

Leveraging on palm oil innovation

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VIEW

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AT THE opening of Sabah's first palm-pressed fibre oil extraction plant in the once-thriving timber town of Keningau last week, the state's Minister of Industrial Development Datuk Raymond Tan Shu Kiah imparted some valuable lessons in value-adding and leveraging on new technologies as sources of generating wealth.

Using the example of how Penang-based Eonmetall Group Bhd has helped Malaysia gain a foothold to lead in palm oil innovations by developing and holding the patent on palm pressure fibre oil technology, Tan inspired confidence among those present at the event — that Sabah can now tap technology by turning waste into "gold".

For a town like Keningau, which once rode the logging boom until the late 1980s when its timber resources were depleted, the fact that palm oil estates have appeared in some parts recently should help the local economy.

The extraction technology developed by Eonmetall is used to recover 5 per cent residual oil content from palm-pressed fibre. This oil is traditionally used as boiler fuel in more than 420 palm oil mills dotting the country.

Eonmetall last Thursday delivered the extraction plant to Kim Loong Oil Mill, which is being viewed as a stepping stone to tap Sabah's estimated 122 palm oil mills.

Kim Loong is no stranger to maximising profits by extracting values out of crude palm oil (CPO) and palm oil mill wastes.

Its palm oil mill in Johor is being touted as the first registered methane emission re-

duction clean development mechanism (CDM) project in the world for biogas generated from palm oil mill effluents.

The company's first solvent extraction plant in Johor, which was also developed by Eonmetall, serves as what is believed to be the world's first.

From the time the Johor facility was commissioned in September 2007 to July this year, the facility has produced a total of 4,513 tonnes of solvent-extracted red palm oil worth a total of RM11 million, which would have otherwise been burnt and lost in the boilers of a conventional palm oil mill.

Malaysia and Indonesia are expected to jointly produce an estimated CPO output of 37 million tonnes this year.

Kim Loong Resources Bhd's group executive chairman Gooi Seng Lim notes that if the palm fibre oil extraction technology can be successfully implemented in both countries, there is a

potential for 925,000 tonnes of red palm oil that can be recovered.

And the total value of the red palm oil at today's price of RM2,700 per tonne would translate into a whopping revenue of RM2.5 billion.

With the unleashing of the palm fibre oil extraction technology, the number of downstream applications which can be developed is countless and not limited only to palm oil entrepreneurs, but other industries as well.

The field is now wide open for Malaysia's palm oil mills to step up the value-chain in providing millions of tonnes of palm oil and oil-palm biomass for value-added downstream activities.

Innovation has always been the trademark of successful entrepreneurs and what better way is to turn "useless into useful" while sparing the environment in the process.