



## New biomass plan awaited as Sabah contemplates

KOTA KINABALU Sept 20, 2023 — Malaysia is drafting the National Biomass Action Plan 2022-2030 in line with the National Energy Transition Roadmap.

Deputy prime minister, who is also the minister of plantation and commodities, Datuk Seri Fadillah Yusof said biomass played an important role of biomass as nations around the world pursue the circular economy of resource optimisation and renewable energy.

“Therefore, we will set up one-stop centres to collect oil palm biomass and the raw material will be processed into bio-fertilisers, animal feed, energy generation and other value-added products,” a Bernama article quoted him as saying when winding up the debate on the Mid-Term Review of the 12th Malaysia Plan (12MP) in Dewan Rakyat on Sept 18.

He said the initiative is one of the country’s new sources of income.

The new plan was to have been unveiled in July. It appears to be an attempt of the government to devising a programme to replace the National Biomass Strategy (NBS) 2020 which was launched in 2011.

NBS2020 had envisaged that the utilisation of oil palm biomass could add RM30 billion to the Gross National Income (KNI). It also saw Sabah, which at that time had the highest hectareage of oil palm in Malaysia, as the national hub for second generation biofuel, which uses biomass as feedstock.

NBS had largely failed to achieve its target. In Sabah, most biomass power plants have closed or are struggling because of the unsteady supply of biomass and fluctuating price.

The Sabah government meanwhile is also looking into drafting a state biomass plan which is understood to include also the setting up of biomass collection centres.

Oil palm biomass generally refers to fresh fruit bunches (FFBs), mesocarp fibres, palm kernel shells, oil palm trunks and palm oil mill effluent (POME) Except for trunks which become available in the plantations when replanting takes place, the other four types of biomass are produced at oil palm mills. There are about 130 mills in Sabah with processing capacities between 45,000-120,000 metric tons of fresh oil palm fruits.

Meanwhile, on the issue of palm oil cess burdening the palm oil industry, Fadillah said the ministry is aware of the windfall tax imposition on the palm oil industry.

“However, the ministry is carrying out a study on the taxation of the palm oil industry and hopes that it will be completed next year. This matter was also discussed with the Ministry of Finance,” he said.

Besides that, he said the ministry also took seriously the issue of threats from the European Union (EU) and its implications for the palm oil industry.

He said various actions have been taken to ensure the palm oil industry is not affected, including intensifying efforts to have the EU recognise Malaysian Sustainable Palm Oil (MSPO) certification as a key condition for compliance with the European Union’s EU Deforestation Regulation (EUDR).

“To demonstrate Malaysia’s commitment to produce palm oil according to sustainable principles and criteria under MSPO, KPK through the Malaysian Sustainable Palm Oil Certification Council is improving the certification through MSPO 2.0,” he added. (adapted from a Bernama report)