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Austral, LAKMNS to set up RM50m oil palm refinery

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AUSTRAL Enterprises Bhd (Austral), a subsidiary of Permodalan Nasional Bhd (PNB), has teamed up with Lembaga Amanah Kebajikan Masjid Negeri Sarawak (LAKMNS) to set up a RM50 million oil palm refinery in Bintulu.

Work on the project, which will be undertaken by the joint-venture entity Austral Edible Oil Sdn Bhd, is scheduled to start soon and become operational in 2004.

This proposed refinery is the second one of its kind in Sarawak.

It will be built on a 8ha site at the Kidurong Industrial Area, adjacent to the Bintulu port.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Chief Minister Tan Sri Abdul Taib Mahmud witnessed the signing of a memorandum of understanding for the proposed mill at the RM60 million Bangunan Masja yesterday.

Prior to the signing, Dr Mahathir had declared open Bangunan Masja (i.e. Masjid Jamek) which belonged to LAKMNS.

LAKMNS honorary secretary Datuk Amar Abdul Aziz Husain signed for LAKMNS while Austral was represented by its managing director Dr Radzuan Abdul Rahman.

Austral's chairman Datuk Mohd Zuki Kamaluddin was also present at the function.

Austral has a 60 per cent stake in Austral Edible while LAKMNS holds the remaining 40 per cent.

When operational, 60 per cent of crude palm oil to be refined will come from Austral's 14 plantations in the state and the remaining 40 per cent will be from plantations belonging to the Government and private sector.

The refinery is capable of processing about 1,000 tonnes of palm oil a day during the initial phase.

Austral is no stranger in Sarawak, first setting foot here 20 years ago and so far has invested some RM500 million worth of projects in the state.

Its 14 plantations span a total of 36,000ha and is supported by its three oil palm mills.