

**UPACARA PERASMIAN MALAYSIAN INTERNATIONAL COCOA FAIR 2005
DI SUNWAY LAGOON RESORT
JUMAAT 15 JULAI 2005, JAM 3.00 PETANG
OLEH
YAB DATO' SRI MOHD NAJIB TUN RAZAK
TIMBALAN PERDANA MENTERI MALAYSIA**

Assalamualaikum W.B.T. dan Salam Sejahtera.

Yang Berhormat Datuk Peter Chin Fah Kui, Menteri Perusahaan Perladangan dan Komoditi Malaysia,

Yang Berhormat Datuk Anifah Hj. Aman, Timbalan Menteri Perusahaan Perladangan dan Komoditi Malaysia,

Yang Berbahagia Dr. Michael Dosim Lunjew, Ketua Setiausaha, Kementerian Perusahaan Perladangan dan Komoditi merangkap Pengerusi Lembaga Koko Malaysia,

Yang Berbahagia Encik Hope Sona Ebai, Setiausaha Agung, Perikatan Negara-Negara Pengeluar Koko (CPA),

Yang Berbahagia Dato' Dr. Azhar Ismail, Ketua Pengarah, Lembaga Koko Malaysia,

Dif-dif jemputan,

Tuan-tuan dan Puan-puan sekalian,

Terlebih dahulu, saya ingin merakamkan setinggi-tinggi kesyukuran ke hadrat Allah S.W.T. kerana dengan limpah kurnia dan keizinanNya, dapat saya bersama-sama tuan-tuan dan puan-puan berada di majlis Perasmian Malaysian International Cocoa Fair 2005 pada hari ini.

2. Saya juga ingin merakamkan ucapan terima kasih kepada penganjur "The Malaysian International Cocoa Fair 2005" kerana menjemput saya untuk merasmikan majlis ini. Pada masa yang sama saya ingin mengalu-alukan kehadiran para jemputan dari luar negara yang turut hadir di majlis pada petang ini.

Ladies and Gentlemen,

3. It is indeed a great pleasure and honour for me to be given this opportunity to address and officiate the Malaysian International Cocoa Fair 2005 or MICF'05. I was informed that this is the fourth MICF organized by the Malaysian Cocoa Board or MCB and that the last MICF was held in 1998. I believe this cocoa fair has been long overdue and very much awaited by the cocoa communities in Malaysia and the rest of the world. I would like to take this opportunity to congratulate MCB for their untiring efforts to make MICF 2005 a success. I would also like to extend a special welcome and Selamat Datang to those of you who have traveled long distance to be here in Kuala Lumpur and to participate in the auspicious event.

4. I am pleased to note that MICF'05, which incorporates 3 events namely Cocoa Exposition, Cocoa Conference and Cocoa Dinner, has attracted and brought together a wide selection of interest, namely the policy makers, scientists, researchers, traders, entrepreneurs, grinders, growers and marketers. All have an important stake in the industry and in defining the industry's success. The Malaysian International Cocoa Exposition or MICE is well received with more than 25 booths taken up by local and international traders, manufacturers, producers, while the Malaysian International Cocoa Conference or MICC has attracted more than 200 participants from 26 countries. I also stand that the Malaysian International Cocoa Dinner or MICD received overwhelming response where more than 800 people will be attending. The positive response to the various events of MICF this year shows that there is still great interest expressed on cocoa both locally and internationally.

5. I believe that the organization of MICF'05 would strengthen the linkages and rapport that had been established between and among cocoa producing and consuming countries. In addition, the latest research findings and information can be utilized not only at this conference but also create greater awareness on the positive attributes of cocoa and the acceptance of cocoa as a desirable and enjoyable food item that benefits both human health and has nutritional value.

Ladies and Gentlemen,

6. As the third most important commodity crop after oil palm and rubber, the cocoa industry has contributed significantly to socio-economic development in Malaysia. In 2004, export of cocoa beans and cocoa products contributed RM1.6 billion in export earnings. For the first quarters of 2005, the export earnings of cocoa and cocoa products recorded an increase of 18% compared to the same quarter in 2004. the cocoa downstream activities, that is grinding for the production of semi-finished cocoa products and manufacturing of chocolate and cocoa-based confectionary is the mayor contributor of the export earnings. The changes in the export figures for cocoa beans and cocoa products indicated that the Malaysian cocoa industry has shifted from an industry focusing on upstream activities to the one focusing on downstream processing. I believe that Malaysia will continue to play an important role as the center for cocoa trading and processing in the Asia Pacific region.

7. The Malaysian economic development is guided by the implementation of various relevant national policies and strategies. The crop diversification programme in the National Agricultural Policy and the drive for industrial development as emphasized in the Industrial Master Plan led to the establishment of a strong cocoa and other commodity-based downstream value-added industries. These have collectively contributed significantly to a resilient Malaysia economy. Our experience shows that string partnership and cooperation between the public and private sectors are essential to realize the objectives of the various national policies and strategies.

