

The motivation behind IOI Palm Wood



These factors are making it increasingly challenging for the Malaysian timber and related industries to remain competitive in the face of these challenges. In my previous experience within the timber industry, I began to realise that Indonesia and Thailand had a more sustainable supply of timber materials, and China and Vietnam were more productive in manufacturing.

For Malaysia to regain the initiative with regards to the timber industry we would need to reinvent and revitalise the business.

IOI Palm Wood is a subsidiary of IOI Corporation Berhad (IOIC) and a manufacturing plant that commercially and sustainably converts unused oil palm trunks (OPT) into eco-friendly, sustainable and high-performance palm wood panels for the furniture and building industries. The idea behind IOI Palm Wood is to repurpose a sustainable and abundant raw material as a substitute for traditional timbers, instead of letting the OPT decay in plantation fields — because every year, we have about 20 million of unutilised OPT.

So far, we have completed the R&D, the process design and the collaboration with machine manufacturers. Now, we are undertaking the ongoing installation, but we still have much to do which includes:

Scaling up production and operations: Ensure that our production processes are



Inspiring the next “material revolution” by creating sustainable and high-performance materials from oil palm waste, **Peter Fitch**, together with IOI, have set up IOI Palm Wood to commercialise this untapped potential.

Malaysia is known for its rich natural resources, including timber. It has a significant forest cover with both natural and planted forests such as rubberwood, making the country a major player in the global timber market.

However, it is worth noting that Malaysia, like many other countries, has been facing challenges related to deforestation and sustainable timber management. Over the years, the planted area for latex cultivation has been in decline, and there have been efforts to regulate logging activities to promote sustainable forestry practices to preserve the country’s forests and biodiversity.

optimised for commercial volumes and efficiency. We need to establish reliable supply chains and manufacturing capabilities to meet market demands, and set up quality control measures to maintain consistent product and service standards.

Implement marketing and sales initiatives: Execute our marketing and sales strategies to create awareness, generate leads, and convert customers. We need to utilise various channels such as digital marketing, advertising, public relations, social media, trade shows, and direct sales efforts, all while tailoring our messaging to highlight the sustainability and value proposition of our products.



Develop customer support and after-sales processes: Establish customer support channels and procedures to address inquiries, provide technical assistance, and handle any issues that may arise. A strong focus on customer satisfaction and support will enhance our reputation and foster customer loyalty.



Monitor and adapt: We also have to continuously monitor key performance indicators, customer feedback, market trends, and competition. We need to stay agile and be willing to make necessary adjustments to our strategies, operations, and product or service offerings based on market dynamics, ongoing R&D, and customer preferences.



Risk mitigation and resilience: Finally, embracing ESG principles will help us to identify and manage potential risks associated with ESG factors. By proactively addressing issues such as climate change, supply chain risks, labour practices, or diversity, we can enhance our resilience and long-term viability. This contributes to the overall stability of the business, which ultimately benefits the plant. **P**

Legend

- 1 It is a challenge to use OPT because OPT are more fibrous and higher moisture content of 150-600% than regular timber
- 2 IOI Palm Wood has garnered positive feedback during Malaysian Wood Expo 2023
- 3 IOI Palm Wood's automated panel manufacturing machinery ensures productivity, quality and flexibility to customise products to specific requirements
- 4 Peter Fitch and his team