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Kaneka to invest RM95m in new Kuantan PVC plant

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KANEKA Corporation, one of the leading chemical manufacturers in Japan, says it will invest another RM95 million in Pahang to set up a PVC paste resin plant at the Gebeng Industrial Estate in Kuantan.

The new plant, with a production capacity of 30,000 tonnes of PVC paste resin a year, will be operated by Kaneka Paste Polymers Sdn Bhd. It is scheduled to come on stream in the middle of the year 2000.

The plant, which will join the existing four plants owned by Kaneka Corporation, will bring the corporation's total investment in the State to RM440 million.

Kaneka is currently operating three PVC paste resin plants, two in Japan and one in the United States, which has a total capacity of approximately 100,000 tonnes.

"The addition of the new plant at the Gebeng Industrial Estate, the first plant of its kind in Malaysia, will make Kaneka one of the largest PVC paste resin producers in the world," Kaneka senior executive director Masatoshi Takeda said in Kuantan.

In August 1995, Kaneka Japan set up Kaneka (Malaysia) Sdn Bhd and acquired a 98ha site for its plant at the Gebeng Industrial Estate.

In addition to Kaneka Malaysia, two other companies, Kaneka Electec Sdn Bhd and Kaneka Eperan Sdn Bhd were also established.

The three plants in Gebeng produce MBS (methacrylate-butadien-styrene) resins, magnetic wires and foamed polyolefins respectively.

Menteri Besar Tan Sri Mohd Khalil Yaakob said Kaneka's decision further to increase its investment in Malaysia clearly showed the confidence of the company in the country's economy despite the economic slowdown.

He added that once the PVC paste resin plant, Kaneka Paste Polymers, was operational, it would provide jobs to some 50 skilled workers from the State.

Mohd Khalil told this to reporters after meeting Takeda at his office yesterday.

Also present was the Pahang State Economic Development Corporation chief executive officer Datuk Hamdan Jaafar.

"This investment has also indicated the confidence of Kaneka in the measures taken by Prime Minister Datuk Seri Dr Mahathir Mohamad in strengthening the country's economy," he said.

Meanwhile, Takeda said Kaneka would utilise its own production technology by further developing its proprietary process know how.

"This time, the company has also re-engineered its technology to make the facility at the PVC paste resin plant more cost-competitive and conforming to the latest environmental standards.

"The PVC paste resin which will be produced at the new plant is a special type of PVC, used in various applications, such as disposable gloves, artificial leather, toys, wallpaper, floor covering and also automobile coating," he said.

He added that the plant also produced synthetic fibre known as Kanekalon which is used in the manufacturing of the body and hair of the Barbie dolls, which are produced in the country.

"We produce about 150 million pieces of body parts for the Barbie dolls in Malaysia every year."

Takeda said that 90 per cent of the total production of the PVC paste resin plant would be exported to countries such as Hong Kong, Taiwan,

Thailand and also China.

"The products manufactured by Kaneka are petro chemical-based and we get the raw materials from Petronas," he said, adding that this was also another reason for the expansion by the company.

Takeda added that this was another example of Kaneka's commitment to better serve the Malaysian and neighbouring markets.

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