



Rose Pun with Usman Ahmed after a land purchase signing ceremony recently.

# Sabah to have first oleochemical, fatty acid plant

**KOTA KINABALU:** Sabah will have its first oleochemical/fatty acid plant using industrial grade palm oil for the making of Stearic Acid (primary product) and Soap Noodles (secondary product).

The plant will be set up by Gamalux Oil Sdn Bhd at the Lahad Datu palm oil industrial cluster in Lahad Datu within two years.

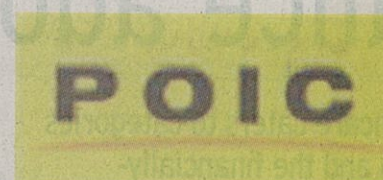
Gamalux, which already has an existing factory at POIC Lahad Datu involving solvent extraction technologies from palm oil base and IGPO refinery plant, has recently purchased an additional 3.1 acres of land for the proposed oleo plant.

POIC Lahad Datu is being developed by state-owned POIC Sabah Sdn Bhd. The company is in the forefront of promoting palm oil and biomass downstream industries.

Welcoming the Gamalux plan, POIC Sabah Senior Manager (Marketing) Rose Pun said the signing represented a breakthrough in terms of attracting investment to Sabah in oleochemical.

"Sabah is the largest oil palm grower in Malaysia but none of the 20 existing oleochemical plants in Malaysia are sited here," she said. "We hope this deal sends a message that investment in downstream is really possible."

Malaysia produced about 19 million tons of crude palm oil in 2016 and about six million



tons were produced in Sabah where there are about 1.5 million hectares of oil palm plantation.

POIC Lahad Datu was set up in 2005 to deepen the oil palm industry and add value to Sabah's palm oil. The company has thus far attracted more than RM4 billion investments.

Industrial grade palm oil is so-called because it is not used as food. Such oil is usually recovered from slush washed out of oil palm mills, or extracted SBE through a solvent extraction process. Gamalux, with origin in Pakistan, has been operating at POIC Lahad Datu since 2010.

The plant that employs green technology produces refined industrial grade palm oil, palm fatty acid distillate and high FFA palm oil. These materials are used in making biodiesel, chemicals and animal feed, and are currently exported to Spain, Switzerland, England, Korea, Thailand and Pakistan.

"Our vision is to keep growing and contributing to green technology," said Gamalux Oils Sdn Bhd director Usman Ahmed.