

FGV To Set Up Rubber Processing Plant In Myanmar

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YANGON, March 9 (Bernama) -- FGV Pho La Min Co Ltd, a joint venture company between FGV Myanmar (L) Pte Ltd and Pho La Min Trading Co Ltd (PLM), will invest between US\$10 million and US\$15 million to set up a rubber processing plant in Myanmar.

The plant in Myeik in the country's extreme south is scheduled to be completed by the first quarter of next year.

FGV Myanmar is a subsidiary of Felda Global Ventures Holdings Bhd (FGV).

"The joint venture company plans to be involved in many areas but this year we will concentrate on the rubber industry," said FGV Group President and Chief Executive Officer Mohd Emir Mavani Abdullah at a media conference after the joint venture agreement signing ceremony here.

He said the joint venture marks a new milestone for FGV in Myanmar since the last memorandum of understanding signed with PLM in September 2012.

FGV holds a 51 per cent equity interest in the joint venture, with PLM holding the remaining 49 per cent stake.

Besides constructing the plant with a target capacity of 24,000 metric tonnes per year, the joint venture company also plans to open another plant in Mon state and develop 30,000 ha of greenfield and 10,000 ha of brownfield land, he said.

However, he said, the greenfield development would be done in stages as the Myanmar government only allows a 70-year land lease for foreigners.

He also said the company's next focus would be on the rubber processing segment, with the possibility of venturing into the downstream business.

"It could be anything like slippers or maybe a small factory making tyres. We will continue to look into all possibilities and opportunities in the rubber industry here," he added.

As for the palm oil industry, Mohd Emir Mavani said FGV would only focus on downstream activities, adding the company has been distributing Saji cooking oil, made by FGV subsidiary Delima Oil Products Sdn Bhd, in Myanmar since last year.

"We want to further expand our product distribution in Myanmar and we hope once we reach 20,000 metric tonnes of supply, we can open a small packaging plant here," he said.

Last year, FGV exported about 14,000 metric tonnes of cooking oil products to Myanmar.

Mohd Emir Mavani said FGV is also seriously looking to venture into the sugar industry since Myanmar still has a sugar shortfall.

"The country only has 12 to 14 sugar mills. We are looking into the possibility of how we can co-invest with the government, either in raw sugar or refined sugar," he added.

He said the company is keen to work with local smallholders and might later look into the possibility of acquiring a sugar mill in the country.

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