

Bintulu Port eyes RM1bil operating revenue by 2022

Huge cargo throughput expected from region's largest steel plant

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KUCHING: Bintulu Port Holdings Bhd (BPHB) targets to raise its annual operating revenue to hit the RM1bil mark by 2022, when the region's largest steel plant in Samalaju Industrial Park, Bintulu is slated to commence production.

The target means a 40% increase from 2019's operating revenue of RM716.4mil, which was 4.4% higher than 2018.

According to BPHB group chief executive officer Datuk Mohammad Medan Abdullah, the group, which is currently highly dependent on liquefied natural gas (LNG) business is diversifying into more non-LNG services to boost cargo throughput.

He said the group expected a 7.7% growth in non-LNG cargo this year from 24.72 million tonnes in 2019, with the additional cargo to come from the palm oil, container, dry bulk as well as oil and gas sectors.

Bintulu Port, which is Malaysia's sole LNG export gateway and the largest container port in Sarawak and Sabah, handled 45.2 million tonnes of cargo in 2019, up from 44.12 million in 2018. BPHB group also operates the Samalaju Industrial Port, which is to cater solely for energy-intensive industries in the Samalaju Industrial Park within Sarawak Corridor of Renewable Energy (SCORE).

Once operational in late 2022, he said the steel plant to be built by China's Wenan Iron & Steel Co Ltd, will bring huge cargo throughput to BPHB. It will be a quantum leap in terms of capabilities and throughput to both Samalaju and Bintulu Ports.

Wenan Steel is to start land clearing work for the project early this year, and plant construction is expected to commence in middle of the year.

"Our collaboration with Wenan Steel is progressing according to plan. In November 2019, group management and the team from Wenan Steel mutually agreed on the concept

of the project and will focus on the development at Samalaju while catering to Wenan Steel's operational requirements.

"Volume for Phase 1 (of the plant) is 17 million tonnes, targeted to commence operation by end of 2022," Mohammad Medan said in an update of the project in the company's newly released 2019 annual report.

He said BPHB undertook several major and new initiatives last year with agreements with various parties to boost throughput across various cargo types.

Under a tie-up with Tiger Clean Energy Ltd to provide handling services for LNG ISO tanks, Mohammad Medan said the tanks are expected to be commissioned by August 2020 and projected to contribute 900,000 TEUs by 2025.

He said the new service would help to build the group's reputation as the first LNG ISO Tank hub operation in Asean/Asia and is expected to lead to Bintulu Port's container sector achieving its biggest growth since 1999.