

# RECODA

NEWSLETTER

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# Awg Tengah: Samalaju Industrial Park to see more infrastructure projects to attract more investments



The Sarawak Government will continue to upgrade the infrastructure facilities in Samalaju Industrial Park to attract more quality investments, said Deputy Premier Datuk Amar Awang Tengah Ali Hasan.

The Minister for International Trade, Industry and Investment said to cater for the increasing demand at the Samalaju Industrial Park, the Regional Corridor Development Authority (RECODA) will undertake two infrastructure upgrading projects, reported The Borneo Post on November 3, 2022.

The first project is to increase the water supply from 80MLD to 200MLD by 2025 and secondly to upgrade an existing coastal road within the park from single carriageway to dual carriageway.

“Besides this, with more sophisticated and specialised requirements from existing and

new investors, the port facilities at Samalaju Industrial Park would need to be expanded and upgraded with latest and better facilities.

“My ministry is also developing 1,000 acres of land at Samalaju Industrial Park for the small and medium enterprises (SMEs).

“A portion of the said development (100 acres) is expected to be completed by end of 2023 and interested SMEs such as those in support services can contact my ministry,” he said when officiating at the ground breaking ceremony of RM1.7 billion joint venture investment by OCIKumho Sdn Bhd and Korea Kumho Petro Chemical Group – ECH project at Samalaju Industrial Park on November 2, 2022.

According to him, Sarawak Government through Bintulu Development Authority, Sarawak Energy Berhad, LAKU and other relevant agencies have spent billions

of ringgit to build roads, water treatment plants, substations and other amenities to ensure that the industrial park can meet the needs of investors.

“We welcome investments, not only in the upstream but also downstream at Samalaju Industrial Park,” he said.

As the state is moving towards more sustainable and green development, he hoped to see Samalaju Industrial Park evolve into a liveable industrial park with proper landscaping, township and social amenities developed to co-exist with the manufacturing industries.

“I would like to thank OCI and Kumho for making Sarawak as one of your major operational hubs outside South Korea and wish you more successes,” he said.

# RECODA concludes new Lawas Airport Value Assessment Lab



The two-day Value Assessment Lab for the proposed new Lawas Airport in Sundar was successfully completed on August 12, 2022.

Attended by consultants and officers from various relevant government agencies, the lab sought to gather input and feedback on the planning and system design, architectural works, mechanical and electrical works for this project to achieve better value and optimal cost.

Lawas is currently served by the existing Short Take-Off and Landing Airport (STOLport) which has been in operation since 1961.

Despite a subsequent upgrade in 1996, the STOLport continues to experience certain issues such as floodings while the increase in passengers has resulted in the STOLport unable to cope with the increased demand.

The Ministry of Transport Malaysia which carried out a feasibility study in 2016 had recommended for a new airport with a runway length of 1,500 meters which can accommodate ATR 72-500 aircraft to be developed.

Deputy Premier, Datuk Amar Awang Tengah Ali Hasan who officiated at the closing of the lab said the

project came at the time when there would be few other mega projects to be implemented in this region.

He singled out mega projects such as Northern Coastal Highway (NCH), Sarawak Sabah Link Road (SSLR) and Trans Borneo Highway (LTB) that would be complemented by the new airport.

“Regional Corridor Development Authority (RECODA) has completed the study for the proposed new deep-sea port in Lawas while my Ministry is now in the midst of completing the masterplan for the development of the industrial terminal which is part of the strategies to develop the petrochemical hub in Lawas.

“Both these studies aim to identify the critical success factors and the ecosystem to support the proposed growth and development of the petrochemical industry in the region.

Hence, Awang Tengah added that Lawas needed a bigger airport to accommodate the influx of both the business and leisure tourists to the town to participate in its economic and tourism activities.

“As such, this new airport is vital as it will serve as the catalyst for economic growth in the northern

region,” said Awang Tengah, who is also the chairman of Northern Region Development Authority (NRDA).

RECODA is the implementing agency for this proposed new Lawas Airport.

Construction work of this new airport is expected to start by first quarter of 2023 while its completion is expected to be by end of 2026.

RECODA Chief Executive Officer, Datu Ismawi Ismuni said the lab was important to align everyone involved in the project so that they would be on the same page to optimize the project design and cost without affecting the quality of the new airport.

“Ultimately, we want to deliver the project timely, with the most optimum cost without compromising on the quality for the benefit of the people.

“The outcome of this value assessment lab will be used as the basis to prepare the project brief including needs statement before the detailed design can be carried out and to avoid project overlapping,” said Ismawi when officiating at the opening of the lab on August 11, 2022.





# RM1.7 bln epichlorohydrin manufacturing plant project in Samalaju holds groundbreaking

The proposed RM1.7 billion epichlorohydrin (ECH) manufacturing plant project in Samalaju Industrial Park held its groundbreaking ceremony on November 2, 2022.

The project is a joint venture investment by OCiKumho Sdn Bhd and Korea Kumho Petro Chemical Group, The Borneo Post reported.

Deputy Premier Datuk Amar Awang Tengah Ali Hasan said at a time of uncertainties due to global geopolitics and the economy, OCI and Kumho's investment is very much welcomed.

"This latest investment from OCI and Kumho in Samalaju Industrial Park is a testament to the high level of confidence investors have in the Sarawak GPS (Gabungan Parti Sarawak) government," he said when officiating at the event on behalf of Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg.

He said the project is in line with Sarawak's Post Covid-19 Development Strategy 2030, which encourages more development in green and renewable industries so that Sarawak can contribute to the national aspiration of a low-carbon and eventually carbon-neutral society by 2050.

When operational, the new plant will produce ECH through hydroelectric power with bio-glycerin and natural salts.

ECH is an important raw material in the manufacture of epoxy used in coating applications in all industrial fields such as shipbuilding, automobiles, IT, construction, and civil engineering.

Awang Tengah said OCI Group will also expand its chlor-alkali production.

OCI has invested more than RM8 billion to produce solar



grade polysilicon in Sarawak, creating employment and business opportunities for locals.

Besides the current expansions by investors in Samalaju and Sama Jaya in Kuching, Awang Tengah said there are several new investors who are negotiating with the Sarawak government on proposed projects.

"These investors are attracted to the green hydropower potential of Sarawak to produce green products such as steel, hydrogen, and components for EV batteries, as the world moves towards more sustainable development," he said.

He pointed out Sarawak remains as an attractive location for investment, ranking among the top destinations for investment in manufacturing projects in Malaysia.

"Despite the pandemic, Sarawak managed to attract a total investment of RM23.17 billion, with RM16.08 billion approved in 2020 and RM7.09 billion in 2021," he said.

He said for Samalaju Industrial

Park, RM21 billion was invested by international investors and, in turn, this generated RM4.6 billion in 2021 in spin-offs for the local economy (2020: RM4.05 billion).

"Total employment created was 7,800 in 2021 (2020: 6,600) as well as wages paid amounting to RM425 million (2020: RM342 million).

"In 2021, Samalaju Industrial Park recorded total exports of RM13.9 billion (2020: RM9.4 billion)," added Awang Tengah, who is Minister for International Trade, Industry and Investment.

Among those present at the ceremony were Deputy Minister for International Trade, Industry and Investment Datuk Dr Malcolm Mussen Lamoh, Ministry Advisor (SME) Datuk Mohamad Naroden Majais, Ministry Acting Permanent Secretary Dzulkornain Masron, OCI Group Chairman Baik Woo Sug, and Korea Kumho Petro Chemical Group Chairman Park Chan Koo.

# Pertama Ferroalloys to invest RM2.81bil in plant



Pertama Ferroalloys Sdn Bhd will invest US\$600mil (RM2.81bil) on its ferroalloy smelting plant's second phase expansion project in Samalaju Industrial Park, Bintulu.

The company inked a Memorandum of Understanding (MoU) with the Sarawak Government on the project in Tokyo as reported by The Star on October 17, 2022.

The signatories were Pertama Ferroalloys Chairman Hirotaka Suzuki and Sarawak Deputy State Secretary (Economic Planning and Development) Datuk Dr Muhammad Abdullah Zaidel.

The signing ceremony was witnessed by Sarawak Premier Datuk Patinggi Abang Johari Tun Openg, who recently led a state trade delegation to Japan.

