

PRESS RELEASE

TAIWAN STEEL GIANT EYES SABAH BIOMASS

KOTA KINABALU, Thurs. (Feb 7, 2014) -- Taiwan multi-national China Steel Corporation (or CSC Group) has expressed optimism in investing in pellet manufacturing, a combined heat & power (CHP) plant and waste water management and the Lahad Datu palm oil industrial cluster (POIC Lahad Datu).

“We see (investment) opportunities in Sabah. The key is the supply security of the raw materials (biomass),” said Mr Jack Chen Jung Kuei, general manager of the Utilities Department of the Kaohsiung-based CSC Group. “We think that the Biomass JV Cluster model will ensure us supply security.”

(The Biomass JV Cluster, expected to be launched this May, involves the participation of oil palm mills who, as owners of biomass, come together in a company to which they pledge to supply a fixed amount of biomass. The aggregation of biomass will attract investors in downstream utilization of the materials. The cluster model is devised by a tripartite collaboration between the Department of Industrial Development & Research, Agensi Inovasi Malaysia and POIC Sabah Sdn Bhd.)

In a meeting with POIC Sabah Sdn Bhd officials led by its chief executive officer Datuk Dr Pang Teck Wai, here, he said the diversified CSC Group has the know-how to make POIC Lahad Datu a globally attractive industrial park.

CSC Group, formed in 1971, has its core business in steel making. It is ranked about the top 30 steel makers in the world. It has businesses in engineering, trading, logistics, shipping and industrial materials. It has mills in Vietnam, India and Malaysia (in Melaka), and a biomass plant in Penang.

“I’m impressed with POIC Lahad Datu, and I think if it has a centralized steam, power supply system and waste water management services, it will attract even more investors,” said Chen, who was leading a seven-men delegation on a three-day visit to Sabah.

The visit was aimed at exploring opportunities in renewable energy as part of the company’s corporate responsibility pledge to reduce its carbon footprint by, among others, producing fuel stock – pellets and bio coal – from biomass.

Chen thinks that the long-term viability of producing energy from oil palm biomass, in the case of Lahad Datu, can be best served by having natural gas as an additional feedstock.

“Biomass supply and availability can be volatile. Therefore having natural gas as an alternative fuel stock is reassuring,” he said in reference to the proposal by national petroleum company, Petronas, to land natural gas in Lahad Datu by building a re-gasification plant at POIC Lahad Datu.

Because waste water management and supplies of industrial gas, power and steam will always be in demand in an industrial park like POIC Lahad Datu, he will be

proposing to his company the incorporation of these elements in the same business package with pellet-making.

On treatment of palm oil mill effluent (POME) at the 124 oil palm mills in Sabah, Chen said he will recommend to his company to explore opportunities in introducing technologies to help the mills meet discharge standards. While existing mills are given up to 2020 to install POME-trapping system, the system is mandatory to all new mills since January this year.

“We in the steel manufacturing business have a lot of expertise in treating and recycling waste water to acceptable BOD (bio oxygen demand) standard.”

Chen’s delegation visited POIC Lahad Datu and some oil palm mills in Felda Sahabat and Sawit Kinabalu. They were accompanied by Mr Cheong Siew Hoong, the Sabah Director of Malaysian Investment Development Authority (MIDA).

Captions & photo:



CSC Group’s Jack Chen: Impressed with POIC Lahad Datu



Datuk Dr Pang (right) presenting a book on Sabah to Mr Chen yesterday (Feb 6)... sees investment opportunities