

Taiwan steel giant eyes Sabah biomass

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KOTA KINABALU: Taiwan multi-national China Steel Corporation (CSC Group) is keen to invest in pellet manufacturing and wastewater management as well as in a combined heat and power (CHP) plant and the Lahad Datu Palm Oil Industrial Cluster (POIC Lahad Datu).

Kaohsiung-based CSC Group (Utilities) general manager Jack Chen Jung Kuei said the group sees investment opportunities in Sabah.

"The key is the supply security of the raw materials (biomass) and we think that the Biomass Joint-Venture (JV) Cluster model will ensure us supply security," he said in a meeting with POIC Sabah Sdn Bhd officials.

Scheduled to launch in May, the Biomass JV Cluster involves biomass-owning palm oil mill operators coming together in a company to pledge to supply a fixed amount of biomass.

The aggregation of biomass will attract investors in downstream utilisation of the materials. The cluster model is devised by a tripartite collaboration among the Department of Industrial Development & Research, Agensi Inovasi Malaysia and POIC Sabah Sdn Bhd.

Chen said the diversified CSC Group has the know-how to make the POIC Lahad Datu a globally attractive in-

dustrial park.

"I'm impressed with POIC Lahad Datu, and I think if it has centralized steam, power supply system and wastewater management services, it will attract even more investors," he said.

Chen, who was leading a seven-man delegation on a three-day visit to Sabah, said 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.

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, pellet stock and bio-coal from biomass.

"Biomass supply and availability can be volatile, so 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.

As wastewater management and supplies of industrial gas, power and steam would always be in demand in an industrial park like POIC Lahad Datu, Chen said he would propose to his company the incorporation of these el-

ements in the same business package with pellet-making.

On treatment of palm oil mill effluent (POME) at the 124 palm oil mills in Sabah, Chen said he would suggest to the CSC group to explore opportunities in introducing technologies to help the mills meet discharge standards.

While existing mills are given until 2020 to install a POME-trapping system, the system has been mandatory for all new mills since January this year.

"The steel manufacturing business has a lot of expertise in treating and recycling wastewater to an acceptable biochemical oxygen demand standard," he said.

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

CSC Group, formed in 1971, has its core business in steel making, and is ranked as one of the top 30 steelmakers in the world.

It has businesses in engineering, trading, logistics, shipping and industrial materials, with mills in Vietnam, India and Malaysia (in Melaka), and a biomass plant in Penang. -Bernama