According to a statement issued by the Sarawak Premier's office, Hirotaka had said the plant would increase its

workforce to 1,000 on operation of the expansion project.

Pertama Ferroalloys (formerly known as AML Manganese (M) Sdn Bhd) is the first to set up a manganese alloy and ferrosilicon smelting plant in Malaysia – at the Samalaju Industrial Park under Sarawak Corridor of Renewable Energy (SCORE).

With an initial investment of US\$300mil (RM1.4bil), the plant achieved full production of 22,000 tonnes per month of manganese alloy products in 2018.

Pertama Ferroalloys is a joint venture between manganese mining and ferroalloy trading houses sourcing for leading steel products.

The company's shareholders are Asia Minerals Ltd (AML), Nippon Denko Co Ltd, Carbon Capital Corp Sdn Bhd and Shinsho Corp. The plant sources its raw materials from AML mines in South Africa.

Currently, there are two other ferroalloy smelting plants in Samalaju Industrial Park, which are owned by OM Materials (Sarawak) Sdn Bhd and Sakura Ferroalloys Sdn Bhd respectively – a tripartite joint venture between South Africa's Assmang Pte Ltd, Japan's Sumitomo Corp and Taiwan's China Steel Corp.

Commenting on Pertama Ferroalloys' new investment in the smelting plant's project, Johari said Sarawak's large renewable energy generation capacity from hydro sources had provided the state with the advantage in attracting foreign investors over other regional competitors.

The current installed capacity of 3,452MW in hydro energy generation, he said "has enabled Sarawak to offer the most competitive power tariffs in the region to energy-intensive industries.

"For companies involved in the ferroalloy smelting business in Sarawak, this will give them an advantage as their products will have an edge over other similar products that are made using fossil fuels."

State-owned Sarawak Energy Bhd currently owns the 2,400MW Bakun hydroelectric dam, 944MW Murum hydro dam and 108MW Batang Ai dam.

Under construction now is the 1,285MW Baleh hydro dam, which is expected to come onstream in 2026.

"In the face of looming climate change crisis and the race towards renewable or green energy, Sarawak is well-positioned to attract foreign investments banking on its huge hydropower potentials," Johari noted.

As Sarawak needs more skilled manpower in its development projects, he also said the state government has decided to grant expatriates a five-year working permit as an initiative to facilitate engineers and scientists to work in the state.



# RECODA kickstarts two programmes to improve people's livelihood

More than 1,000 fresh graduates and school leavers as well as the unemployed are set to benefit from training and upskilling programmes in the state.

Under the EMPLOY@SCORE programme, the participants will join value-added and industry driven training and upskilling modules provided by selected education and skills training institutions.

Funded by the Federal Government with an allocation of RM8 million, this one year programme will be implemented by Regional Corridor Development Authority (RECODA).

Upon the completion of the training, the participants will undergo a six months' job placement programme with participating companies and investors in the Sarawak Corridor of Renewable Energy (SCORE) region.

SCORE is one of the five economic corridors in the country which extends from the central region up to the northern region in the state with a land size of more than 100,000km<sup>2</sup>.

RECODA is the authority which oversees the overall development of SCORE.

The programme's launching ceremony, officiated by Sarawak Premier Datuk Patinggi Tan Sri Abang Johari Bin Tun Abang Haji Openg who is also the RECODA Board Chairman, was held on September 30, 2022 afternoon at a leading hotel in Kuching.

Johari was represented by Deputy Premier, Datuk Amar Awang Tengah Ali Hasan.

RECODA also launched another programme, COMMUNITY@SCORE, which aims to spur socio-economic development to improve the livelihood of the B40 group in areas under Upper Rajang Development Agency (URDA),



Highland Development Agency (HDA) and Northern Region Development Agency (NRDA) as well as in Mukah and Simunjan.

Under this programme, a total of 82 projects have been identified which will benefit 650 participants throughout the SCORE region, serving various communities in the tourism, agriculture, retail and services as well as other focus industries.

This one year programme, with a funding of RM16 million from the Federal Government, has been implemented by various government agencies and closely monitored by RECODA to ensure the smooth implementation of the projects.

During the launching ceremony, RECODA also exchanged Memorandum of Understanding (MoU) with eight strategic partners to carry out talent development programmes.

The strategic partners are Ministry of Education, Innovation and Talent Development (MEITD),

Universiti Malaysia Sarawak (UNIMAS), University of Technology Sarawak (UTS), Sarawak Skills Development Centre (PPKS), Kuching Polytechnic, Centre of Technical Excellence (CENTEXS), Social Security Organisation (SOCISO) and TalentCorp.

Through this collaboration, RECODA hopes to prepare Sarawakian workforce with relevant skills and match them with industry players.

This is the second of such collaboration following an MOU with Centre of Technical Excellence Sarawak (CENTEXS) in Mukah in August 2021.



# Australia-listed OMH completes buyback of OM Sarawak, OM Samalaju

Australia-listed minings firm OM Holdings Ltd (OMH) via its fully owned subsidiary, OM Materials (S) Pte Ltd (OMS) has completed the acquisition of the remaining 25 per cent interest in OM Materials (Sarawak) Sdn Bhd (OM Sarawak) and OM Materials (Samalaju) Sdn Bhd (OM Samalaju), reported The Edge Markets.

This comes as OMS entered into a conditional share purchase agreement with Samalaju Industries Sdn Bhd, a wholly owned subsidiary of Cahya Mata Sarawak (CMS) in June 2022, with all conditions precedent satisfied on Sept 15, 2022.

The acquisition was funded through a combination of existing cash reserves, private bond issuances and operating cash flows for a total cash

consideration of US\$120 million less the aggregate amount of Shareholders' Loans.

Commenting on the completion of the acquisition, OMG executive Chairman and Chief Executive Officer Low Ngee Tong said, "This transaction marks a key milestone in our journey and is an important part of the company's strategy to continue re-investing in the Sarawak smelter plant, and will allow us to be more agile and decisive in our growth plans.

"We thank CMS for their past contributions as partners in this project during its development."

OMH now owns 100 per cent of the equity interest in both OM Sarawak and OM Samalaju through OMS.



## Deputy Premier: New gas pipeline project to Samalaju expected to be completed by end-2025

Sarawak Government has approved a new gas pipeline project to Samalaju, which is expected to be completed by end of 2025, said Deputy Premier Datuk Amar Awang Tengah Ali Hasan.

The International Trade, Industry and Investment Minister said this project will supply 300 million standard cubic feet per day (mmscfd) of natural gas to Samalaju to power the

1,000MW Combine Cycle Power Plant (CCPP).

"It will also be providing gas to the other industries in Samalaju Industrial Park. With the completion of the project, we can attract more investments to SIP (Samalaju Industrial Park)," he said in his winding up speech at the DUN sitting on December 1, 2022.

Awang Tengah said the Government will continue to upgrade the infrastructure facilities so as to create a more conducive and vibrant environment for businesses to grow and prosper.

He said the recent Land Code amendment had allowed the State to have control over its subsurface cavity for geological sequestration of carbon





dioxide (CO<sub>2</sub>).

“As the world becomes more aware of the severe impacts of climate change, government and enterprises are making effort towards nett zero emission within the next three decades, thus Carbon Capture and Storage (CCS) becomes more and more important.

“CCS will make Sarawak one of the attractive investment locations in the region. Similarly, the recent amendment to the Forest Ordinance will create new opportunity for carbon stock and carbon trading,” he added.

Awang Tengah said the Sarawak Government also needs to aggressively develop the State’s human capital who will drive and sustain Sarawak’s socio-economic development.

He was pleased to note that the state government had invested heavily in institutions of higher learning and technical colleges such as Swinburne University of Technology, Sarawak; Curtin University Malaysia, Sarawak; University of Technology Sarawak;

i-CATS University College; Pusat Pembangunan Kemahiran Sarawak (PPKS); and Centexs in order to train more skilled workforce for the industries.

As Sarawak moves towards green and sustainable development, he hoped that investors will work closely with various government agencies to integrate their manufacturing activities with the surrounding by incorporating liveable components including greener landscaping, better social amenities and adopt higher compliance on environmental standards and practices.

He said his Ministry had stepped up overseas investment promotions such as to Singapore, Australia, South Korea and Japan as borders gradually open for international travel.

He believed that face-to-face engagement approach had been more effective than virtual engagements as the former approach had enabled the state to communicate and build better relationships with the investors,

thus enhancing their confidence in Sarawak.

