

Labuan plant deal sign of recovery

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LABUAN: Member of Parliament Datuk Rozman Isli said that the purchase of the HBI plant here by a Singapore firm is an "invigorating" development as it smashes the predications of some experts that the post Covid-19 era would be nothing but bleak.

Rozman said: "If the economic future was as bad as some had painted, it would make little sense that there were companies still willing to invest and expand. The sale of the hot briquette iron plant reflects belief that the pandemic is temporary and would fizzle out."

Rozman hoped that the new owners of

the plant would help increase the number of experts, provide more employment and use local logistic support service so that the local economy would also benefit.

Rozman was commenting on the conditional Sales and Purchase Agreement signed between Lion Industry Corp Ltd and Esteel Enterprise Pte Ltd for the disposal of the HBI plant at US\$128 million (RM546.56 million). The plant had been operating here since 1981 by Antara Steel Mills Sdn Bhd, and reported to have an annual production capacity of 650,000 tonnes. Its products are mainly exported to overseas markets.

Chairman of the Labuan Chinese



Rozman



Wong

Chamber of Commerce, Datuk Wong Kii Yii also shared the same views by saying that the world had suffered several epidemics before such as the plague, Ebola virus and SARS "but all the diseases have proven to be temporary and transited, the

economy recovered quickly and vigorously, the situation would be the same this time."

He further said for businessmen, challenges were not only now as they had faced numerous times.

"Whatever the circumstances, businesses have to go on as for them there is no other alternatives."

Recently the Chairman of the Association of Trust Companies Labuan, Datuk Chin Chee Kee also echoed an optimistic future for the International Business and Financial industry despite fears expressed by others due to the Covid-19 outbreak.

The purchase of the HBI plant is not the

first outside investment in Labuan. Early this year, Nam Cheong Dockyard, a KL-based company also signed a MOU to invest RM60 million for the leasing of the halal hub facilities, including its jetty and yards for use as an integrated marine facility. The halal hub had been a mega flop project and Nam Cheong was the successful bidder in the Request For Proposal (RFP) called by the FT Ministry.

Nam Cheong was expected to commence operations early this year with jobs for about 1,500 but due to the outbreak of Covid-19 there had been no further development.