Ladies and Gentlemen,

8. the cocoa planting industry in Malaysia which started in 1950s, grew to attain a record production of 247,000 tonnes in 1990. However, since then it has started to decline gradually and in 2004 the production level was at 32,423 tonnes. On the other hand, cocoa grindings industry in Malaysia which began in 1973 has increased progressively from year to year, processing about 6,000 tonnes in 1980 to 70,000 tonnes in 1990 and to 139,443 tonnes in 2000 and 229,649 tonnes in 2004. Cocoa grindings in Malaysia is expected to increase further to more than 400,000 tonnes in 2010.

9. In 2004, Malaysia imported more than 244,000 tonnes of cocoa beans at a value of more than RM1.2 billion. If there is no further increase in local production of cocoa beans, the importation of cocoa beans is expected to increase to between 350,000 tonnes and 400,000 tonnes at an estimated value of no less than local production of cocoa beans should be maintained and sustained at an appropriate level to meet the requirement of the cocoa downstream activities in Malaysia. At the same tome, the Government has recently provided an allocation of RM83 million, as an incentive to encourage cocoa farmers to continue planting cocoa by addressing the problem of cocoa diseases and low productivity of old cocoa farms.

10. The Government believes that the cocoa industry has a strong future and remains committed to working in with to ensure its long term viability. Both the smallholders and plantations have a role to play in achieving the Malaysian cocoa beans production target. To achieve this objective, there is a need for the cocoa planting industry to strive for high performance in terms of productivity, efficiency and quality. We should note that the most important thing is not whether your industry is “old” or “new”, but whether “you use the latest technology to do whatever you are doing as efficiently as possible”.

Ladies and Gentlemen,

11. I understand that “Sustainable Cocoa Economy” has been a hot subject for discussion and deliberation in many international cocoa fora in recent years. As for cocoa farmers or growers, the attainment of remunerative prices paid for cocoa beans is the primary concern. However, the prices of cocoa beans are largely determined of influenced by the fundamental of supply and demand and the world cocoa stock position. The failure to address the unbalanced development between the world cocoa supply and demand is the main reason for the big fluctuations in world cocoa prices. The prolonged

and deep depression in prices of cocoa experienced in the early 1990s is the result of unprecedented record high prices, which lasted more than fifteen years in the 1970s and 1980s. this situation has led to a substantial plantings coming on stream worldwide and thus over production poses a significant challenge for all cocoa producing countries and, without any doubt, competition in the international market place will be fierce in the coming years.

12. Although the price of cocoa beans has improved and maintained at reasonable levels in recent years, there is no guarantee that the prices of cocoa will not decrease to undesirable levels in the future. In order to ensure that cocoa prices could be maintained at reasonable levels, there is a need for cocoa producers to coordinate their production policies so that the increase in world supply of cocoa beans will be in tandem with the increase in world demand. This would require effective implementation of appropriate strategies and action plans among cocoa producers and perhaps between produces and consumers as well. Strong commitment among cocoa produces in formulating and implementing the required strategies and programmers is needed to ensure that world cocoa prices would be maintained at reasonable levels which are remunerative for producers and fair to consumers.

Ladies and Gentlemen,

13. I understand that the world cocoa consumption increases at an annual rate of between 2 to 3 percent a year. If world cocoa consumption, it would managed in line with the expansion in world cocoa prices and thus generate additional earnings for cocoa producers. Compared with the per capita consumption of earnings for cocoa of between 3 to 5 kilogram per head in developed countries, the per capita consumption of cocoa in producing countries as well as other emerging markets are still relatively small. Therefore, there are some areas for further expansions in world demand if appropriate programmes for market development are being pursued. In this connection, the Malaysian Government has been assuming an active role in undertaking cocoa promotion programmes which include organizing of trade missions, awareness programmes on Malaysian cocoa industry by bringing overseas traders and manufacturers to Malaysia, awareness campaign on the goodness of cocoa in the local community and overseas promotional activities.

14. These cocoa promotion programmes and activities have contributed to the increase in the market share and demand for Malaysian cocoa and cocoa products and thus the expansion of the cocoa grindings and manufacturing industries in Malaysia. Perhaps the Malaysian model of cocoa promotion programmes and activities in the domestic and international markets could be emulated by other cocoa producing countries to increase cocoa consumption. Successful implementation of cocoa promotional activities by the various cocoa producing countries would contribute towards price stability and sustainable income to cocoa producers. Indeed this is the main concern of most governments especially where the livelihood of small farmers are involved. If the Fair can play a significant role in supporting a better environment for the industry in a most cooperative and complimentary manner-in the same way, if you like, as the

contribution of the industry towards focusing on stakeholders along the whole value chain, I think everyone wins.

Ladies and Gentlemen,

15. I would like to welcome all the participants in particular the foreign guests to the various events of the MICF'05. I wish all of you will have a good time at the Cocoa Fair and sincerely hope our overseas guests will spare some time to enjoy Malaysia.

16. On this note, I now have great pleasure to declare open the Malaysian International Cocoa Fair 2005.

Thank you.