“We need to be mindful that Sarawak is not only competing with neighbouring countries, but also competing with the other states in Malaysia for investments.

“Therefore, Sarawak needs to leverage more on our competitive advantages, particularly on the availability of green renewable energy to stand out as an attractive investment destination,” he said.

Awang Tengah said Sarawak welcomes all investments, both Foreign Direct Investment (FDI) as well as Domestic Direct Investment (DDI), not only in the upstream but also downstream and value-adding industries, in line with Post Covid-19 Development Strategy (PCDS) 2030.

He added that the PCDS 2030 will prioritise investments that promote economic prosperity, social inclusivity and environmental sustainability.

# Press Metal likely to see double-digit profit growth



Press Metal Aluminium Holdings Bhd is likely to record a robust double-digit net profit growth in financial year 2022 (FY22), despite the reduction in aluminium spot prices and a significant uptick in carbon anode prices which will drive production costs up.

The net profit of the largest aluminium smelter in South-East Asia is projected to jump by 50% year-on-year (y-o-y) in FY22, even as Hong Leong Investment Bank (HLIB) Research forecast another round of quarter-on-quarter (q-o-q) decline in net profit for the third quarter of FY22 (3Q22)

As for FY23, HLIB Research anticipates that Press Metal's net profit would grow at a slower rate of 41% y-o-y.

The robust y-o-y growth for FY22 and FY23 is, among others, attributed to the full commissioning of Press Metal's third phase Samalaju smelter expansion and further contribution from its 25%-owned PT Bintan alumina refinery.

"On the upcoming 3Q22 results, core earnings for the quarter could come in within the range of RM315mil to RM365mil, barring any unforeseen

swings in cost structure," said HLIB Research.

This represents a drop of 11% to 23% q-o-q and an increase of 16% to 34% y-o-y.

This is estimated from London Metal Exchange aluminium spot prices, which averaged at US\$2,357 (RM11,142) per tonne in 3Q22, compared to the average of US\$2,896 (RM13,690) per tonne in 2Q22 and US\$2,652 (RM12,536) per tonne in 3Q21.

HLIB Research also noted that carbon anode prices averaged at 6,532 yuan (RM4,250) per tonne in the first nine months of FY22 (9M22). This represents a 66% increase from 3,943 yuan (RM2,565) per tonne in 9M21, based on Bloomberg data.

"We highlight that carbon anode serves as a catalyst in the production of aluminium and is part of the production cost of Press Metal.

"With that, we are expecting some profit margin squeeze in 3Q22 earnings quarter-on-quarter, coupled with lower revenue due to the recent dip in aluminium spot prices," the research house said in a note yesterday.

Meanwhile, HLIB Research said that it is positive on Press Metal's 10-

year tolling agreement with Glencore, where the latter will supply Press Metal with alumina and off-take aluminium over a decade.

It added that the deal would further anchor Press Metal as one of the highly recognised low-carbon emitting smelters in the world.

Glencore is an Anglo-Swiss multinational commodity trading and mining company with headquarters in Switzerland.

It is also the world's largest aluminium trader with a footprint in over 35 countries.

Looking ahead, HLIB Research maintained its "buy" call on Press Metal with an unchanged target price of RM5.28 per share.

It also noted that Press Metal's valuations are justified due to its favourable cost structure as bulk of its energy costs are locked in via a 15 to 25 year power purchase agreement with Sarawak Energy Bhd.

In addition, Press Metal enjoys the scarcity premium of a growing large-cap and investible aluminium proxy in Malaysia and it has a low carbon footprint as its smelters are hydro-powered.



# Steady earnings seen for OMH in FY22-FY23



## OM HOLDINGS LIMITED

OMH Holdings Ltd's fortunes are closely tied to the global steel demand, which is projected by the World Steel Association to grow by 2.2% in 2023, says Kenanga Research.

OMH is South-East Asia's largest manganese and silicon smelter primarily listed on the Australia Stock Exchange and a secondary listing on the Main Market of Bursa Malaysia.

The group has two smelters, namely OM Sarawak (OMS) in Samalaju, Sarawak, and OM Qinzhou (OMQ) in Qinzhou, China.

Its wholly-owned Bootu Creek Mine in Australia had ceased operations last December, while it also has an effective 13% interest in the Tshipi Borwa Mine in South Africa.

Kenanga Research, which initiated a coverage on the stock, has

recommended an "outperform" call with a target price of RM2.54.

This is based on OMH's financial year 2023 (FY23) prospective price-to-earnings ratio of five times, which is in line with its international peers' average.

"We expect OMH's projected FY22-FY23 earnings to surpass that of FY21, driven by capacity expansion and elevated average selling price (ASP)," it added.

The research house said OMH has a huge cost advantage over its international peers, given the long-term hydropower supply contract with Bakun Dam it entered into at competitive rates while its peers, especially European smelters, face high electricity costs as fuel prices surge.

Besides competitive labour cost, OMH also benefits from logistical advantages such as exporting its ferrosilicon (FeSi) product to Japan, Kenanga Research said.

"We understand that OMH's current cash cost for FeSi is about US\$1,200 to US\$1,400 (RM5,677.20 to RM6,623.40) per tonne against a market price of around US\$1,600 (RM7,569.60) CIF Japan," it noted.

According to Kenanga Research, the group is also undergoing capacity expansion to drive further volume growth.

Ever since the pandemic, OMH had OMQ stopping production since last December as skyrocketing power-tariffs have rendered operation unviable, while OMS is undertaking conversion and major maintenance of the existing furnaces.

"By the end of this year, total plant output will be 340,000 to 360,000 tonnes per annum as opposed to 470,000 tonnes per annum pre-Covid.

"With four more conversions and two new furnaces on the pipeline, this will raise total capacity to between 610,000 and 640,000 tonnes per annum, which will help to drive future volume growth," it added.

Kenanga Research also expects the group's FY22 net profit to jump 53% year-on-year (y-o-y), attributable to better ASP mix and operation efficiency, despite a 10% contraction in revenue due to cessation of OMQ and Bootu Creek Mine.

"However, FY23 net profit is forecast to fall 8% y-o-y on the back of a 13% decline in revenue as ASP falls.

"Nonetheless, higher production volume of 16% will help to mitigate the fall in ASP," it pointed out.

Meanwhile, the strong ASP in the past two years have helped to strengthen OMH's balance sheet, with net gearing set to improve to 0.30 times by FY23 from 2.09 times five years ago in FY17, said the research firm.

# RECODA holds Annual Integrity Day



The Regional Corridor Development Authority (RECODA) held their annual Integrity Day on December 14, 2022 for all RECODA management and employees, including the regional agencies under RECODA, Upper Rajang Development Agency (URDA), Highland Development Agency (HDA) and Northern Region Development Agency (NRDA).

In conjunction with the event, RECODA also launched a subpage “Governance and Integrity” on their website, which contains among others the official complaint channel for the public and employees to report any improper conduct within RECODA.

In 2021, RECODA launched its 5-year Organisational Anti-Corruption Plan (OACP) and since its establishment have implemented various initiatives to instil a high integrity culture in RECODA through integrity talks, establishment of business process and revision of internal committees.

RECODA CEO Datu Ismawi Ismuni shared in his speech, “These initiatives aim to ensure a good, transparent and

responsible governance as well as, create a healthy check and balance culture in RECODA.”

Also in 2021, RECODA was invited to join a pilot project under the Sarawak Government to certify RECODA with the MS ISO Anti-Bribery Management System (ABMS) that includes the Anti-Bribery Policy and Whistle Blowing policy, which has been endorsed by RECODA’s board on September 2022.

“The ABMS demonstrates our commitment to prevent the commission of any form of bribery in RECODA; meanwhile the Whistle Blowing Policy provides the avenue for employees and members of the public to disclose any improper conduct through internal channels whilst ensuring the confidentiality of their identity.”

“I wish to reiterate that integrity, transparency and anti-bribery must be part of our culture in combating corrupt practice, we embody a behaviour that reflects the highest level of integrity in line with the spirit of an ‘Honour to Serve’.”





