'Quality Wins'. This is the motto of Pan Century Edible Oils, which has its palm oil refinery near the port of Johor at the southern tip of Peninsular Malaysia; it certainly makes plain the management's philosophy and practice emphasizing quality consciousness in every aspect of the firm's work.

The slogan is literally true in the case of this company, to which winning, it appears, comes naturally. In the past seven years, it has captured several Malaysian government awards for outstanding achievements in export performance and in product manufacturing excellence. Among them are Certificate of Merit for Manufacturing Excellence (1986) for Palm Oil Products Industry Category by the Government of Malaysia, FMM Excellent Manufacturer Award (1986), by the Ministry of Trade and Industry, Malaysia and Special Award for Excellent Performance by Johor Port Authority (1988). Its latest success is the Better Environment Award 1990, presented in May by the Ministry of Science, Technology and Environment, and the Environment Management and Research Association of Malaysia.

The idea that a clean environment would lead not only to better productivity, but to better life and behaviour has been instilled in the minds of every employee, said the justly proud, but unassuming President of Pan Century Edible Oils, R L Farakh, in a recent interview with Palm Oil Developments.

Describing the award as an honour to the company, he said; 'We are grateful to the Government for recognizing people who have contributed to the nation's growth. This particular award has actually changed the entire philosophy of the employees in the company.'

Set up as a Malaysian-Indian joint venture in 1977, Pan Century is located in the Pasir Gudang Industrial Estate next to the port of Johor. Pasir Gudang, which also houses ten other palm oil refinery complexes, is reputed to have the largest concentration of edible oil refineries in the world.

Pan-Century started commercial production in 1978, with a capacity of 90 000 tonnes per annum. However by 1988, with the installation of new machinery and the adoption of modern technology, this was increased to one million tonnes a year. Today, the plant's total refining capacity is
3 400 tonnes a day — making it the largest palm oil refinery, and indeed the largest edible oil refinery, in the world. Physical refining accounts for 90% of the daily capacity, with the balance made up by chemical refining. Fractionation plant is an integral part of palm oil refining complexes in Malaysia and Pan Century is no exception. It has a dry fractionation capacity of 2 400 tonnes a day, producing various grades of palm olein and palm stearin. Its most recent acquisition is a fully automated computerized fractionation plant producing olein of IV of above 60. The product has been aptly named ‘Super Olein’.

Modern technology, earlier acquired from abroad but now mostly developed by the company’s technical experts, has made possible an increase in annual turnover from M$110 million when the plant started operations to M$1 billion now.

The company’s high standing as a refiner and exporter of palm oil is attributable not only to modern technology but also stringent quality control, which is applied from the time the raw material arrives at the refinery’s gate, right through the processing and to the final products.

‘We are confident the refinery can not only match any standard but can also compete in any part of the world as far as quality is concerned,’ declared Mr Parakh, and added: ‘The growing acceptance of Malaysian palm oil internationally augurs well not only for ourselves but also for the country as it is yet another proof of Malaysia’s capability in producing quality products’.

Exports of palm oil by Pan Century Edible Oils account for some 20% of the total palm oil exports of Malaysia. The markets include India, Pakistan, Iran, Egypt, Russia, the United States, Europe, Japan, Africa and Korea. India is one of the biggest buyers of palm oil from Pan Century. The company’s ability to penetrate the international palm oil market is no doubt the result of its commitment to producing high quality oil, and its unremitting effort towards that aim.

Pan Century, like other refiners in Pasir Gudang, is connected to the bulking installation at the port by overhead pipelines, thus ensuring minimal handling of products for export.

While saying that the refinery will continue to invest in new machinery and technology, Mr Parakh revealed that the company would be laying out M$15 million this year for further downstream processing and new products. It has also invested $400 000 in equipment installed in its laboratory and has computerized its data collection, thus facilitating storage and retrieval of information.

On further expansion plans, Mr Parakh said the company was going downstream into oleochemicals and had just set up Pan Century Oleochemicals Sdn. Bhd. for this purpose. Orders for machinery have been placed and the total investment for this venture will be in the region of M$100 million. ‘The plant is expected to commence operation in the third quarter of 1991 with a daily capacity of 200 tonnes of oleochemicals, to be made from palm kernel oil. Construction of the new plant, which will be adjacent to the Pan Century refinery, will begin in August this year.

‘It is the company’s ultimate aim to produce fatty amines and alcohols and this is an area where research and development is ongoing’, he added.

Research and development is given top priority, and according to Mr Parakh it concentrates on new downstream products, diversification of the product mix and improvements on existing technology. Pan Century has in fact invested in a pilot plant where most of the R&D takes place. The company is also working on the possibility of higher vitamin E retention in finished products.

On after sales services, Mr Parakh said that regular visits to suppliers and customers by marketing, quality control and production officers have helped to develop a close rapport with clients.

‘We also invite them to visit our refinery to see and satisfy themselves with the standards that are observed here’, he said.