

16/08/1999

Rimbunan Hijau brings jobs to Russia's Khabarovsk

Hardev Kaur in Khabarovsk (Russian Federation)

KHABAROVSK (Russian Federation), Sun: Rimbunan Hijau, the only significant Malaysian investor in Russia with an initial US\$15 million (US\$1 = RM3.80) investment, has opened up employment opportunities in the timber industry in and around Khabarovsk.

It employs 250 locals and 40 Malaysians at its facilities with the number expected to rise to 1,000 when in full operation. The locals are not only employed in the lower ranks and as drivers but also in supervisory levels.

The Sibu-based company started operations two years ago and has timber concessions of 600,000ha in Pichy and Sukpai districts - both in Khabarovsk Territory. Its concession represents about 2 to 3 per cent of the total forest area in the Territory.

The only other foreign investor with significant timber concessions in Khabarovsk Territory is the Boston-based Pioneer Group, which has a concession of 1 million hectares.

Rimbunan Hijau managing director Tan Sri Tiong Hiew King said the company is fully conscious that it needs to protect the Malaysian name. As such, he said, the company and its Malaysian employees in Khabarovsk "try our best to succeed and hope to make Malaysia proud".

The company's investment of US\$15 million now is expected to increase to between US\$30 million and US\$35 million when its operations are fully commissioned. The current investment comprises 60 per cent equity and 40 per cent debt.

While it is currently involved in selective logging, it nevertheless has plans for the full range of activities, including processing and manufacturing.

Tiong estimates that the processing facilities will require an additional investment of between US\$15 million and US\$20 million.

The logs are transported over land by trucks to the Trans-Siberian Railway to Vladivostok on the eastern seaboard and then on to its main markets in Japan and Korea.

Prime Minister Datuk Seri Dr Mahathir Mohamad who arrived here late this evening is scheduled to visit the Rimbunan Hijau Far East Co Ltd operations tomorrow.

Tiong said while the conditions of work and environment are totally different from those in Malaysia, it is in the interest of both parties to ensure that the operations succeed.

In terms of management style, Tiong said while the "Malaysian style" predominates, there are also aspects of Russian, Western and Japanese styles that have been incorporated.

One needs to be flexible and adaptable to suit the local conditions and cultures, he added.

Rimbunan Hijau has concessions in a number of areas, including Latin America, Africa, Papua New Guinea and New Zealand, in addition to Khabarovsk and Malaysia.

Among the difficulties faced are the differences in language culture, severe weather with temperatures in winter dipping to minus 49 degrees, and the frequent changes in government rules, regulation and taxation. Despite the severe conditions, Tiong said, most of the logging is done in winter as it is easier to transport the logs during that time.

Most of the equipment used for its logging is imported from Finland and

the operations are highly automated.

While timber is its core business, Rimbunan Hijau has also diversified into the media. It has a stake in a major media group, Ming Pao, in Hong Kong, and The National in Papua New Guinea.

In addition, it has interests in finance, mining, shipping, information technology, fisheries and agriculture.

Dr Mahathir and Datuk Seri Dr Siti Hasmah Ali were met on arrival at the Khabarovsk International Airport by the Head of Administration of Khabarovsk Region, Mr Victor Ishaev.

Khabarovsk, the first stop on Dr Mahathir's Siberian journey, with a population of nearly 700,000, is close to the border with China and is the last major stop on the Trans-Siberian Railway before Vladivostock.

The city, second only in size to Vladivostock in the Russian Far East, also has three major transport links - air, sea and land - the most famous of which is the Trans-Siberian Railway.

Tomorrow, Dr Mahathir is scheduled to visit the aviation plant at Komsomolsk-na-Amur.

In the evening he will be the guest of honour at a dinner hosted by the Governor.

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