# RECODA Milestones: 2013

**Sarawak Corridor of Renewable Energy or SCORE is one of five economic development corridors created by the Federal Government as part of its ambitious plan to stimulate growth, especially in traditionally rural areas of Sarawak. RECODA was established to oversee and manage SCORE as the implementing agency for infrastructure and socio-economic projects within the SCORE region, as well as tasked to attracting investors to the state and creating job opportunities.**



Murum Dam impoundment begins



Power Purchase Agreement signing ceremony between Sarawak Energy Bhd and Tokuyama Corporation



Sarawak Energy Bhd completes Murum Resettlement Exercise

2013

SEPTEMBER

OCTOBER



Sarawak Energy Bhd signs Power Purchase Agreement with Sakura Ferroalloys Sdn Bhd



Groundbreaking ceremony for the Tanjung Manis Water Supply Project (Phase 1)

NOVEMBER

DECEMBER



Cahya Mata Sarawak Berhad enters into a Shareholders' Agreement for the development of a phosphate plant in Samalaju

To be continued in the next  
READCODA Issue





# Pertama Ferroalloys to raise its production capacity

*With extra furnances to be built and commissioned by 2024, Pertama Ferroalloy is expected to raise its capacity to 40,000 MT/year of ferromanganese*

Yuki Nakamura is upbeat. Having been appointed the new general manager of Pertama Ferroalloys Sdn Bhd in early 2022, the Tokyo native is optimistic about the prospects of developing green field and smelting projects to meet the global demand for raw materials for steel products.

The 46-year-old dropped by our office in Kuching to speak on his company's plan to expand its manganese alloys and ferrosilicon capacity at the Samalaju Industrial Park (SIP) in Bintulu.

Pertama Ferroalloys was established on December 2, 2010 as the first large-scale manganese alloys and ferrosilicon plant in Malaysia. Formerly known as AML Manganese (Malaysia) Sdn Bhd, the company was established by global ferroalloy production leaders to produce and supply manganese alloy products for the steel industry worldwide.

Nakamura is no stranger to the company having served on the company's board of directors over the past decade.

"It's been very good," he said. "I've been on the Board of Directors of Pertama Ferroalloys since the beginning. But now I'm a general manager as well as a board member. I



Furnace system control room

can now have direct control of the plant. That is actually easier than managing the plant through someone else.”

“I’m very happy to stay here and work together with my employees at the plant,” he said.

Pertama Ferroalloys is the first company in Malaysia to complete the construction of ferrosilicon and silicon manganese furnaces at the cost of about US\$400 million (RM1.8 billion) by 2018.

Pertama Ferroalloys’ facility at SIP are FeSi 64,800 metric tonne per year (MT/year) of ferrosilicon (FeSi), 151,200 MT/year of silico-manganese (SiMn), 250,000 MT/year of sintered manganese ore.

The facility has three 33 megavolt-amperes (MVA) furnaces producing FeSi, three 33MVA furnaces producing SiMn, a sintered ore plant and two 5MVA furnaces for ferromanganese.

The company is expected to raise its capacity to 40,000 MT/year of ferromanganese after further upgrades to the facility, said Nakamura.

“By 2023 or 2024 Pertama Ferroalloy aims to build and commission one or two extra 33 MVA furnaces.”

Pertama Ferroalloys is a joint venture, which is 60% owned by Hong Kong-based Asia Minerals (AML). Its other joint-venture partners are Japanese firms Nippon Denko Co Ltd (25%), Shinsho Corp (7%) and Carbon Capital Corp Sdn Bhd (8%).

“We export 100% to the international market mainly to Japan, Korea, USA, Europe, Australia,” he said. There are no materials exported to China, he added.

With Nippon Denko being a major ferroalloy manufacturer, there are some considerations in terms of product output for the Japanese market.

“About 20% of our SiMn product and 33% of our FeSi product is made for the Japanese market. We’re not only selling to Nippon Denko. We also sell to Kobe Steel, JFE Steel, Toyota, and other key customers in Japan.”

The combined productions of Pertama Ferroalloys, and other investors at SIP has ranked Malaysia as the world’s fourth-largest producer of ferrosilicon and manganese alloys after China, India and South Africa.

On its part, Pertama Ferroalloys has to source its raw materials, such as manganese ore, which is not a known plentiful resource in Sarawak.

Manganese ore sources are mainly from South Africa (Pertama Ferroalloys’ shareholder, AML’s own manganese mine) and some quantity from Australia, Gabon. Silica quartz is sourced from China, low ash coal from Columbia, metcoke and semicoke from China and Columbia, charcoal from Indonesia and Millscale from Bangladesh and Oman.

As a result of this reliance on the import and export of materials, it is of vital importance that shipping facilities cope with the import of materials.

“Samalaju Port and investors in Samalaju Industrial Park are discussing how to improve and upgrade Samalaju Port capacity and operational efficiencies right now,” said Nakamura, who is a member of the Samalaju Investors Industrial Association Bintulu (SIIAB).

### Post Covid-19 Pandemic

Former Pertama Ferroalloys Executive Chairman Hirotaka Suzuki had stated plans to diversify into value-added products for the steel industry. The plans were slated to be carried out just prior to the Covid-19 pandemic outbreak in 2020.

With the world entering the endemic phase, Nakamura said the diversification plans will still proceed as planned.

“We are aiming to produce and supply new products for the battery industry,” he said, adding that the products include electrolytic manganese metal and electrolytic manganese dioxide, with plans for second and third phase expansions.

Although the price of ferrosilicon and manganese alloy products recovered following the Covid-19 pandemic,



Pertama Ferroalloys’ laboratory



Nakamura said there were “some concerns” of a global recession.

Markets where growth can be still found in the United States, India and the Middle East, with smelting plants in China contributing about 50% of the ferrosilicon and manganese output globally.

Growth within China may change in the long-term however, with the Chinese government seeking to address environmental pollution having committed to becoming carbon-neutral by 2060.

“Production in China will be quite tough and expansion of the ferroalloy industry will not be supported by the Chinese government in future. Rather, Chinese ferroalloy smelters will be encouraged to build plants outside of China aggressively,” he said.

As for overall growth, Nakamura expects a 1.5% increase in world demand per annum.

### Future Growth

On Pertama Ferroalloys’ current power consumption needs, Nakamura said it has a power purchase agreement (PPA) with SESCO Bhd for a nominated demand of 170MW up to 2037.

“And now we’re in discussion to receive an extra 70 megawatt (MW) to 80MW capacity from SESCO.”

Nakamura said the fresh PPA negotiations need to consider the contributions made by investors to SIP and Sarawak.

“Many new investors all over the world look at us (pioneer investors) because we are successful. Many companies want to come.

“If any of us fail, it may influence whether new investors come or not in the future. We developed this Samalaju Industrial Park from nothing. We really worked together to develop this.”

On whether the pandemic affected production at SIP due to logistical issues affecting supply of materials, Nakamura said: “Thanks to the support given by the Sarawak Government, infrastructure operators and service providers in Sarawak, we maintained good production volume during the pandemic.”



Pertama Ferroalloys furnace building

## Sarawak My Second Home

### How long have you been in Sarawak?

Officially, I’ve been here six months on my Employment Pass.

However, since 2009, I’ve been traveling almost every month, where I spend at least a week in Sarawak. So this went on for the last 12 years, except during the Covid-19 period. So I’ve been a frequent traveler.

Before November 2021, my last visit was in February 2020.

### Did you come with your family?

I’m unmarried.

### How has it been living in Sarawak?

Oh I like the weather. I like the blue skies, sometimes I like the heavy rain in the evening. I like the weather, the culture of the people. There’s no racism and people have been very nice to me. Very comfortable.

## URDA carries out site inspection of Nanga Makut, Nanga Engkuah road

RECODA carried out a site inspection on the ongoing construction of a 22km R1 Standard Road linking Nanga Makut and Nanga Engkuah in Katibas, located some 60km south of Song.

The Upper Rajang Development Agency (URDA), led by its Regional Director Joseph Belayong Punan, checked up on the status of the construction of eight Bailey bridges and earthworks involving slope cutting and embankment filling. The infrastructure project, which is sited along Sungai Katibas about 20km from the Indonesian border, will also be realigned to avoid local Iban traditional burial sites.



## Completion of Nanga Machan Bridge construction



The construction of the new 130m long Nanga Machan reinforced concrete beam bridge across Sungai Kanowit has been completed. The project also included roadworks that upgraded the existing 9.5km earth roads to R1 Standard.

