

TARIKH : 8 FEBRUARI 2022
 AKHBAR : NEW STRAITS TIMES
 MUKA SURAT : 5

'Join Us in Making Project a Success'

KEDAH RUBBER CITY

'JOIN US IN MAKING PROJECT A SUCCESS'

Hong Seng non-exec chairman says new latex plant will benefit local SMEs

ADIE ZULKIFLI
 PADANG TERAP
 news@nst.com.my

THE RM3 billion nitrile butadiene latex (NBL) plant in Kedah Rubber City (KRC), a first for Malaysia, is set to create a huge economic spillover, as well as thousands of new jobs for the local workforce.

Hong Seng Consolidated Bhd non-executive chairman Datuk Mohamed Suffian Awang said the project would also benefit local Small and Medium Enterprises (SME) players and vendors in the industry.

"We are not just talking about direct employment for skilled and semi-skilled talents for the plant, but we are also looking at the spillover for local SMEs and vendors."

"We invite local SME players and vendors to join us in making the KRC project a success," he told a press conference after KRC's launch here yesterday.

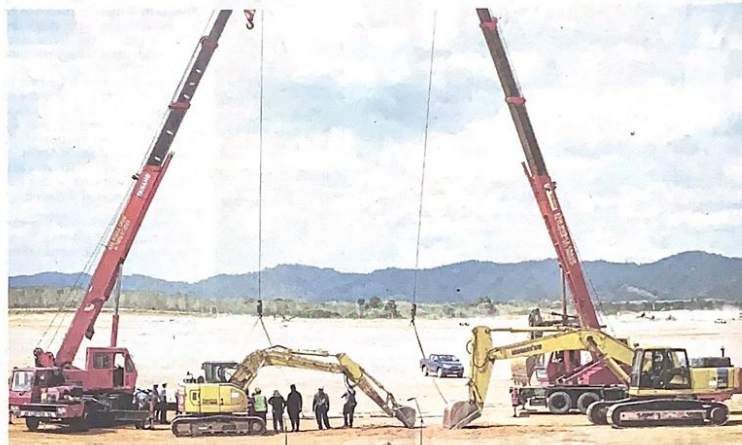
KRC, Malaysia's first dedicated rubber eco industrial park project, was launched by Prime Minister Datuk Seri Ismail Sabri Yaakob.

During the event, Ismail Sabri also witnessed the exchange of document between the two companies to form a strategic partnership for Hong Seng's NBL plant at KRC and tank farm integrated logistics services business in Penang.

In his speech, Ismail Sabri said KRC was already on track to meet its RM10 billion private investment target by 2025, five years earlier than the original target of 2030.

Suffian said the project would strengthen Malaysia's dominance in the global glove industry with its world-class technology and capabilities. "More importantly, we want to create job and business opportunities for local talents."

He added that a massive project



Cranes converging on the site for the Kedah Rubber City project in Padang Terap, Kuala Nerang, Kedah, yesterday. PIX BY LUHMAN HAKIM ZUBIR

like KRC would also benefit the local community, particularly traders and SME vendors in the Padang Terap district through spillovers from economic activities at the site.

Meanwhile, Mitsui Malaysia managing director Daiji Kojima said the company was delighted to support the project in terms of raw material supply and logistics.

"This is a very big project. That is why raw material and logistics supply are very important. We are very happy to be part of the project."

"Malaysia is one of the world's biggest rubber gloves manufacturers, so it makes sense for the country to produce its own raw material."

"That is why we are supportive of the project."

Hong Seng, in a statement on the partnership, said the group aimed to build and operate a NBL manufacturing plant which will be completed in stages over four phases, with a full production capacity of 960 kilo-tonnes per annum (KTPA).

Hong Seng Consolidated Bhd managing director Datuk Seri Teoh Hai Hin said the first phase of 240 KTPA was expected to start its commercial production by the second quarter of 2024.

"The project will position Hong Seng as the first public-listed and large-scale nitrile raw material producer in Malaysia."

Mitsui is a subsidiary of Mitsui & Co Ltd (Mitsui Group), a top 100 globally ranked trading and investment company headquartered in Japan which has a diversified business portfolio that spans 63 countries in Asia, Europe, North, Central & South America, The Middle East, Africa, and Oceania.

Under the partnership, Mitsui would provide a one-stop supply chain management for feedstock and raw materials of Hong Seng's NBL plant, as well as finance and raw materials for the tank farm established by Hong Seng's fully-owned subsidiary, HS Petchem Sdn Bhd.

"We are very proud to be a part of our prime minister's far-sighted vision of 'Keluarga Malaysia' with this national project in Kedah Rubber City which is expected to contribute RM14.7 billion to the country's gross domestic product and create 14,500 spillover jobs within 15 years once it is completed by 2030."

"Hong Seng is thankful to our prime minister for the support



Tents have been set up at the Kedah Rubber City project site.

and encouragement given, which has enabled us to secure foreign economic participations such as Mitsui Group and our technology provider, PCF Hemisphere Sdn Bhd.

"With this, Hong Seng will be able to contribute to the nation in terms of knowledge sharing and new technology transfers to be acquired during the course of the project which will position Malaysia to become the hub for nitrile latex total supply chain from upstream to downstream incorporating advanced technologies and world-class standards," said Teoh.

On Nov 1 last year, HS Petchem had accepted the Letter of Offer issued by Penang Port Sdn Bhd for sub-lease of a part of an industrial land located at Prai

Bulk Cargo Terminal, Penang.

The group aimed to construct a tank farm for the feedstock storage and supply of Butadiene and Acrylonitrile petrochemicals, as well as provisioning of logistics services for the delivery of the said feedstock.

The group said that due to the rise in demand for nitrile gloves, the raw materials required are also in severe shortage, therefore, by setting up its own feedstock tank farm facilities, Hong Seng will be able to capture a substantial market and fill up a void in the supply chain.

The company said the construction was expected to be completed within 18 months in sync with the production commencement of the NBL project.