

# Korean firm recognises POIC's logistics potential

**KOTA KINABALU:** A collaboration agreement between state-owned POIC Sabah Sdn Bhd with a South Korean company marks a stepping stone to making Sabah's east coast a lucrative logistics hub for the east Asean region.

Dongnam A Circulater Co Ltd, a South Korean logistics company based out of the Port City of Busan, virtually signed the agreement with POIC Sabah, the state industry developer which is responsible for the POIC Lahad Datu industrial park.

The two parties are expected to enter into a formal leasing agreement once the necessary approvals are obtained, from which Dongnam will operate its business of amalgamating raw materials such as timber products, palm oil and seafood from Pahlawan, Philippines, and the rest of the BIMP-EAGA territories known for being resource-rich.

"Development of a logistics hub represents a new direction in growing Sabah's economy leveraging on our ready infrastructure and our strategic geographical location in the region," said Datuk Fredian Gan, the Chief Executive Officer of POIC Sabah Sdn Bhd who signed for the company.

Hwang Su Man, Dongnam's President signed the agreement at the office of MIDA Seoul, Korea. The signing was witnessed by POIC Sabah chairman Datuk Seri Panglima Yong Teck Lee and representative for the Ministry of Industrial Development Sabah. The Korean head of Malaysia Investment Development Authority (MIDA), Mohd Reduan Mohd Zabri and his Sabah colleague Wong Tiang Sing also witnessed the on-line



(From left) Gan, Tseu Kei Yue for the Ministry of Industrial Development Sabah, Yong and Wendy Khung, company secretary of POIC.

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Datuk Fredian Gan

proceedings.

Hwang said the company's proposed investment at POIC Lahad Datu is estimated to be RM50 million. Its material consolidation, processing, assembling, storage and distribution activities are expected to generate up to 2,400 TEUs per year. It is eyeing the development of a full-fledge fishing port to take advantage of the rich marine resources in BIMP-EAGA seas and high demand in Korea.

Gan congratulated Dongnam for recognising the potentials of POIC Lahad Datu and Sabah

whose strategic location within BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East Asean Growth Area) and the wider nation RCEP (Regional Comprehensive Economic Cooperation) territories which has a total population of 2.3 billion and a combined economy valued at US\$38,813 billion or 30 per cent of global GDP.

He explained that the collaboration agreement on Friday is needed to facilitate Dongnam's application to register with the Korean government the proposed shipping route between Busan and BIMP-EAGA.

"We want to develop the logistics industry for the economic value of both countries by opening a direct route. And take POIC as a permanent partner," Hwang said.

"We expect Busan New Port and POIC Lahad Datu to be the central bases for the port and logistic industry."

Hwang, whose company has a 160-acre base at Busan, added that Dongnam's move to POIC is in response to the world's logistics activities moving towards what he termed "the China-centric Southeast Asia era" with increasing roles by South Korea and Japan.

"Busan and POIC Sabah Port have excellent maritime potentials because of their geographical location. Korea's industrial technology, the natural resources of Sabah and BIMP-EAGA are a win-win combination."