

OCIM and KUMHO P&B Venture to Produce Epichlorohydrin (ECH) in Sarawak, the First ECH Project in Malaysia

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OCIKUMHO, Malaysian subsidiary of South Korean poly-si producer OCI Company Ltd. and South Korea-based Kumho P&B Chemical Inc has made an announcement on their partnership to manufacture Epichlorohydrin (ECH) at Samalaju Industrial Park, Sarawak. The production that has a capacity to

produce up to 100 KTPA, announced that the construction of the facility will commence in the first quarter of 2023, with test operation to start in the first quarter of the following year.



Datuk Arham Abdul Rahman, Chief Executive Officer of MIDA said “Malaysia’s chemical industry

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Datuk Arham Abdul Rahman

presents many possibilities for growth and development. Companies are welcomed to partner and leverage Malaysia to move up the value chain and seize new opportunities. Malaysia is fortunate to host global companies like OCIKUMHO and facilitate their journey to explore opportunities across our economic sectors. This will benefit the nation with many new business opportunities for chemical companies where it will support and strengthen the industry ecosystem in Malaysia due to ECH availability.

We are committed to positioning this industry well for the

future, targeting more strategic companies and high-technology companies. MIDA sees this project, with a potential investment of more than RM760 million, as a catalyst not just in creating new job opportunities for many Malaysians, but also for the development of the country’s clean energy industry.”

The manufacturing of ECH in Malaysia will strengthen the value chain of epoxy manufacturers

both in South Korea and Malaysia. ECH is a compound mainly used to produce epoxy resins. Its main applications serve the clean energy market, such as wind, solar, tidal and electricity transmission, providing corrosion protection coatings. It is also used in the industrial, automotive and packaging industries and as composites in the aerospace industry.

Moreover, with the presence of OCIKUMHO in Malaysia, it will contribute to the Malaysian export market where OCIKUMHO will be exporting 95 per cent of its product from Malaysia to various countries around the world. Using bio-based raw materials (glycerine) and tapping into electricity from a hydropower plant in Sarawak, OCIKUMHO's plant will be the first to manufacture ECH in Malaysia. This project is anticipated to create 40 per cent job opportunities in the managerial, technical and supervisory roles.

Under the Twelfth Malaysia Plan (12MP), the chemical industry has been identified as one of the high potential growth industries due to its strong linkages to other manufacturing subsectors as well as capabilities and potential to deliver more complex and higher value-added products, as aspired by the National Investment Aspirations (NIA). The manufacturing of ECH is expected to greatly contribute towards Malaysia's aspiration especially in enhancing industry integration and increasing the competitiveness of the chemical industry in Malaysia.

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