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RM110m fibreglass factory to be operational in middle of 1999

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MALAYSIA'S first fibreglass manufacturing plant costing RM110 million will be located in Sungai Petani, Kedah, and is expected to start operations by the middle of 1999.

Malaysian Central Fibre Glass (MCF) - a joint venture among Khazanah Nasional Bhd, PJS Industries and Japan's Central Glass Co Ltd - will undertake the project.

A joint venture agreement to set up MCF and a technical assistance agreement was signed yesterday in Kuala Lumpur. Khazanah was represented by managing director Tan Sri Mohd Sherif Kassim, PJS Industries by chairman Datuk Mohamad Yunus Ariffin, and Central Glass by executive vice-president Yuichi Misumi.

MCF, with a paid-up capital of RM22 million, will be 55 per cent owned by PJS, while Central Glass and Khazanah will have stakes of 25 per cent and 20 per cent, respectively.

Mohamad Yunus said at the signing that the idea of setting up a fibreglass plant in the country was mooted by Prime Minister Datuk Seri Dr Mahathir Mohamad two years ago.

"Fibreglass is considered as the material of the future. The plan was not realised at that time because the material was still considered new in the country," he added.

The MCF plant will be built on a 4ha site in Kedah with 4ha of reserve land for future expansion. Construction is targeted to start by end of this year, and the completion of the whole facility up to commissioning of the plant is expected by the middle of 1999.

Mohamad Yunus said the MCF plant will have a capacity of 9,600 tonnes a year, and will be the largest fibre factory in the Asean region.

The plant will be producing E-glass fibre, a reinforcement composite material widely used by the high-technology manufacturing sector. E-glass fibre accounts for 90 per cent of all composite materials used for reinforcement in manufacturing today.

The finished product of E-glass fibre will be marketed to the domestic and export markets in the Asia Pacific. At present, Malaysia consumes some 5,000 tonnes of fibreglass.

A turnover of RM80 million is projected for the MFC plant's first year of operations.

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