

## **France keen on manufacturing and tourism sectors in SDC**

KOTA KINABALU (Wed.) – France is keen to explore opportunities in manufacturing and tourism sectors in the Sabah Development Corridor (SDC), Economic and Commercial Counsellor, Economic Department, Embassy of France in Malaysia, Mr Jean-François Bijon said this yesterday. He said France is interested in the downstream timber industry particularly in furniture production.

Mr. Bijon, who is also Trade Commissioner of Embassy of France in Malaysia, said Sabah has great tourism potentials and he believed that many French tourists would want to come and visit Sabah had they known about Sabah's various attractions.

Mr Bijon made the remarks after he attended a briefing on SDC given by IDS Executive Director, Datuk Dr Mohd Yaakub Hj Johari which was held at the IDS Conference Room here.

Dr Mohd Yaakub invited French entrepreneurs and businesses to tap the State's rich biodiversity. He said Sabah possesses some of the richest biodiversity in terms of fauna and flora in the world. "There is also great potential for biomass in the development of cellulose-based industry to produce industrial biotech products such as bio-plastics, bio-fibres and ethanol," he added.

Dr Mohd Yaakub said Sabah is producing a sizeable amount of biomass from the oil palm, rubber, cocoa and timber industries and there is potential to process biomass for furniture production, among other things.

He said Sabah's strengths in manufacturing sector lies in its natural endowments and locational advantage. Firstly, there are significant amounts of raw materials to be used as feedstock in downstream manufacturing such as oil and gas, timber and other

agriculture-related feedstock such as rubber and cocoa and palm oil. Secondly, Sabah is strategically located between two major economic regions: (1) the affluent markets of North Asia including Japan, Korea, Taiwan, Hong Kong and China, and (2) high growth developing markets in the vicinity including southern Philippines and Kalimantan.

Dr Mohd Yaakub said Sabah's manufacturing focus is to leverage its natural endowments such as palm oil, rubber, biodiversity, oil and gas, and minerals. To attract private sector and foreign investments, the government's immediate strategies are to:

- enhance the basic infrastructure and focus on reducing cost of doing business;
- invest in human capital for existing and new industries; and
- anchor world-class companies to move into high value-add downstream processes.

Dr Mohd Yaakub said oil palm is Sabah's highest yielding per hectare crop and has tremendous value in downstream activities. Therefore, Sabah's Palm Oil Industrial Clusters (POIC) will serve as the most important palm oil export clusters in this region, he added.

Dr Mohd Yaakub said the main objective of POIC Lahad Datu is to promote palm oil downstream processing industries to add value to the large quantity of palm oil produced in the state. The POIC Sandakan will however focus on the role of improving productivity and enhancing yields via technology advancements and enhanced R&D in biotechnology and agronomy practices as well as in products development. "The two POICs complement each other in strengthening Sabah's lead as palm oil centre of excellence in this region," he added.

Dr Mohd Yaakub pointed out that French entrepreneurs and businesses could also look into opportunities in the manufacturing of pharmaceuticals, fragrance and cosmetics for which they have considerable expertise. He said Sabah has a wide gene pool of herbs, aromatic plants and medicinal plants which can be exploited for the pharmaceutical and cosmetics industries.

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IDS Executive Director, Datuk Dr Mohd Yaakub Hj Johari (centre) briefing the French delegation led by the Trade Commissioner, Economic Department, Embassy of France in Malaysia, Mr Jean-François Bijon (fourth from left). On his right are Mr Lee Chang Yen, ED&F Man; Mr Nicholas Lebard, Managing Director, ED&F Man; and Mr Yann Jaouan, Economic Department, Embassy of France in Malaysia.