With this project completed, the people of Machan can now have an enhanced road connectivity with the bridge to RH Upoi, RH Sandom, RH Petay and Machan town.

## Feedbacks sought for access road to Tunoh project



An engagement session was organised by RECODA, with community leaders and officers from relevant government agencies on September 9, 2022 to gather their feedbacks on the proposed access road to Tunoh project in Kapit.

The project, to be funded by the Federal Government, will involve the construction of 37.9km road of JKR R1 Standard, which will connect to the Baleh Dam Access Road to the Tunoh area. The access road will benefit residents from 12 longhouses who currently have to use river or logging road to reach Kapit town.

Chairman of URDA, Dato Sri Alexander Nanta Linggi who was present said the project would be a game changer and catalyst to boost socio-economic development and other basic facilities in the area and its surroundings.



## Site Visit to New Bandar Lawas Bridge

RECODA Chief Executive Officer, Datu Ismawi Ismuni and project team took a peep this morning at the iconic 640 metres balanced cantilever new Bandar Lawas Bridge which is currently under construction. The bridge is located on the eastern side of Lawas town connecting the villages in and around Kampung Seberang Kedai to Lawas town, which will help to boost the local economy in the area.



## Villagers in Limbang to get clean treated water



Eighteen villages and two schools here will be enjoying clean treated water once the new water supply pipelines from Bawang Ubor to Pangkalan Jawa Junction to Rh. Jubang Junction is extended.

A simple launching ceremony for the project was held on November 16, 2022 and officiated by Deputy Premier, Datuk Amar Awang Tengah Ali Hasan.

In his brief speech, Tengah said once the extension work is done, more than 3,500 villagers will get to enjoy the clean treated water from Berawan water treatment plant. Present were Deputy Minister of Transport Malaysia Datuk Hasbi Habibollah, State Assemblyman for Batu Danau Paulus Palu Gumbang and RECODA Chief Executive Officer, Datu Ismawi Ismuni.

## New Bandar Lawas Bridge to be completed in early 2025



Construction of the new Bandar Lawas Bridge is expected to be completed in early 2025. The RM150 million project, is currently undergoing piling and earth works where Pekerjaan Piasau Konkerit is the contractor.

Once completed, the iconic bridge with tower arches and suspension cables, and decorated with LED lights will reduce the travelling time crossing the Batang Lawas river to go to Jalan Pulau Salam on the north and Kampung Ladang Baru on the south of Lawas town.

The project launching was officiated by Sarawak Deputy Premier, Datuk Amar Awang Tengah Ali Hasan, who is also the NRDA Board Chairman at the site on November 8, 2022.

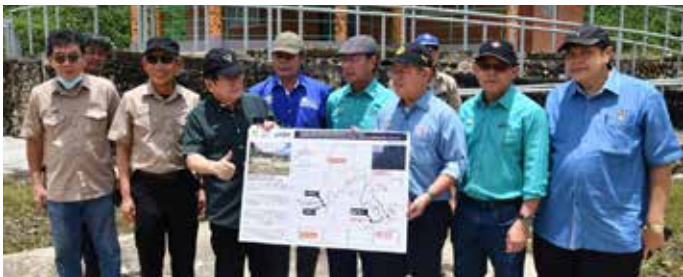
RECODA Chief Executive Officer, Datu Ismawi Ismuni in his brief remark said the Bandar Lawas Bridge project which began on May 26 this year would involve the construction of the 642 metres long and 12.4 width bridge which is equipped with four tower arches and suspension cables with LED lightings including 1.1 kilometres of access road to the bridge.



## Integrated Highland Agro-Station in Long Banga now under M-FICORD management

A ceremony was held at the station in Long Banga September 4, 2022 to mark the official handing-over of the IHAS to the Ministry of Modernisation of Agriculture and Regional Development Sarawak (Manred). Performing the ceremony was Deputy Premier Datuk Amar Douglas Uggah Embas, who symbolically handed over the centre to Deputy Minister of Modernisation of Agriculture and Regional Development II Martin Ben.

The IHAS functions as a bio-technology research centre meant to develop high-value downstream agro-food products for export and aimed at increasing the overall food self-sufficiency in Sarawak with the planting of high-value crops and enhancement of the logistics support. Moreover, the station would be used as a production collection centre, complete with storage and packaging facilities, for Long Banga, Long Beruang and Long Peluan areas.



## Nanta takes over as URDA chairman from late Masing



Dato Sri Alexander Nanta Linggi was appointed chairman URDA during its Board of Directors meeting in Kapit on October 12, 2022, taking over from the late Tan Sri Datuk Amar Dr James Masing. He announced the appointment of Deputy Minister of Utility and Telecommunication Datuk Liwan Lagang, who is Belaga assemblyman, as the Deputy Chairman of URDA.

During the meeting, Nanta informed that six projects in the region had been completed while another 25 projects were currently in the implementation stage, and 11 projects were still in the planning stage.

Nanta also revealed that a socio-economic development plan (SEDP) had been completed by RECODA. He explained with a bottom-up approach, they had identified opportunities for the people to participate actively in socio-economic activities to increase their income with greater private sector investment for economic growth within the URDA area.

## Uggah: RECODA implements 50 projects despite pandemic challenges



RECODA has implemented 50 projects at geographically challenging remote rural areas despite Covid-19 pandemic challenges, says Deputy Premier Datuk Amar Douglas Uggah Embas.

Though most of these projects awarded during 2019 were impacted by price increase post-pandemic, 17 projects are under construction; nine projects at detailed design stage; three projects have been completed; and 21 projects including 19 water supply projects are expected to be tendered out soon.

In view of infrastructure development, Uggah revealed that RECODA has appointed Unimas Holdings Sdn Bhd as the consultant to develop the Socio-Economic Development Plan (SEDP) 2022-2026 for HDA. "The main objective of SEDP is to identify opportunities for the people to participate in socio-economic activities with greater private sector investment for economic growth in short, mid and long terms within HDA area," said Uggah.



# Planned deepwater port holds big potential for Lawas, says Deputy Premier

A deepwater port could be a game-changer for Lawas, pushing it to become a regional economic hub and investment magnet. In stating this, Deputy Premier Datuk Amar Awang Tengah Ali Hasan regarded the proposed facility at Pulau Sari, along with the new Lawas Airport project, as key to the strategic plan of turning this district into a thriving economic and logistics centre that could also serve areas beyond its borders.

Awang Tengah, also Minister of International Trade and Investment Sarawak, viewed Lawas as being strategically located in Borneo and in relation to this, he said plans were in the pipeline to make it an international gateway for the neighbouring East Kalimantan where the new Indonesian capital Nusantara would be established.



## URDA forms 9 sub-committees



URDA Chairman Dato Sri Alexander Nanta Linggi announced setting up nine sub-committees during a press conference after the URDA board meeting.

Hulu Rajang Incumbent Datuk Wilson Ugak Kumbong is Chairman of the Infrastructure and Security sub-committee, while Pelagus assemblyman Wilson Nyabong Ijang is Chairman of the Agriculture, Livestock and Fisheries sub-committee. Baleh assemblyman Nicholas Kudi Jantai heads the Tourism, Arts and Culture sub-committee, while Deputy Minister of Health Datuk Aaron Ago Dagang, who is Kanowit incumbent, is Chairman of Forestry and Environment Sustainability sub-committee.

Deputy Minister in the Premier's Department (Native Customs and Law) Jefferson Jamit Unyat, who is Bukit Goram assemblyman, is Chairman of Community Development and Land Matters sub-committee. Ngemah assemblyman Anyi Jana heads the Education and Health sub-committee while Murum assemblyman Kennedy Chukpai Ugon is Chairman of the Utilities and Telecommunications sub-committee. Charing the Industry and Entrepreneur Development sub-committee is Katibas assemblyman Lidam Assan while Machan assemblyman Allan Siden Gramong is the Youth, Sports and Technical Training sub-committee Chairman.

## Construction on Baleh Hydroelectric Project reaches 33 pct completion

Construction on the 1285MW Baleh Hydroelectric Project (HEP) has reached 33 per cent completion to date. According to a press release, a key milestone for the HEP was achieved in September 2022 with the beginning of works for the Concrete Faced Rockfill Dam (CFRD). This was commemorated with a rock placement ceremony attended by Sarawak Energy's senior management and project delivery team, the project's contractors, representative from Bukit Mambong District Office, and representatives from neighbouring communities.

