KOTA KINABALU: Technology and downstream activities are imperative if Sabah were to change its economic direction from merely exporting to processing and developing commodities.

Deputy Chief Minister Datuk Seri Raymond Tan Shu Kiah asserted that the State had, over the years, relied on export of commodities due to the abundance of natural resources but a change is necessary to move further.

“If we are going to change, we have to think about how we develop these commodities and when we talk about how we develop, we talk about technology,” he said.

He stated that it goes back to the Chief Minister’s direction for Sabah in 2003 where he emphasized on promoting downstream activities in developing the State’s commodities.

He noted that over the past six years, huge efforts had been done including the approach with Petronas to land gas in Sabah apart from the setting up of Sabah Ammonia and Urea (SAMUR) project in Sipitang.

“Very soon there will be announcement on how we move forward in our development of SOGIP (Sabah Oil and Gas Industry Park) and other activities that we will bring in terms of establishing Sipitang as the hub for petrochemical related to gas-based activities.”

He explained the relevance as ammonia urea complements the plantation sector where they had also called for technology to be used in Palm Oil Industrial Cluster (POIC) Lahad Datu and Sandakan to generate downstream activities.

It was important to improve manufacturing sector – one of the main sectors in Sabah – which had contributed less than 10 per cent to the State’s gross domestic product (GDP), said Raymond.

He was speaking during the launching ceremony of Universiti Malaysia Sabah (UMS) Catalog of Analysis, Instrument and Consultancy Services here yesterday.

He affirmed that the government had constructed multiple blueprints which had paved pathways to develop the State in a long term.

That is where academicians play their role through smart partnership, he said.

“To generate this change, we require technology and that is why UMS will have in some way to fill that role and I’m glad that you are doing it,” said Raymond who is also Minister of Industrial Development.

The catalog outlines services offered by UMS faculties and institutions for industrial usage including consultancy, analysis, science tools and equipment as well as laboratories for rental.

It aimed to lower the cost of industrial needs and was in line with the National Blue Ocean Strategy.

According to Raymond, the effort would not only be of use to big industrial players including SOGIP, SAMUR and POIC but even small-time entrepreneurs.

“There are certain standards that need to be met and in order for these SME (small and medium enterprises) entrepreneurs to export their products, they will have to raise the quality and label them appropriately.”

These, he said, would require the service of food processing analysis, among others, offered by UMS.

Raymond also related the usage of technology with the potential of palm oil.

“There are many good things that can be developed if we look at what we can do with palm oil; we can see that on every level, there are so much opportunities of coming out with so much good products and to do that, we still need the technology to do it.”

He mentioned that companies like Genting Berhad had invested a lot and bought lands of hundred acres at POIC due to the potential of palm oil and downstream activities resulting from it.

Noting that Sabah was one of the two states targeted to develop big scale biomass, he said UMS need to move forward together with the government.

“They have to work much closer to ensure that whatever they have, are delivered on the ground and whatever level – even at the very low – in developing the entrepreneurs to big scale investments that will come like Genting in Lahad Datu,”

Also present were UMS vice chancellor Prof Datuk Dr D Kamarudin D Madin and Deputy vice chancellor Prof Dr Shahril Yusof.