

National Day of Malaysia



MESSAGE

from H E Ahmad Fuzi bin Haji Abdul Razak
High Commissioner of Malaysia in Bangladesh

Bismillahrahmanrahim

Assalamualaikum Warahmatullahi Wabarakatuh.

Today is the 35th Anniversary of Malaysia's National Day. It is a day of joy and pride with celebrations held nationwide by Malaysians of all races. August 31st, 1957 marked an end to British colonial rule and the beginning of the country's political independence.



Blessed with abundant natural resources, wise planning, effective and reliable administration and more importantly, political leaders with courage and vision, Malaysia today is a success story. The attainment of impressive economic growth with equity within the context of an unparalleled socio-economic engineering programme has made Malaysia a unique model amongst developing countries. Insha Allah, with the successful implementation of the current National Development Policy the year 2020 would see the complete transformation of the country in to a fully developed nation with an enviable degree of social justice, moral and ethical values, political sophistication, administrative efficiency and

economic independence.

As we celebrate this joyous occasion, our fondest regards go to the people of Bangladesh with whom we enjoy close and brotherly relations. Malaysia appreciates the determination and drive of the Government of Bangladesh under Prime Minister Begum Khaleda Zia in striving for the economic prosperity of the country by undertaking programmes aimed at poverty alleviation, population control and the increase in literacy whilst giving democracy an institutional shape.

At the international level, Malaysia and Bangladesh share similar, if not identical, views on many regional and international issues of common concern. Our constructive participation in various fora and membership of major international organisations including in particular, the Organisation of the Islamic Conference and the Non-Aligned Movement have brought us together in close contact and collaboration in the pursuit of the principles and objectives for which the two countries are deeply committed.

At the bilateral level, significant progress has been achieved since the establishment of diplomatic relations in 1972 in consolidating relations between the two countries. The conclusion of several bilateral agreements has provided the framework within which mutually beneficial cooperation was successfully pursued. The August 25 signing of the Economic and Technical Cooperation Agreement during the visit to Bangladesh of H E Datuk Abdullah Haji Ahmad Badawi, the Minister of Foreign Affairs of Malaysia to establish a Joint Commission at the Ministerial level would hopefully usher in a new phase of bilateral consultations covering all fields including trade and investment to the benefit of both countries. I am confident that, given the commitment and seriousness of purpose of both sides, more progress would be achieved in the years ahead.

Malaysia-Bangladesh Relations Zindabad
Wassalamualaikum Warahmatullahi Wabarakatuh.



Prime Minister
Dato' Seri Dr Mahathir Mohammad

search activities can be classed into production/agricultural, economic, market development studies and techno-economic feasibility studies of new technologies, new products and by products. World demand-supply and price relationship of the oils and fats and meat sector, which are continuously changing under the dynamic situation prevailing in the industry, are also analyzed.

Technical advisory officers visit key organizations and personnel concerned with importing and utilization of palm oil to provide them with up-to-date technical and commercial information on palm oil products. They also assist in overcoming technical problems and entertain enquiries related to palm oil products. In addition, it is also important to identify potential problems and constraints to the utilization of palm oil and conduct necessary research and demonstrations to enhance greater utilization of palm oil.

As an important producer of palm oil, it is incumbent upon Malaysia to ensure the continued support of its products. PORIM's TAS can be considered the pre-and after-sale service arms of the Malaysian palm oil industry. In addition to the traditional markets, PORIM's TAS has also helped open up new and unexplored markets.

The task of opening markets is not easy and it involves convincing people on the technical suitability and economic attraction of using palm oil. And given the multilateral uses of palm oil the task becomes even more challenging. What are the uses of palm oil?

Uses of Palm Oil

Palm oil is a very versatile oil with a range of distinctive properties which enable it to meet the technological requirements for formulating fat based products.

By fractionating palm oil, its uses are further widened.

Hydrogenation and inter-esterification increase its usage even further especially in making specialized and sophisticated edible products.

Palm oil is derived from the mesocarp of the fruit of the oil palm species, *Elaeis guineensis*. Palm olein is the liquid fraction obtained by fractionation of palm oil after crystallization at a controlled tem-

perature. The physical characteristics of palm olein differ significantly from those of palm oil and it is available in a wider range of fatty acid and triglycerides compositions. Palm stearin is a very useful source of fully natural hard fat component products such as shortening, pastry margarine, vanaspati, etc.