The Diversion Tunnels were safely completed in October 2020, diverting water from upstream Batang Baleh adjacent to the confluence of the Putai River through 1.2km long dual concrete-lined tunnels running parallel to each other to allow for the construction of the main dam. Prior to the commencement of main dam works, another major milestone was reached in July 2022 when Sarawak Energy completed the package for the jetty, road and bridges.



## Collaboration with UTS

We held a meeting in RECODA on July 8, 2022 with the vice chancellor Prof Datuk Dr Khairuddin Ab Hamid, representatives from Sarawak Housing and Real Estate Developers' Association (SHEDA) and Electrical Association Sabah and Sarawak (EASS) to discuss the collaboration with the University of Technology Sarawak (UTS) to be one of the partners for the EMPLOY@SCORE programme which aims to provide industry driven job development and create employment opportunities. This programme will assist industries to identify the suitable candidates to be equipped with relevant skills based on their needs.



## Dialogue engagement with Samalaju Investors



In an effort to better serve the investors in Samalaju Industrial Park, RECODA's Investment Promotion Team, led by its director Mr Lester Matthew, had a dialogue engagement with the investors on July 25, 2022 to follow up on several issues raised by them in the previous meetings. This will be an on-going effort on RECODA's part to facilitate the investors who have brought in billion ringgits worth of investment to the SCORE region.

## Back-to-back meetings on investment opportunities in SCORE

In a back-to-back meetings July 13, 2022 where RECODA shared with several investment bankers and fund managers on the vast investment opportunities in SCORE, which covers more than 100,000 km<sup>2</sup> or two-third of Sarawak size. To open up this vast SCORE region, RECODA was entrusted by the Sarawak Government to implement 264 infrastructure projects and mega projects such as Northern Coastal Highway and the proposed new Lawas Airport.

## Positive recovery outlook for Samalaju Industrial Port highlighted in latest logistics forum



Samalaju Industrial Port Sdn Bhd (SIPSB) engaged the investors of Samalaju Industrial Park (SIP) in the third logistics forum held July 17, 2022, where among the updates discussed were the cargo volume and the performance of vessel calls over the past six months.

In this regard, the group said they exhibited double-digit growth over the performance recorded in the corresponding last year. Based on the April-May 2022 record, there was an improvement of 11 per cent in ship turnaround time at the port.

In the previous meetings, SIPSB and the investors had highlighted the way forward in improving its performance, and all members had given utmost cooperation in seeking solutions to improve the overall logistics supply chain's performance.



## Upbeat on CMS as Bintulu MPAS complex to open soon



Analysts are upbeat as Cahya Mata Sarawak Bhd (CMS) will be firing up its first furnace at its Malaysian Phosphate Additives Sarawak (MPAS) complex in Bintulu on August 8, 2022.

This is much-awaited progress that has been delayed for two years due to Covid-induced bottlenecks from lockdowns to supply chain disruptions and unavailability of foreign workers, said MIDF Amanah Investment Bank Bhd (MIDF Research). The

remaining three furnaces will be fully commissioned by December 2022.

CMS holds 60 per cent of MPAS via its wholly-owned subsidiary Samalaju Industries Sdn Bhd. It is the first integrated phosphate complex in the country. In terms of environmental concerns, there will be zero gas emissions from the MPAS project according to CMS, on top of having 99.9 per cent of its water recycled and no water discharge.

## Press Metal's prospects remain intact in the long run



Press Metal Aluminium Holdings Bhd (Press Metal) will continue to benefit from long-term supply of electricity at favourable rates via the power purchase agreement with Sarawak Energy Bhd sourced from the Bakun Dam.

According to researchers with RHB Investment Bank Bhd (RHB Research), this is on the back of Phase 3 of Press Metal's smelting operations fully commencing in October 2021 with a capacity of 320,000 tonnes per annum (TPA) backed by 300 pots, bringing the

firm's total capacity to 960,000 TPA.

To note, the price of alumina (a cost component for Press Metal) peaked in March at US\$505 per tonne, fuelled by geopolitical risks. Conversely, current alumina prices have dropped 33 per cent to US\$340 per tonne. "Looking ahead, we expect alumina prices to average US\$375 per tonne in FY22, supported by output cuts at alumina refineries in China in light of a bauxite shortage – a raw material used to produce alumina," RHB Research said.

## OMH's Sarawak ferroalloys operations record higher production volume for 2Q



Vertically integrated ferroalloy producer OM Holdings Ltd's (OMH) ferroalloy smelting plant in Sarawak's Samalaju Industrial Park has recorded higher production volumes for ferrosilicon, manganese alloys and manganese sinter ore in the second quarter ended June 30, 2022 (2QFY22) as compared to 1QFY22.

For the quarter under review, the Sarawak plant produced 35,004 tonnes of ferrosilicon, 60,767 tonnes of

manganese alloys and 30,446 tonnes of manganese sinter ore, representing an increase of 3.2 per cent, 0.4 per cent and 18.7 per cent, respectively, when compared to the preceding quarter.

In terms of sales volume, the plant saw an increase of 23 per cent sequentially for ferrosilicon to 37,779 tonnes in 2Q2022 due mainly to delayed shipments at the end of March 2022 being carried forward to the quarter under review.

## RECODA receives delegation from Sakura Ferroalloy

RECODA's CEO, Datu Ismawi Ismuni had a fruitful conversation with the delegation from Sakura Ferroalloy Sdn Bhd, led by its Chairman Andre Joubert and Sumitomo Corporation Malaysia Sdn Bhd, led by its Managing Director, Katsuhito Horiguchi during their visit to the office on August 4, 2022.

Sakura Ferroalloys is a joint venture between mining house, Assmang Limited (South Africa), trading giant, Sumitomo Corporation (Japan) and manufacturer, China Steel Corporation (Taiwan) which started its operation in Samalaju Industrial Park (SIP) in 2017 where it produces high carbon ferro-manganese and silico-manganese to be supplied to the international market.



## Press Metal profits impacted by carbon anode price hike



Press Metal Aluminium Holdings Bhd (Press Metal) will likely face profit margin squeeze in its second to third quarter (2Q to 3Q22) earnings, coupled with lower revenues due to the recent dip in aluminium spot prices due to an uptick in carbon anode prices, analysts observed.

Looking ahead, HLIB Research cut its FY22-24f net profit forecasts by 15 per cent, 25 per cent and 21 per cent respectively to account for lower average aluminium spot price assumptions of US\$2,550 per tonne, US\$2,600 per tonne and US\$2,650 per tonne for all three forward years (from US\$3,150 per tonne and US\$3,200 per tonne previously) to reflect the recent dip in global aluminium prices recently.

As a result, HLIB Research made hedging assumptions for FY22f, FY23f and FY24f. For FY22f, HLIB Research hedged 60 per cent at US\$2,400, compared to its average spot price assumption at US\$2,550. As for FY23f, HLIB Research hedged 60 per cent at US\$2,500 (the research arm's average spot price assumption is US\$2,600) while it hedged 60 per cent at US\$2,600 for FY24f, compared to its average spot price assumption at US\$2,650.

## East M'sia ports, smelters to gain from Nusantara devt

Sabah and Sarawak are expected to gain from the development of Nusantara as analysts gather that local companies have received plenty of enquiries from potential new clients or partners in Indonesia. According to the research arm of Kenanga Investment Bank Bhd (Kenanga Research), Sabah and Sarawak are well positioned to benefit from trade diversion (away from China) given their locations along the intra-Asia shipping path.

"In addition, they have also been earmarked as part of China's Belt-and-Road Initiative," Kenanga Research said following its Sarawak and Sabah field trip. "We understand local companies in Sabah and Sarawak, have already received a deluge of enquiries from their potential new clients or partners in Indonesia."

The research arm also noted that Samalaju Industrial Port of Bintulu Port Holdings Bhd is poised to benefit from higher throughput backed by a higher aggregate output from the expanded production capacity of key players in Samalaju Industrial Park.





## Study: Proposed deep-sea port in Lawas able to tap prospects from BIMP-EAGA

The proposed location for Lawas deep-sea port is strategically located in an active economic zone within the East Asean Growth Area-Brunei-Indonesia-Malaysia-Philippines (BIMP-EAGA).

