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ENCOURAGING RESPONSE AT BIOMASS SEMINAR

Interests in business opportunities in oil palm biomass among Sabah industry players appeared on the uptrend if attendance at a recent seminar in Tawau was any indication.

Active promotion of biomass downstream has been on-going for the past 4-5 years. There is much investor interests backed by mature technologies as well as market demand for finished products. However, progress has been slowed largely due to the issue of long-term supply of raw materials and, for local entrepreneurs, the challenge in raising large capital needed for producing high-value biochemical.

But investors now have wider options in lower capex investments such in producing pellets from empty fruit bunches, energy by methane-trapping (at oil palm mills) and exporting fibre.

More than 100 business people registered for the one-day Seminar on Business Opportunities in Palm Oil and Palm Biomass Downstream on June 27 organised by the Tawau Chinese

Chamber of Commerce, and supported by POIC Sabah Sdn Bhd and the biomass focus group of the Accredited Chinese Chamber of Commerce and Industries Malaysia (ACCIM).

Tawau Chamber President Lo Su Fui said organisers had expected 60-70 persons based on initial indications. "We had to make last-minute arrangement at the venue to accommodate the sudden influx."

Biomass is among the raw materials leveraged by Malaysian authorities to develop the bioeconomy potentials. Oil palm biomass alone is estimated to have a potential of adding RM30 billion to the country's gross national income by 2020.

Sabah, with about 1.5 million hectares of oil palm, has been identified as the national hub for the development of second generation biofuel (i.e. from biomass) and high-value oleo derivatives.

POIC Sabah, owned wholly by the Sabah government, is developing the 3,500-

acre palm oil industrial cluster at Lahad Datu (POIC Lahad Datu) to develop downstream industries with crude palm oil and oil palm biomass.

"Our company has been trying to generate interests among local oil palm players in investing in biomass downstream," said Rose Pun, senior manager of marketing at POIC Sabah. "We used to receive lukewarm responses but this time it is totally beyond our expectations."

The enthusiastic response has strengthened POIC Sabah's optimism that Sabah-based oil palm companies are warming up to the prospects of developing oil- and biomass-based value-adding.

"Our big plantation areas and the 130-plus oil palm mills produce enough raw materials previously considered wastes, and there are now all sorts of technologies to convert these wastes into wealth," Ms Pun said on the side-line of the seminar.

The seminar kicked off with a passionate plea from Tan Sri Dato Soong Siew Hoong to industry players to pick up the pace in investing in biomass downstream.

"Stop belly-aching," the 90-year-old veteran industrialist urged. Soong is the chairman of ACCIM's international trade and industry working committee. He initiated and leads the road show that is moving around the country and neighboring countries to promote biomass utilization.

Nine papers were presented. They were:

- Overview of bio-based industry potentials in Sabah – by Malaysian Biotechnology Corporation
- Government legislation, objectives, action plan, incentives, grants and financing for biomass industry – by Malaysian Investment Development Authority
- Investment opportunities in POIC Lahad Datu – by POIC Sabah Sdn Bhd
- Unveiling biomass and ethanol extraction – by Teck Guan Group
- Business opportunities in palm biomass downstream – by Global Green Synergy
- Utilisation of biomass and palm oil mill effluent for the generation of biogas, biofuel and electricity – by Green Energy Resources
- New technology for extraction of oil residue from mesocarp and palm oil value-add downstream industry – Econchem Technology Sdn Bhd
- China market: current situation, development biomass pellets standard and import requirement & procedure – Beijing Windbell Technology Co Ltd
- Potential project funding - by Malaysia Debt Ventures Berhad.

Sabah's oil palm industry produces about 20 million dry tons of biomass per year. These biomass include trunks and

fronds from the field, and EFB, mesocarp fibres, palm kernel shells and palm oil mill effluent (POME) from the mills.

Fronds, cut during harvesting of fresh fruits, are left in the field. Some plantations turn fronds into animal feed. There is a growing interest to use fronds to produce pellets.

Trunks become available when oil palm trees over 25-years old are felled. Though considered timber grade, trunks are more often than not simply chopped (with slicer attached to a tractor bucket) and left on the field.

Most oil palm mills have boilers to generate electricity they required by burning a combination of EFB, palm kernel shells and mesocarp fibres. More and more mills are beginning to trap the methane produced in the POME to generate power, thus freeing EFB, PKS and mesocarp fibres for other more profitable uses such as bioethanol and biochemicals. These are areas the Tawau seminar attempted to highlight.

Dato Joseph Lim of Global Green Synergy spoke of immediate demand in China for large volumes of fibre from EFB for use in the manufacture of erosion control mats needed in vast desert areas.

Goh Kee Seng whose Penang-based company EonMetall Technology has a patented process in extracting residue oil from oil palm waste, encouraged millers to consider that loss of crude palm oil in mill wastes amounts to over RM2 billion per year.

He lamented that only a fraction of the 400 over mills in Malaysia employs oil recovery technologies.



"Come on board" - Tan Sri Soong welcomed industry players



"Immediate demand for fibre in China" - says Dato Joseph Lim



"Growing interest in biomass", says Rose Pun of POIC