

Malaysia to aggressively expand palm oil industry: Minister

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Malaysia is to aggressively expand its palm oil industry and Sabah has been right on cue with its palm oil industrial cluster developments, says Minister of Plantation Industries and Commodities Tan Sri Bernard Dompok.

He said the Lahad Datu palm oil industrial cluster (POIC Lahad Datu) and the Sawit POIC in Sandakan were important steps in Malaysia's long-term ambition to remain in the forefront of the global edible oil industry and it must step up efforts to bring in more investors.

"We have to strategise and respond swiftly otherwise Indonesia will move ahead of us," he said, referring to recent plans by the world's largest palm oil producer to develop industrial complexes to encourage large-scale palm oil downstream industries.

Malaysia and Indonesia command some 85 per cent of the world's palm oil production with the latter slightly ahead as the largest producer.

According to a statement issued by POIC Sdn Bhd, here today, Dompok made the remarks at a briefing on state-owned POIC Sabah Sdn Bhd at the Sabah Trade Centre here last Friday.

Also present were Industrial Development Minister Datuk Raymond Tan and Minister of Rural Development Datuk Ewon Ebin, who is also the chairman of POIC Sabah.

The company is developing the 1,150-acre POIC Lahad Datu which has so far attracted 23 investors and about RM1.3 billion investments.

POIC Sabah's chief executive officer, Dr Pang Teck Wai, gave the briefing which was also attended by newly appointed Assistant Minister of Industrial Development Datuk Seri Panglima Michael Asang, the ministry's new permanent secretary Haji Hashim Paijan and senior officials of POIC Sabah, the Department of Industrial Development and Research, and the State Economic Planning Unit.

In the ensuing dialogue, Dr Pang presented Tan Sri Bernard a 'wish list' concerning issues critical not only to the success of POIC Lahad Datu but also the sustainability of the palm oil industrial as a whole.

Among the items on the list were the promotion of palm oil export to Japan and South Korea, two highly industrialised economies conspicuously absent from the list of major palm oil buyers, strengthening bilateral cooperation with Indonesia in combating anti palm oil campaigns and achieving the sustainable status of Sabah's palm oil and mitigating the negative spill-over effects from neighbouring territories allegedly practising unsustainable methods of oil palm development as well as establishing a biodiesel blending depot at POIC Lahad Datu.

Addressing the officers later, Dompok said that one of the surest ways to attracting investors would be to offer them irresistible incentives especially in matters related to land.

"We have to rethink our preoccupation with the concern that we must be paid (market price) for the land and recover the money put into the infrastructure, while fully aware that investors are being put off by high land cost.

"I think it's time we look at it as sunk cost and that by making land available at low cost, or perhaps even free, we can attract investors who bring in money, technologies, create jobs and develop our economy," he added. THE END.