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ANOTHER RM3 BLN PAPER PULP PLANT TO BE BUILT IN BINTULU

By: Amer Hamzah Mat Sap

KUCHING, Feb 8 (Bernama) -- Another paper pulp plant with a total investment of RM3 billion would be built in Bintulu next month, businessman Tan Sri Ting Pek Khiing said today.

He said the plant would be a joint venture between one of his controlled public-listed companies and a leading Indonesian paper pulp producer based in Sumatra.

The name of the company and its partners would be announced on March 16 after its launch by Prime Minister Datuk Seri Dr Mahathir Mohamad at a 2,000ha site in Tanjung Kidurong, Bintulu, he told pressmen after briefing a 20-member trade delegation from Singapore here today.

The site is part of a new 10,000ha industrial park to be developed by another of his public-listed companies, he said.

The paper pulp plant, which is expected to be ready in between 18 and 24 months, would initially utilise 27 million tonnes of non-merchantable and wood waste to be cleared from the submerged areas of the Bakun hydro-electric project, he said.

About 69,000ha of land or about the size of Singapore, would be submerged when the Bakun hydro-electric dam is ready.

Ting said 45 percent of the equity in the paper pulp plant would be held by his company and the remaining 55 percent by the Indonesian partner.

The plant will produce between 750,000 tonnes and one million tonnes of pulp annually and will mainly be for export valued at between US\$500 million (RM1.25 billion) and US\$600 million (RM1.5 billion).

At the same time, he said the company would also embark on a reforestation project to plant fast-growing acacia trees on native customary land to supply raw materials needed by the plant.

As such, negotiations would be held between the company and the natives to venture into the project, he said.

He said the paper pulp plant would provide about 5,000 job opportunities while other projects, such as afforestation, would provide employment for about 30,000 people.

In October last year, the Sarawak Timber Industry Development Corporation signed a memorandum of understanding with an Indonesia-based company to build a paper pulp plant costing about US\$700 million (RM1.75 billion), also in Bintulu.

The plant, scheduled to begin production in 1998, would get its raw material from 300,000ha of timber land in Bintulu. Ting said with the availability of two paper pulp plants would help to bring downstream timber industries to the state and save up to 60 percent of wood waste.

He said the plants would also help the country to reduce its deficit foreign exchange. -- BERNAMA