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Assembly-Steel (Sabah)

FINAL TECHNICAL EVALUATION ON FOR RM5 BILLION KUDAT STEEL MILL

KOTA KINABALU, Dec 6 (Bernama) -- The proposed RM5 billion steel mill of the Nusantara Steel Corporation Bhd at Kampung Limau-Limauan, Kudat, is in the final state of technical evaluation, the Sabah State Assembly was told today.

Deputy Chief Minister Datuk Tham Nyip Shen said the Environment Impact Assesment (EIA) study report had been completed and was awaiting approval from the Department of Environment (DOE).

"Construction work on the steel mill will begin once these procedures have been met," he told Dr Maximus Ongkili (PBS-Tandek) during Question Time.

Nusantara Steel Corporation had signed several agreements with international companies for implementing of the steel mill project, Tham said.

Among the companeis were Hylsa-Ferrostaal of Germany for the construction of the natural gas refinery, Denieli-Siemens Consortium of Italy for the setting up the steel-making plant with a capacity of 1.3 million tonnes of steel roll annually and with Mineral Corporation Company of China which would be the main contractor for civil engineering and infrastructure works.

The ground breaking work for the project on 190 hectares was performed by Prime Minister Datuk Seri Dr Mahathir Mohamad early last year.

Tham, who is also State Minister of Industrial Development, said Kudat District was chosen for the project in an effort to generate economic growth in that part of Sabah.

"The implementation of the project earlier was affected by the recent economic downturn," he added.

In view of the importance of the project to the state's economy, the government had decided to speed up its implementation, Tham said.

According to Nusantara Steel, the steel mill would be in full operation in 2003, he said.

-- BERNAMA

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