Some of the edible and non-edible uses of palm oil and its products are as follows:

Edible Uses

MARGARINE: Malaysian palm oil is most suitable for the manufacture of margarine. It has the correct consistency in making margarine and it does not turn rancid easily. Palm oil, whether in the form of hydrogenated palm oil, palm olein or stearin are all useful ingredients for margarine and they seldom require hydrogenation.

Hydrogenation is an energy intensive and expensive process. It also produces unnatural fatty acid isomers which are receiving a lot of attention from nutritional research workers.

FRYING FAT FOR FAST FOODS: The production of a number of convenience or snack foods such as French fries or potato chips, instant noodles and doughnuts involve a frying operation as one of the processing steps.

The deep-frying medium in these operations is subjected to fairly severe conditions, since it is kept hot throughout the production period and for sometime afterwards. Consequently, some deterioration of the oil or fat used is inevitable. An unsaturated liquid oil oxidizes too rapidly for such use, unless has been hydrogenated. In this regard palm oil or palm olein, with its good physical properties and oxidative stability, is a more stable and cheaper material to use.

SHORTENINGS: Malaysian palm oil in combination with some palm stearin can also be used to produce shortening of excellent quality and wide application. Palm oil shortening has been found to be very suitable for making bread, cakes, pastries, cream and sweets as well as for frying.

Palm stearin has proven to be an excellent ingredient for making non-hydrogenated puff-pastry shortenings. Shortenings normally consists of oil

The Privatisation Master Plan

Malaysia's privatization policy was announced as a national policy by the Government in mid 1983. Together with the Malaysia Incorporated Policy, it represents a radical shift from the 1970s when the Government participated actively in a number of economic activities. These two policies are aimed at stimulating the growth of the private sector and to improve the overall efficiency in the economy in line with the role of the private sector as envisaged in the Sixth Malaysia Plan and the National Development Policy. The privatization policy is based on the premise that the transfer to the private sector of activities and functions which have traditionally rested with the public sector will bring about positive changes in the organisation, management and performance of the public enterprise. The economic rationale for privatization rests on the conviction that the private sector, because of the motive for profit maximization, will strive for the optimum use of resources and hence promote efficiency and productivity. The private sector is also better able to attract and mobilise skilled talent because the constraints on public managers are greater than those of private managers given the rigidity of the bureaucratic structure.

Privatization in the Malaysian context is defined as the transfer to the private sector of activities and functions which have traditionally rested with the public sector. The definition applies to enterprises already owned by the Government and to new projects which would normally have been implemented by the public sector. In effecting such transfers, three components are involved namely management responsibility, assets and personnel.

OBJECTIVES

The objectives of privatization are to—

i) Relieve the financial and administrative burden of Government; Privatization would

continue to be aimed at relieving the financial and administrative burden of the Government in undertaking and maintaining a vast network of services and investments in infrastructure.

ii) Improve efficiency and productivity: Privatization is expected to improve efficiency and productivity of economic activities. Efficiency would be promoted through several means including the introduction and enhancement of competition, freeing of Government enterprises from political supervision and civil service rigidities, and the introduction of employee incentives.

iii) Facilitate economic growth: An important consideration behind privatizations is to achieve higher growth. In the context of achieving this objective, privatization would provide opportunities for the private sector to increase its role in development. The commercial and profit orientation of the private sector is expected to provide the thrust for further growth. Through higher efficiency and profits, the Government would be able to gain additional revenue particularly in the form of corporate taxes to finance projects not amenable to privatization.

iv) Reduce the size and presence of the public sector in the economy: The gradual disengagement of the Government from economic activities

through privatization would result in reduction in the size of the public sector, thus allowing the economy to be increasingly led by the private sector.

v) Help meet the national development policy targets: By enhancing the growth prospects of the private sector, privatization will provide opportunities for achieving further progress towards the fulfillment of the national development policy objectives especially in respect of restructuring the ownership pattern in the economy.

FOREIGN PARTICIPATION

Foreign participation in the privatization programme can be considered particularly where foreign expertise is needed, where the supply of local capital is insufficient to absorb the shares offered and where the nature of business requires global linkages and international exposure. Foreign participation in a privatized entity is limited to a maximum of 25 per cent of its share capital.

REVIEW OF THE PROGRAMME

Malaysia is relatively advanced in the implementation of its privatization programme. Since the announcement of the privatization policy by the Government, 54 projects have been privatized. These projects are shown Appendix 1. Of the total, 40 of these represent...

