

PRESS RELEASE

State-owned POIC Sabah Sdn Bhd is determined to make a success of the waste to wealth' philosophy in the mass utilization of oil palm biomass.

The company, which is responsible for the development of the Lahad Datu palm oil industrial cluster (POIC Lahad Datu) since 2005, signed a memorandum of understanding on the Joint Development of EFB (Empty Fruit Bunch) Treatment in the state of Sabah with Kuala Lumpur-based Global Green Synergy Sdn Bhd (GGS) to boost up-take of value-adding industries using oil palm biomass.

GGS is in the forefront of biomass utilization in Malaysia. It has been exporting fibres from empty oil palm fruit bunches and is involved with Malaysia Palm Oil Board in a pilot project in Perak to produce pellets from palm fibres and palm kernel shells. It has also invested in producing renewable energy from palm oil mill effluent.

The collaboration with GGS is POIC Sabah's continuing effort to realize the billion-ringgit economic potential in oil palm biomass. The company had earlier this year initiated a scheme to procure 300,000 tons of biomass per year to ensure supply security for investors.

The signing in Kuala Lumpur on Thursday (Aug 25) bound both parties to:

- jointly develop a feasible process and mechanism for the pre-treatment of empty fruit bunches in Sabah.
- promote and develop the pelletizing technology to enhance the operations of palm oil mills in Sabah
- promote and stimulate biomass investment opportunities in Sabah.

Datuk Dr Pang Teck Wai, chief executive officer of POIC Sabah and Director of POIC Trading Sdn Bhd, said the market for renewable feedstock such as fuel for power generation or fibre for household beddings and furniture can clearly be seen in the millions of tons ordered by Europe and Japan.

He sees the biomass sector growing to take centre-stage along with palm oil as the world's hunger for resources intensifies.

He likens it to soya beans which were originally cultivated as a raw material for animal feed. Soybean oil which was then considered a by-product is today a strategic commodity and one of the most important vegetable oils in the world.

"The potential economic benefits which can be derived from oil palm biomass are just waiting to be maximized," Dr Pang added.

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