

Headline **Agro-Bio banks on technology**
Date **24. Apr 2009**
Media Title **The Star**
Section **StarBiz**
Circulation **293375**
Readership **1026812**

Language **ENGLISH**
Page No **4**
Article Size **267** cm2
Frequency **Daily**
Color **Black/White**
AdValue **4863.78**



Agro-Bio banks on technology

Pact with FRIM to enhance product recognition

HANIM ADNAN

KEPONG: Agro-Bio Fibre Sdn Bhd. (ABF), a pioneer in medium density fibreboard (MDF) made from 100% oil palm empty fruit bunch (EFB), is keen to market its technology to palm oil millers in Malaysia, Indonesia and Papua New Guinea (PNG).

Chairman Datuk Seri Tai Hean Leng said the company would sell its EFB processing equipment and help set up MDF plants for the existing 434 palm oil mills in Malaysia and over 300 mills in Indonesia and PNG.

ABF, which holds the patent for EFB-based MDF products, has invested over RM30mil over a period of 10 years to perfect its technology and processing equipment with the assistance of the Forest Research Institute of Malaysia (FRIM).

Yesterday, ABF signed two memorandums of understanding (MoUs) with FRIM to undertake a study on EFB materials for high-density

fibreboard manufacturing and to obtain the Clean Development Mechanism carbon project under the Kyoto Protocol to recognise the use of EFB to conserve carbon emissions that help generate carbon emission reduction units that can be sold to developed countries.

Tai told reporters after the signing ceremony, witnessed by Natural Resources and Environment Minister Datuk Douglas Unggah Embas, that there was a big market for EFB MDF among furniture manufacturers worldwide.

"Currently, most furniture makers are using rubberwood MDF but the scarcity of rubberwood has made the raw material more costly. I believe that EFB is an ideal raw material substitute to rubberwood," he said.

Tai said there were about 23 million tonnes of EFB annually left decaying in local oil palm estates that could be converted into premium MDF of about 2.3 million cu metres annually with a commercial value of over RM1.8bil.

"By setting up more EFB-based MDF plants

in Indonesia and PNG, which also have abundant EFB, we believe this can generate foreign exchange revenue of over RM3bil in the next five years for Malaysia," he added.

For ABF, Tai said the company was targeting RM20mil in revenue this year from a mere RM3mil previously, based on its EFB MDF sales mostly to local furniture manufacturing outfits.

"We plan to increase our production capacity by 30% at our MDF plant in Gemas and will likely invest RM3mil to RM4mil for this expansion," he added.

Meanwhile, Embas commended the FRIM-ABF collaboration, saying that the effort to convert EFB into value-added products was timely. FRIM chairman Datuk Suboh Mohd Yassin described the collaboration as an excellent example of joint government and private sector initiative in R&D of forestry resources.

So far this year, FRIM has signed eight MoUs with the private sector for various collaborations compared with 25 MoUs last year.



Datuk Douglas Unggah Embas (left) being briefed by FRIM deputy DG (research) Datuk Dr Rashid Abd Malik