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An interior view of Proton Saga car factory

THE phenomenal growth achieved by the Malaysian palm oil industry in recent years may be attributed in no small measure to the success of research and development (R & D). The commodity is now imported by more countries than ever. Its production continues to rise. While the premier quality of the commodity is recognized worldwide thus making it possible for Malaysia to export 90% of its production. Malaysia's faith in its R & D programme has always been strong. Spearheading the R & D in palm oil is the palm Oil Research Institute of Malaysia, better known by its acronym PORIM. Being the national R & D arm of the industry, PORIM pursues research and development in active collaboration with other private agencies. Together they provide the level of technology and services required by the palm oil industry.

The 1970s saw an exponential expansion in oil palm cultivation and consequently a rapid development of the refining industry. The Government and the industry therefore realized there was a need for a central and specialized institute to coordinate R & D for oil palm.

Established in 1979, PORIM undertakes various programmes of research in all aspects of oil palm/palm oil and renders technical advisory services to all sectors of the industry, viz growers, millers, refiners and to end users worldwide.

It is PORIM's mission to enhance and support the well-being of the palm oil industry in Malaysia in all aspects of its activities through research, development and services.

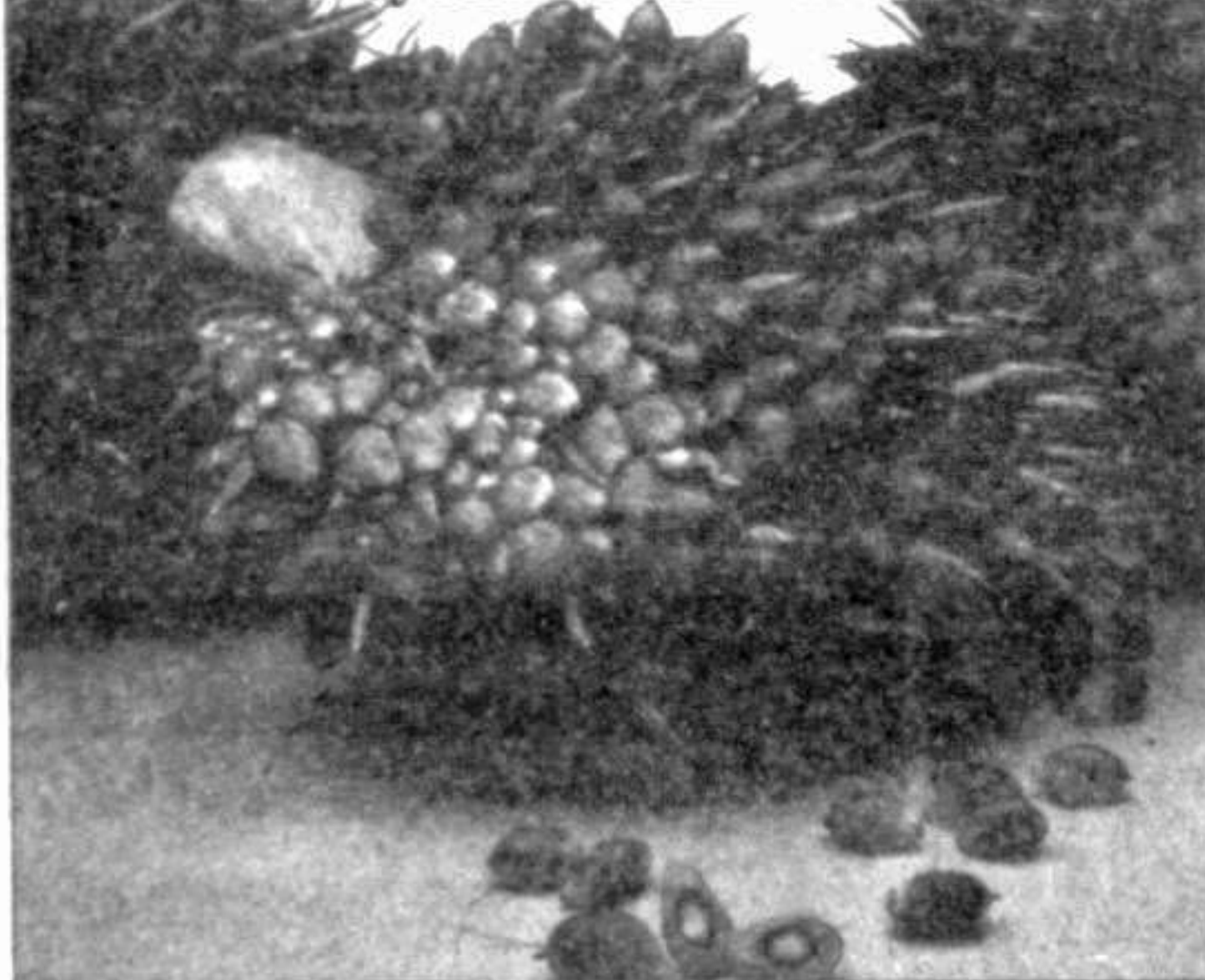
PORIM's corporate objectives are: to expand and improve current uses of palm oil products; to find new uses; to improve production efficiency and quality of products; to promote the use, consumption and marketability of palm oil products.

