

# Tradewinds Plant to invest RM100m in Indonesia

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**TRADEWINDS** Plantation Bhd plans to invest about RM100 million to acquire some 20,000ha of oil palm plantation in Indonesia to boost its presence there, its managing director Radzuan A Rahman said.

"We are doing due diligence on where (in Indonesia) we want to go, and I think we should be able to finish the due diligence study early next year.

"The plantation hectareage will probably reach 20,000ha," he told reporters after the official launching of Tradewinds Plantation in Kuala Lumpur yesterday.

Tradewinds Plantation is the result of a merger between Tradewinds Malaysia Bhd plantation companies and Johor Tenggara Oil Palm Bhd. Listed on the Main Board of Bursa Malaysia on March 15, it is Malaysia's fifth

largest plantation firm given that 59% or 75,353 ha of its 126,980ha landbank was planted.

Although Tradewinds Plantation and an Indonesian partner currently own and manage a 6,000ha plantation in Indonesia, Radzuan said the company wants to have its own land as well as focus on upstream operations.

On the current operations, he said the company wants to reduce its overall operating costs to RM710 per tonne by 2010 from RM840 per tonne currently.

"Our FFB (fresh fruit bunches) is expected to top one million tonnes this year. Thirty per cent of our landbank has yet to be planted, while less than half is mature, so there is tremendous upside potential (to boost production) in the coming years, even without expansion," he said.

Of the matured areas, 46% are less than eight years old while 41% are at the highest yield stage of between nine and 18 years old.