

Sabah as major fertiliser maker

DE - 19/11/09

KOTA KINABALU: Sabah looks set to become the region's major fertiliser producer with the prospective entry of a major manufacturer from China.

Shenzhen BaTian Ecotypic Engineering Co Ltd, one of the biggest fertiliser manufacturers in China, has expressed interest to invest in the fertiliser cluster at the Lahad Datu palm oil industrial cluster.

In a meeting with officials of POIC Sabah Sdn Bhd here Wednesday, BaTian's

Chairman and Chief Executive Officer, Dr Huang Peizhao, said the company was interested to tap the Bimp-Eaga market with its 20-year experience in producing a wide range of fertilisers.

The company's main facility at Shenzhen, in the Guangdong Province in southern China, produces 1.65 million tonnes of compound fertilisers yearly. Sabah's annual requirement is about 1.1 million tonnes.

BaTian's plan reflects a recent trend among Chinese companies, awash with capital, to venture beyond their domestic market.

Dr Huang, an agronomist, said he was impressed with the port facilities at POIC Lahad Datu and the potential for bio-fertilisers, an area which BaTian is focusing on.

POIC Lahad Datu's fertiliser cluster already has seven investors with a planned capacity totalling 900,000 tonnes per year. A dedicated fertiliser jetty is under construction.

Investors are attracted by the huge demand generated by the booming and expanding plantation industries in Sabah, Sarawak, Kalimantan, Sulawesi and Irian Jaya.

Dr Huang is among a nine-member Guangdong Province Department of Agriculture delegation, led by Cai Hanxiang, the Vice Director-General of the department, which arrived here Tuesday on a five-day visit.



Dr Pang (second right) of POIC Sabah Sdn Bhd and Cai Hanxiang (second left), Dr Huang Peizhao (right) with POIC and Chinese officials.

The visitors were briefed on POIC Lahad Datu and the region's fertiliser market by Dr Lee Min Tong, a consultant with POIC Sabah and an expert in agronomy and cocoa.

POIC's CEO, Dr Pang Teck Wai, said the Chinese interest in using POIC Lahad Datu as their staging post for the wider Southeast Asian fertiliser market synchronises with POIC's impending collaboration with the Port of Rotterdam Authority (POR) to upgrade logistics infrastructure in Sabah and elevating Lahad Datu to international maritime hub status.

He encouraged the visitors to consider bio-fertilisers to take advantage of the large volume of oil palm biomass such as empty fruit bunches, palm fronds and POME (palm oil mill effluent).

Meanwhile, Cai said Sabah can leverage on its huge oil palm sector in the lucrative trade between Malaysia and Guangdong Province.

Describing the oil palm tree as a 'treasure from tip to root', he said every part of the tree and their processed products can find a ready market in China.

He said the delegation's visit to Malaysia was also to explore markets for a wide range of agriculture harvesting machinery produced in Guangdong and investment opportunities in paddy planting.