Research Activities

Despite the achievements to-date, PORIM is not resting on its laurel. It is still pursuing both fundamental and applied aspects of R & D with undiminished vigour. PORIM's comprehensive research programme covers almost all aspects of oil palm and palm oil. In areas where expertise is not immediately available, research projects are either con-

PORIM and the Palm Oil Industry

by Mohd Nasir Basri



tracted out to other institutes both within the country and overseas or collaborative projects are established to complement PORIM's efforts.

Research programmes are frequently reviewed and modified in consonance with industry requirements and priorities. Research activities in biology are devoted to various aspects of crop management with the objectives of increasing production and improving the quality of palm oil while at the same time aiming at reducing cost of production. Research efforts in this field are also geared towards solving problems in the oil palm industry as well as to develop new technologies. The areas of research are agronomy and crop

nutrition; plant breeding and genetics; plant protection; farm mechanization; by-product utilization; extension; physiology; vegetative propagation; and biotechnology.

In Chemistry and Technology, research topics embrace investigation in the chemistry; physics; engineering technology and end-use aspects of palm oil, palm kernel oil and their products. And more recently, emphasis has also been placed upon finding the heretofore hidden nutritional virtues of palm oil.

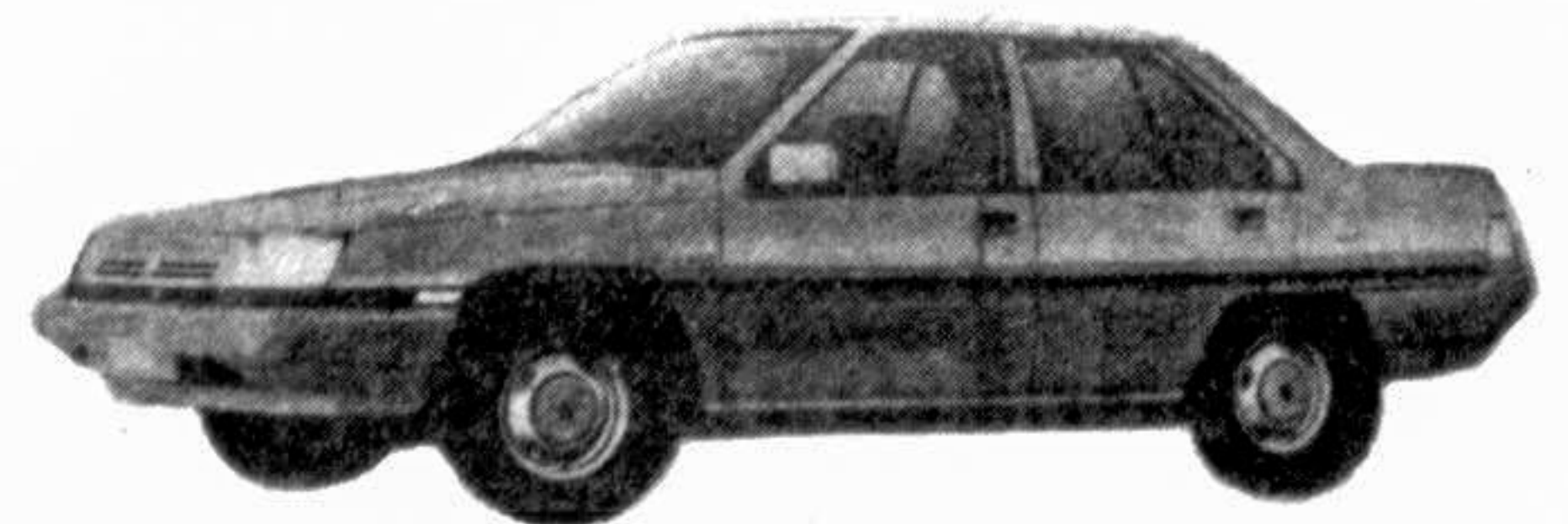
In addition to the R&D, techno-economic studies and Technical Advisory Service (TAS) are two complementary lines of activities of PORIM. The techno-economic re-



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