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# Money growing on trees

The Forest Research Institute Malaysia (FRIM) Act 2016 will pave the way for our forest products to enter the global market, with revenue set to drive conservation research.

By **CHRISTINA CHIN**

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THE country has lost billions of ringgit in revenue because our forestry products couldn't be commercialised.

Citing an example, Forest Research Institute Malaysia (FRIM) director-general Datuk Dr Abd Latif Mohmod shares how it received a mere RM80,000 last year in patent royalty payments while companies that use their products and technology earn millions in sales.

But the institute's fortunes are about to change with the FRIM Act that came into force yesterday.

It's expected to rake in 10 to 15 times more money in revenue for FRIM, which Dr Abd Latif says will be channelled back into forest research and conservation activities, the community, and nation building.

Recalling how he ended a collaboration with a company that had made over RM1.5mil in yearly sales of mangosteen skin juice, Dr Abd Latif fumes at how FRIM was only paid RM400 despite the juice's popularity.

"That's why I stopped them from selling it two years ago. We got so little money from the licensing technology agreement but we're the ones extracting the juice from the skin. It's our hard work."

The Act, he says, is a long time coming - 10 years to be exact. It's a piece of legislation he's been pushing for since 2006.

Explaining its necessity, he shares how the institute was previously under the Primary Industries Ministry (now known as the Plantation Industries and Commodities Ministry), and governed by the Malaysian Forest Research and Development Board (MFRDB) Act.

But since its move to the Natural Resources and Environment Ministry, FRIM's role changed. It was tasked with promoting sustainable management and optimal use of forest resources via research, moving away from primary industries.

FRIM found itself limited by an archaic law despite a shift in its role, functions and responsibilities.

With the new Act, FRIM has finally come into its own.

The Act lets FRIM carry out its R&D on pressing issues in the forestry sector, and use the revenue from commercialisation of its products and services to finance projects. This will allow the institute to generate 30% of its total operating costs by 2020.

Before this year is up, FRIM plans on getting its business arm off the ground. So instead of just providing technical services, it can negotiate contracts via a newly set up subsidiary or business arm.

"We can't do everything for free. Businesses approach us because they know we're good but we aren't compensated fairly for the value of our work.

"Many have asked us to be their joint-venture partners but we couldn't previously because the MFRDB Act didn't allow commercialisation. As a result, we got RM10,000 in royalty instead of RM1mil if we'd partnered with the company. Imagine how many other research projects that money would have funded."

The RM20mil FRIM gets from the Government for its management and operational expenses isn't enough. Research, he points out, isn't cheap.

The Cabinet, at every Budget, he says, stresses the need for patents and the commercialisation of R&D. With its technical expertise and huge data collection, FRIM is sitting on a gold mine.

The institute's herbarium contains 300,000 specimens collected from all over the country in collaboration with forestry departments, universities and other agencies. These specimens are documented and carefully stored for reference, research and conservation.

Yet, years of championing the environment hasn't translated into cash.

Dr Abd Latif explains that when Datuk Seri Dr Wan Junaidi Tuanku Jaafar was made Natural Resources and Environment Minister last year, he saw the urgent need for the FRIM Act - and he pushed hard

to get it passed.

"This is not just for FRIM - it's for Malaysia. We must be recognised

as owners of our R&D. Our R&D should be to generate funds for the Government. FRIM cannot depend on the Government for everything. And once we start making a profit, we can pay our scientists better."

Testing of forestry products and certification of their sustainably managed origins is an issue today, especially if Malaysia is looking to export. The Act allows FRIM to test and certify forest products to ensure that they meet international standards - a very important function, says Dr Abd Latif.

Recalling how rubber trees were previously either thrown away or burnt, he shares the story of FRIM's achievement: "When the European Union required all imported wood to be chemical-free, we came up with the technology for our rubber wood to comply. We are the only country in the world holding a patent for this. It made Malaysia popular. Rubber wood is now a RM7bil industry.

"Our R&D clearly has potential. And with successful commercialisation, we can do even more."

The Act not only allows the institute to be a touch point for industry but it also brings research to the rakyat. FRIM now also provides training, testing and technical services for local herbal entrepreneurs.

"So if the orang asli have a herbal concoction to treat an illness, we'll help study the plant and its healing properties. So when it's commercialised, they'll receive their dues."

But FRIM, he assures, won't be distracted from its research functions. In fact, its scope for research has expanded to include pressing global issues like climate change, ecotourism, reforestation, and biotechnology.

"When the upcoming biodiversity law for environmental protection is tabled next year, FRIM will play a big part in the conservation

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process because we know the forests like the back of our hand," Dr Abd Latif says with a glint of pride.



**New role:** With its move to the Natural Resources and Environment Ministry, FRIM has diverted from primary industries to promoting sustainable management and optimal use of forest resources via research. — FAIHAN GHANI/The Star



**Dr Abd Latif:** 'Businesses approach us because they know we're good but we aren't compensated fairly for the value of our work.'



**Treasure trove:** FRIM's herbarium contains 300,000 specimens which are documented and carefully stored for reference, research and conservation.