



## Sabah to maximise technology, innovation to boost palm oil sector

KOTA KINABALU: The Sabah government encourages the maximisation of technology and innovation to improve the productivity, competitiveness and development of the palm oil sector, national news agency Bernama reported on sept 12, quoting Chief Minister Datuk Seri Hajiji Noor.

The progress in the palm oil sector and improvement of infrastructure as well as government incentives provide excellent business opportunities for industry players to venture into the palm oil downstream sector, Hajiji said.

In a speech read by Sabah Deputy Chief Minister Datuk Dr Joachim Gunsalam at the Sabah Transfer of Technology (TOT) Exhibition and Seminar in Kota Kinabalu on Sept 12, he noted that Sabah has nine palm oil refineries, with a processing capacity of 7.48 million tonnes per year, while two biodiesel factories are operating to produce 300,000 tonnes of biofuel per year.

Additionally, the state government has developed the Lahad Datu Palm Oil Industrial Cluster (POIC). A 4,000-acre industrial park meant for oil palm-related downstream industries as well as supporting and other industries.

“Construction of the Pan Borneo Highway connecting Sabah, Sarawak, Brunei and Kalimantan, Indonesia would also help enhance connectivity and transportation efficiency, including for oil palm products.

“Besides, the Indonesian capital’s move to Eastern Kalimantan would create economic spill-overs to Sabah,” he said.

For this reason, Hajiji said, the Sabah government has allocated RM65.97 million to the Industrial Development Ministry, including the Department of Industrial Development and Research to empower the state's industrial sector development.

Under the 12th Malaysia Plan, a total of RM116.67 million has been allocated to Sabah’s Industrial Development Ministry to cater to development needs in the Kota Kinabalu Industrial Park, the Lahad Datu POIC, and the Sipitang Oil and Gas Industrial Park.

Meanwhile, the chief minister noted that the collaboration between the ministry and the Malaysian Palm Oil Board (MPOB) in organising the TOT Sabah 2022 provided opportunities for entrepreneurs and investors to venture into commercialisation in the downstream palm oil sector.

The commercialisation opportunities include the formulation of food products, oleochemical and biomass products, as well as green energy produced by refineries.

“I am confident that the involvement of local companies in the commercialisation of technology in the palm oil industry will generate revenue, and contribute to the

development of the entire industry," he said.

Hajji added that the development of an oleochemical factory poses huge potential as far as the downstream sector development is concerned, since there are none in Sabah and Sarawak.

Apart from having no competitors in Sabah, investors in the oleochemical sector could also be assured of consistent supply of raw material in the form of palm oil, which is more environmentally friendly, at a more competitive cost compared to other raw materials, especially petrochemicals, he said.

He also noted that two Sabah-based companies have partnered with the MPOB to produce value-added oil palm-based products.

The joint venture between the MPOB and Sabah Softwoods Hybrid Fertiliser Sdn Bhd resulted in the production of the GanoEF bio-fertiliser to control Ganoderma disease in oil palm.

The other was a joint venture between the MPOB and the Sabah Sustainable Oil Palm Planters Cooperative Consortium to commercialise the technology of oil palm-based cleaning products for the first time in Sabah.

"It opens up opportunities in the development of oleochemicals through the production of basic elements for cleaning and personal care products, as well as industrial for the local and export markets," he said.

Hajji added that the Sabah government's door is always open to domestic and foreign

investors, as well as those interested in building a win-win partnership between the public and private sectors, particularly in the commercialisation of oil palm-related technology.