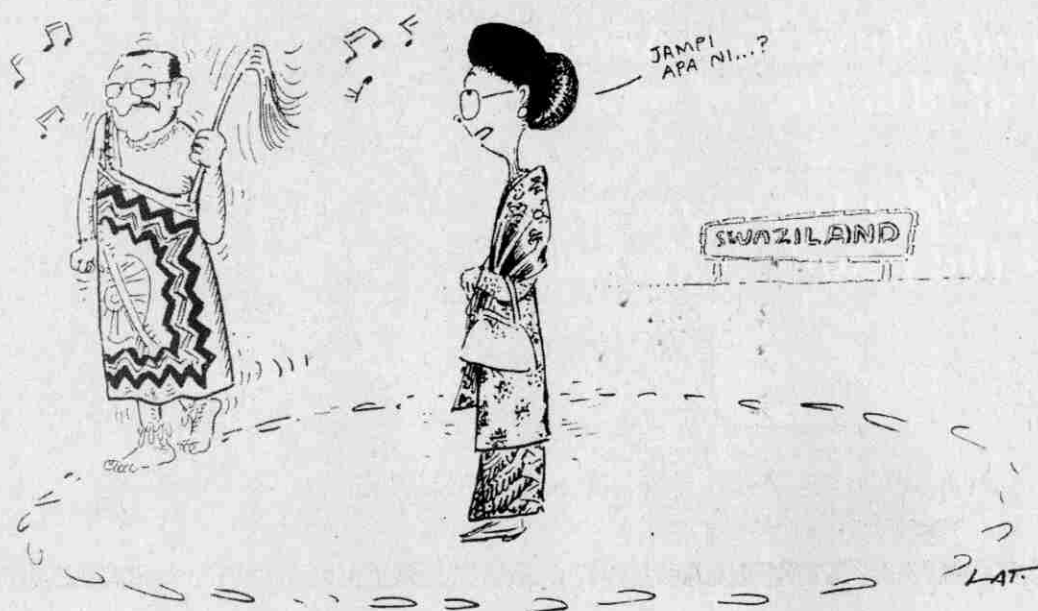
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NEW CORPORATE IMAGE: Felda's office against the backdrop of the Kuala Lumpur skyline



STARTING OUT: Officers inspecting the land





PRECISE

SETTLERS' INTEREST AT HEART: Dr Mahathir and Dr Siti Hasmah at one of the homes

Changing mindset of settlers

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nationwide, 72 mills, six refineries and several bulkers.

Yusof added that the concept of Small and Medium Industries (SMIs) was introduced to develop the settlers' entrepreneurial skills.

"For every mill area, we hope to see one SMI built. That's our intention. We cannot do it overnight but we need to implement it by going downstream fast.

Dr Mahathir, added Yusof, has a great influence over the change in mindsets among the settlers.

"Many a time he has been

talking to them about assistance or *tongkat* which settlers should not be dependent on — the idea was not to criticise. It was sound advice, similar to what a father would dole out to his children."

Strategising is one approach which settlers have learnt in order to cope with the fluctuation in commodity prices.

During the economic crisis, settlers enjoyed good returns, with FFB prices reaching an all-time high of over RM420 per tonne. The incomes of the rubber smallholders also improved tremendously.

Likewise, a disciplined management body is also crucial

in enabling Felda to realise its vision. As such, hands-on, regular visits are common practices of the Felda officers in carrying out their duties.

"His announcement in Parliament reflects his recognition of the good work put in by the Felda management. There are a lot of Government agencies out there but not necessarily all will do well. Felda did."

Apart from stopping the settlers from falling into the rut of complacency, Dr Mahathir has always been keen to see a paradigm shift among settlers.

During the past few months, he spoke of a modern village, a vision to be realised not only by the Rural Development Ministry but also by Felda.

Felda responded by introducing three modern villages in Mempaga (Pahang), Trolak (Perak) and Serting (Negri Sembilan) which have been identified as growth centres.

"With his commitment to Felda over the years, we are en route to a greater success."

■ The writer is a reporter with the NST.