In highlighting this, Maritime Institute of Malaysia (Mima) Director-General Datuk Dr Sabirin Ja'afar said the findings from a preliminary study conducted by the institute indicated that the proposed location of the port in Lawas was 'strategic, in view of it having the suitable natural depth and being in a viable geographical position'.

Sabirin said another 'plus factor' for the proposal was the location itself, being relatively near to the area in Kalimantan where Indonesia's new capital would be established. "The proposed petro-chemical activities factor in the Pulau Sari area would be a boon for the development of Lawas port to support the sectors related to international trade," he pointed.



## Healthy prices drive up PMB Technology profit



PMB Technology Bhd, which operates a metallic silicon plant in Samalaju Industrial Park, Bintulu, foresees global supply tightness in silicon metal. According to chief executive officer Koon Poh Ming, the recent power rationing and Covid-19 outbreak in two cities in China, in silicon metal producing regions, along with labour disputes at several silicon metal production plants in Europe, are creating some concerns about supply tightness.

However, he said the full impact of the supply situation is yet to be ascertained and will depend on the severity and duration of these events. "The near-term outlook for silicon metal on the demand side from the chemical and automotive sectors has been negatively impacted by fears of a global slowdown in economic activity and inflationary pressures."

"Demand for silicon metal from the solar photovoltaic sector is expected to remain strong as major nations ramp up climate-related spending. This incentivises investment in the expansion of renewable energy generation. Year-on-year global energy transition spending continues to grow, which is an indication that most nations remain committed to meeting their climate targets."

## Samalaju Port given till Dec to resolve vessel turnaround time issues



Samalaju Port management has been given until December 2022 to resolve issues pertaining to its main vessel turnaround time. Deputy Premier Datuk Amar Douglas Uggah Embas said this is very important as the port was expected to play a very critical role in the state's industrial development activities, and Samalaju is one of its top growth areas.

Uggah said efficient ports also are very important for the state to achieve its high-income status by 2030. "We

have our Post Covid-19 Development Strategy 2030 to propel us towards this. We need to act now to resolve any issues because we do not have the time. Time is not on our side.

Meanwhile, Bintulu Port Holdings Berhad Group Chief Executive Officer Datuk Mohammad Medan Abdullah who was present praised the state government for being very serious in wanting to solve the teething problems faced at Samalaju Port.

## OM smelting plant on track to achieve output target

OM Holdings Ltd's (OMH) smelting plant in Samalaju Industrial Park, Bintulu, is on track to achieve production of between 340,000 and 360,000 tonnes of ferroalloys in the current financial year ending Dec 31, 2022 (FY22).

During the January-June 2022 period (1H22), the plant recorded sharply higher ferroalloy production volume of 190,236 tonnes (comprising 68,929 tonnes of FeSi and 121,307 tonnes of manganese alloy) from 156,298 tonnes (comprising 61,471 tonnes of FeSi and 94,827 tonnes of manganese alloy) in 1H21, an increase of 33,938 tonnes.

"Despite pandemic-related workforce challenges and the fluid working environment in a year of furnace conversion and major maintenance, we have delivered operationally and the group has been able to post robust financial results," Low said when commenting on OMH's 1H22 financial results.

## Courtesy call from Integrated Regional Samarahan Development Agency



Following the set up of three regional development agencies i.e. URDA, HDA and NRDA under RECODA in 2017 to implement infrastructure and socio-economic projects in their respective areas, we shared with a delegation from Integrated Regional Samarahan Development Agency (IRSDA), led by Samarahan Resident Haji Brahim Bin Lumpu, on our journey in transforming the SCORE region since 2008.

## Briefing to New Zealand High Commissioner to Malaysia



On October 6, 2022 RECODA met with the New Zealand High Commissioner to Malaysia, who was leading the delegation of New Zealand businesses and trade officials from Kuala Lumpur, to explore opportunities unique to the state of Sarawak. Briefing them today was Mr Lester Matthew, Director of Investment Promotion RECODA to share investment and business opportunities within the SCORE area.

## Sarawak's huge hydropower potential a draw for foreign investors, says Abang Jo

Sarawak's capacity to produce green energy gives the state an advantage in attracting foreign investors over regional competitors, says Premier Tan Sri Abang Johari Tun Openg. "In the face of the climate change crisis and the race towards renewable or green energy, Sarawak is well-positioned to attract foreign investment, banking on our huge hydropower potential," he said.

Abang Johari said Sarawak's hydro energy generation, with a total installed capacity of 3,452MW, enables the state to provide the most competitive power tariffs in the region. Abang Johari was in Tokyo in October 2022 on a week-long visit to take part in a hydrogen forum organised by the Tokyo metropolitan government.

He is one of the panel speakers at the "Time to Act" forum on October 12, 2022, which seeks to explore the use of hydrogen as a non-fossil and emission-free fuel in addressing climate change.



## Press Metal proxy of sustainable low-carbon aluminium smelters

Press Metal Aluminium Holdings Bhd is seen to be a key proxy of the sustainable low-carbon producing aluminium smelters, says RHB Research. This is amid the global decarbonisation efforts in limiting coal-based smelters and the current tight supply in the industry, the research house said in a recent report to its clients.

“We still like our sector’s top pick, Press Metal for its capacity driven earnings upcycle with three-year forward earnings Compounded Annual Growth Rate (CAGR) of 26% from 2021. The group’s proactive hedging policy should also provide some average selling price protection amid the softness in London Metal Exchange (LME) prices,” the research house noted.

To put into perspective, the LME inventory recorded 332,175 tonnes as at end-September from 939,200 tonnes at the beginning of the year. The low inventory level is likely attributed to the potential slowing down in demand, such as the zero-Covid policy in China which has negatively impacted demand for aluminium and production cut from the European region.

“We believe the current tight supply coincides with the supply cut from Eastern Europe due to high input cost, while a potential ban on Russia’s metals would continue to pose a threat towards the current tight inventory level, and in turn, be positive for aluminium prices,” it said.

## Bintulu Port to see good growth from Wenan Steel’s plant

Bintulu Port Holdings Bhd (Bintulu Port) is set to benefit from Samalaju Industrial Port’s rise in throughput by financial year 2025 (FY25) onwards following the commissioning of Wenan Steel’s plant with production capacity of 5.7 million tonnes per annum (TPA) in the first 10 years.

Currently, Wenan Steel is in the midst of negotiating a Power Purchase Agreement (PPA) with Sarawak Energy Bhd (SEB) with land clearing almost completed.

“From our recent visit to Samalaju Industrial Park, we note that Samalaju Industrial Port’s design capacity of 18 million TPA is limited to 12 million TPA by its current equipment,” said in AmInvestment Bank Bhd analysis.

“In spite of this, we do not see that the operations of the port will be affected as utilisation rate is currently only 50 per cent based on 12 million TPA. The development of the port will depend on the number of port users.”



## Kicking off second batch of the EMPLOY@SCORE Programme

October 20, 22 RECODA conducted a meeting with training providers to kick off the second batch of programmes for the EMPLOY@SCORE programme, a place and train programme aimed to benefit up to 1,000 individuals consisting of fresh graduates, school leavers and the unemployed.

The programme begins with value-added and industry driven training and upskilling modules followed by a guaranteed job placement with participating companies and investors from the SCORE region.

## Sarawak can play key role in accelerating region's energy transition, says Premier

As Malaysia's largest renewable energy provider, Sarawak can play a key role in accelerating the Southeast Asia's energy transition by working together with its neighbours and sharing its resources. Sarawak Premier Tan Sri Abang Johari Tun Openg said the state's growth agenda supported a resilient and sustainable energy future for a common regional prosperity.

In order to fulfil its commitment to lower carbon emissions and decrease reliance on fossil fuels, Abang Johari said Sarawak had ambitiously aligned its Post Covid-19 Development Strategy to expand on its initial strategic economic blueprint SCORE, which launched in 2008.



## Curtin Malaysia's SPACE and RECODA partner to develop skilled talent



The School of Pre-U and Continuing Education (SPACE) at Curtin University Malaysia (Curtin Malaysia) recently conducted a 'Communication and Digital Marketing Upskilling Training' course for 12 trainees at its campus. The training was conducted in collaboration RECODA.

Conducted over six days, the course comprised two modules focusing on skills deemed essential in the workplace and business environments. Overall, the course developed their soft skills (teamwork, communication, time management, problem solving and creativity), which are highly required in the workplace.

