



**New look:** During transesterification, dark-coloured used cooking oil is transformed into golden-coloured biodiesel, explains Vinesh Sinha, the managing director of Fathopes Energy.

## Used cooking oil is in high demand.

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**U**SED vegetable oil is deemed by many as one of the best feedstocks for producing biodiesel. For one, waste will be recycled into new – and green – fuel. And as the price of crude palm oil escalates, waste oil becomes an even more attractive alternative for making biodiesel. Furthermore, making biodiesel from waste oil – instead of virgin palm oil – allays fears of a food source being turned into fuel.

But there is a snag: used cooking oil is sought after for other uses, too. Biofuel producers have to compete with not only traditional users of the waste oil – soap, candle and animal feed manufacturers – but also those who recycle it into fresh cooking oil.

"Many collectors prefer to sell the collected oil for recycling into cooking oil rather than for biodiesel production, as they get better prices," says Vinesh Sinha, managing director of Fathopes Energy which processes used cooking oil into biodiesel.

The problem, he says, stems from government subsidies which cap diesel price at RM1.80 a litre. To compete with normal diesel, biodiesel has to be sold cheap, too. He cannot afford to pay high prices for used cooking oil and offers between 80 sen and RM1 per litre.

He is also faced with an erratic supply of used oil. "Some

people ask for 10 sen more despite having agreed on the price. Sometimes when my workers go to the restaurant, they find that the oil has been collected by someone else claiming to be from my company."

Due to the inconsistent local supply, he plans to import used cooking oil for the new biodiesel plant that he is planning to open in Telok Gong, Klang.

Ja'afar Abdullah of CGV Industries, another used cooking oil collector, is in a similar predicament.

He cannot get enough waste oil to supply customers who run biodiesel plants. He, too, says waste oil is being recycled into new cooking oil.

"Many traders are exporting used cooking oil as they can get lucrative prices for it. So they can also offer higher prices for the used oil, and I cannot compete. All the collectors say the oil will be used to make soap and candles but if you ask where the factory is, they cannot tell you. They're willing to pay more than RM2 per kg for the used oil. It is not logical to pay so much if it is just to make soap and candles. I can only offer between 80 sen and RM2. The government should stop the export of used cooking oil. Then we'll have enough feedstock to

produce biodiesel."

Ja'afar now collects used oil from food premises in the Klang Valley as well as from Kuantan, Johor Baru, Ipoh, Penang and Alor Setar. His monthly collection of approximately 200 tonnes is sold to Unigreen, a company which processes the oil to yield fatty acids, fatty alcohol and glycerine.

"I sell to Unigreen as it does not recycle the oil into new cooking oil," says Jaafar. Recycled cooking oil poses health risks because it is bleached with chemicals before being blended with virgin oil.

He recently tied up with Alam Flora and Putrajaya Corporation to start an oil collection scheme at the recycling centre in Precinct 9 in Putrajaya. About 230kg of used fats has been collected since a drum was placed there on Feb 1. Residents are paid 80 sen per kg of used oil.

To expand the collection of used cooking oil, he suggests that hypermarkets such as Tesco and Giant, which already have drop-off centres for recyclables, also collect used oil.

In order to collect used cooking oil, he says, one must obtain a licence from the Malaysian Palm Oil Board.

# Liquid gold



**PIDE ON DOWN**