

# Sarawak refinery can save Austral RM8mil

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By LIAU Y-SING in Kuching

PLANTATION company Austral Enterprises Bhd (AEB) expects to save up to RM8mil annually with the establishment of its own palm oil refinery in Sarawak.

According to AEB managing director Dr Radzuan Abdul Rahman, the company currently sells its crude palm oil (CPO) to the only existing refinery in Sarawak, Bintulu Edible Oil, at a discount of RM40 per tonne to the market price.

He said that if this were to continue, the company would lose up

to RM8mil each year when its annual CPO production reached 200,000 tonnes in about three years' time.

The company's own RM50mil refinery, which would be commissioned in the first half of 2004, would have an initial daily capacity of 1,000 tonnes, Radzuan said.

The refinery is a joint venture between AEB and Lembaga Amanah Kebajikan Masjid Negeri Sarawak (LAKMNS), with AEB holding 60% of the equity interest.

Radzuan told reporters after the signing of the agreement for the refinery in Kuching yesterday in

the presence of Prime Minister Datuk Seri Dr Mahathir Mohamad that half of the RM50mil investment in the facility would come from internal funds (RM15mil from AEB and RM10mil from LAKMNS) and the balance from borrowings.

He said that the refinery would be strategically located in the Kidurong industrial area near Bintulu Port, which was close to many oil palm estates.

About 60% of the CPO that will be processed by the refinery is expected to come from AEB's estates.