The 12 trainees who participated in the course will be placed in five organisations, namely Fajar International College, Fun Borneo Sdn. Bhd., Ins Studio, Old Bridge Borneo (M) Sdn. Bhd., and The Blackbird Wine Bar.

## Sarawak in big emission reduction drive by 2030

Sarawak targets to reduce carbon dioxide (CO<sub>2</sub>) emissions by 600,000 tonnes per annum by 2030. This will be achieved by electrifying the state's mobility fleet, according to Sarawak Premier Tan Sri Abang Johari Tun Openg.

Johari said detailed studies had identified Sarawak's most prospective hydropower sites to 12 locations, with the potential to generate 8,000MW. SEB currently offered the lowest average unsubsidised tariffs in South-East Asia, and its electricity is primarily green.

SEB has been exporting electricity to neighbouring West Kalimantan, Indonesia since 2016, and is currently supplying up to 300MW to the province. SEB will next export electricity to Sabah Electricity Sdn Bhd upon targeted completion of the Sarawak-Sabah power interconnection project by May 2023. There are also plans to export electricity to oil-rich Brunei Darussalam.

Johari said by 2030, SEB targets to maintain at least a 60% renewable energy capacity mix, with renewable hydropower as its core.





## Pertama Ferroalloys inks MoU with STIDC for bamboo plantation, community programmes



Pertama Ferroalloys Sdn Bhd and Sarawak Timber Industry Development Corporation (STIDC) have signed a memorandum of understanding (MoU) to establish a bamboo plantation in the state and for community programmes.

A press statement said this is in support of the Sarawak government's efforts towards a green economy and corporate social responsibility (CSR) initiatives.

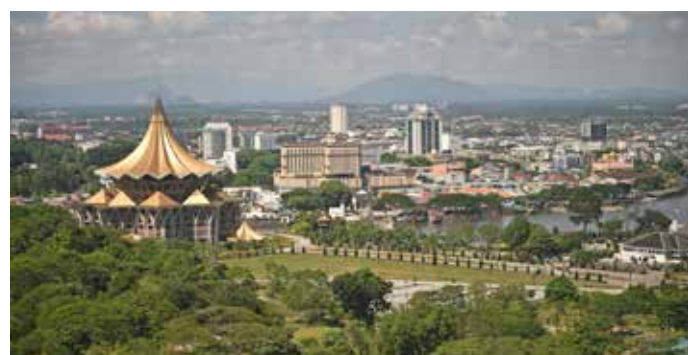
With the MoU, STIDC and Pertama Ferroalloys intend to establish a technical team to look into establishing a bamboo plantation for the production of green bamboo for charcoal; establishing collaboration with the community for bamboo contract farming and processing; producing bamboo-based handicrafts products; and providing skills training to enhance the local community in the production of bamboo products.

## Awg Tengah: Sarawak attracts investments in manufacturing projects totalling RM23.17 bln in 2020, 2021

Sarawak has ranked among the top investment destinations for manufacturing projects in Malaysia, attracting a total of investment worth RM23.17 billion in 2020 and 2021, said Deputy Premier Datuk Amar Awang Tengah Ali Hasan.

He said the ministry had also received applications for 46 projects in 2022 with total proposed investment of RM41.9 billion. These included RM35.45 billion for new investment projects in green steel and chemical products, while RM6.47 billion for re-investment projects by existing investors at Sama Jaya and Samalaju for silicon wafer chips, copper foil and solar ingots and wafers, he said.

According to him, the investors in Sama Jaya and Samalaju have performed well where their total exports for the first 10 months of 2022 have exceeded the total exports for 2021. From January to October 2022, he said Samalaju recorded total exports of RM15.2 billion as compared to RM13.9 billion for 2021.



## Bintulu Port to be driven by growth at Samalaju

Bintulu Port Holdings Bhd (Bintulu Port) expects its performance to improve in 2022, spurred by the positive growth from the cargo handled at Samalaju Port as well as cargo from LNG, palm oil and containers at Bintulu Port.

Bintulu Port's operating revenue of RM198.13 million for the 3Q22 recorded an increase of RM25.95 million (15.07 per cent) from the RM172.18 million achieved in the preceding year corresponding quarter. For the cumulative period

under review, Bintulu Port's operating revenue increased by 9.52 per cent, or RM51.31 million, to RM590.40 million (9M21: RM539.09 million).

Its cargo throughput achieved 37.58 million tonnes, a rise of 6.33 per cent which is contributed by the increase of handling cargoes such as liquefied natural gas (LNG), palm oil, fertiliser, palm kernel, alumina, manganese ore, anode carbon, containers, aluminium and manganese products.

# Sleep-in sacrifice worthwhile for GE15 experience



(From left to right) Shusheel, Lulu, Yeo, Natasha and Aloysius at polling station prior to the start of election

Waking up at 5am on a Saturday when you could sleep-in did not dampen the spirit of four of our colleagues from performing their duties as polling and vote counting clerks in the 15th General Election on November 19.

Despite having to sacrifice their sleep-in when many others were in their slumber at that hour, Lulu Law, Shusheel Kaur, Natasha Hezner and Aloysius Claudius were in fact anxious to perform their first ever duties as polling officers.

Relating her experience, Lulu said they had to be at the polling station at SJK (C) Chung Hua Pending in Kuching by 6am for the final preparation in setting up the polling stream or classroom.

"I had just come back from my working trip with Shusheel to Ba'kelalan the day before.

"Despite the exhaustion from the one-week trip, we told ourselves this is a very good experience that not everyone could have and too good to be missed," said Lulu.

Shusheel meanwhile said the whole voting process was quite straight forward that all the voters knew what to do.

"Even when it comes to counting votes, all of us managed to do it pretty well without any problems

"The polling agents from political parties were very cooperative too," said Shusheel.

Natasha said she had to read out the name and identification number of every single voter who came to vote by going through the voter's list.

"I just had to make sure that every detail is correct.

"The vote counting part is quite easy anyway," said Natasha.

Aloysius said he had to accompany his senior colleague, Calvin Yeo who was the presiding officer on the eve of the election day to check on all the election materials at Dewan Masyarakat MBKS.

"Luckily, Yeo is very experienced as he had been an election agent before.

"Two of us had to be at the tallying centre after the whole election process at the polling station before we could call it a day.

"It's definitely a very long day, from 5am when we reached Dewan Masyarakat MBKS to almost 10pm before two of us were released by the returning officer after everything we submitted was verified.

"But, it's worth the experience and no regret," said Aloysius.

Yeo said he was glad that everything went well during the election day.

"The election process was very smooth and we did not encounter any problems which could disrupt the process.

"I must say the whole democratic process was very mature and no untoward incident happened.

"This is something that all of us must be proud of as Malaysians," said Yeo.

The five colleagues do not mind to be involved again in future elections.



# RECODA provides training ground for 10 fresh graduates



RECODA welcomes the new Protégés! RECODA's CEO, Datu Ismawi Ismuni met with 10 of the protégés August 2, 2022 along with Investment Promotion Director, Lester Matthew to share a few words of wisdom and encouragement before they begin their journey at RECODA.

Ismawi reminded them on the importance of having a good grasp of both English and Malay languages as well as the willingness to learn and be proactive in whatever they do.

Teamwork, he stressed, is also important as working in solo will not be effective, as most of the time, every task cannot be accomplished without team effort.

He also reminded the protégés to not sink into complacency and the feeling of adequacy, especially when the job market is highly competitive these days. "Be smart and work hard", he said as he encouraged the protégés for the upcoming months to learn by doing, while gaining as much as they can alongside the talents and expertise in RECODA.

The Protégé programme is one of the Government's initiatives to provide graduates a platform to enhance their skills and increase their marketability.

The protégés come from various discipline of qualifications where they are attached to various departments for a duration of eight months.





# RECODA Sports & Recreational Club



## Bowling Competition 2022

It was an afternoon filled with fun and laughter as 39 RECODA staff took to the bowling alley to show off their bowling skills on August 13, 2022.



## Merry Christmas

It's the season of joy and giving as the KSRR team distributed christmas boxes to all before the holidays.



## Paintball Tournament 2022

Ready, aim, fire! The staff in RECODA battled their way to victory with a round of paintball at the Kelab Paintball Mambong on October 1, 2022.

