

## **TALKING POINTS**

**FOR**

**YAB DATUK PATINGGI TAN SRI (DR)  
ABANG HAJI ABDUL RAHMAN ZOHARI  
BIN TUN DATUK ABANG HAJI OPENG**

**PREMIER OF SARAWAK**

**SIGNING OF MOU BETWEEN  
INNOCEMENT SDN BHD AND:**

- 1. SCG INTERNATIONAL**
- 2. YTL CEMENT BERHAD**

**FRIDAY, 14TH JULY 2023,**

**2.30 P.M.**

**VENUE: DEWAN ASAJAYA, GRAND  
MARGHERITA HOTEL KUCHING**

## **KEY POINTS**

### **A. INTRODUCTION**

1. SARAWAK is among the Top Three (3) States in the country with the Highest Value of Construction Works Done contributing, on the average, 12% to the total construction works value for the country, even though the population of Sarawak only makes up 8.5% of the total population of Malaysia.

2. It trails only to the Federal Territory (contribution of 17%) and Selangor (contribution of 24%) which has

populations of 25% and 20% of the total population of the country respectively.

3. Over the last 8 Quarters (32 months since Q2 2021), the construction works value for the state averages RM3.45 billion per quarter against the national average of RM29 billion per quarter.

(Source : Jabatan Statistik Malaysia)

4. DEMAND for cement in Sarawak has surged and will continue to remain high as a total of 960 projects, in various stages of completion, with a total sum value of RM45.967 billion has been allocated for Sarawak's infrastructure development.

5. This includes the major infrastructure projects that have been implemented are the Pan Borneo Highway, Coastal Road, Second Trunk Road, Sarawak-Sabah Link Road, Trans Borneo Highway, IRSDA, SCORE, SADA, CSTR and Project Rakyat.

(Source: New Sarawak Tribune, 2nd Nov 22)

6. Earlier this year Sarawak's Ministry of Infrastructure and Ports Development received a list of 92 infrastructure projects, worth RM1.092 billion, from the federal government.

(Source : The Borneo Post, 28th April 22)

7. All these projects will help to enhance living standards and the State's economy; creating more business and employment opportunities for ALL Sarawakians.

## **B. THE BUSINESS CASE**

8. SARAWAK requires reliable and adequate supply of construction materials to ensure the timely completion of all these projects. Delays would result in additional cost and impact the lives of Sarawakians especially for critical projects such as schools, hospitals and infrastructure.

9. Shortages and disruption of supplies tend to result in escalation of prices to the

point that budgets need to be revised and additional funds required.

10. Cement accounts for 3% - 7% of construction costs. Concrete is among the most consumed material in the world.

11. Cement is as basic to construction as rice is to our daily meals.

12. In Sarawak, we have an underdeveloped Cement industry with a very limited number of players (actually only 1).

13. It is imperative for the development of Sarawak, to reduce the risk of total dependence on a single supplier, to create

a healthy competitive environment - that new blood be injected into the state's cement industry.

14. The cement supply chain of Sarawak needs to be strengthened.

### **C. INTRO TO INNOCEMENT SDN BHD**

**15. IT IS THIS MISSION - TO STRENGTHEN THE CEMENT SUPPLY CHAIN OF THE STATE** – that led to the incorporation of Innocement Sdn Bhd in February 2023.

16. A joint venture between SEDC & BDA, Innocement is charged with this mission to strengthen the cement supply chain in Sarawak.

- ***To achieve the goals:***

- a. There is sufficient supply of cement throughout Sarawak.

- b. that these cement supplies can be access in a timely and cost-effective manner.

- c. that prices are stable and transparent.

- d. to supply cement of high quality that fully meets our National Standards.

## **D. THE STRATEGY FORWARD - TO COLLABORATE**

17. WHEN YOU ARE NEW you need to do a lot to catch up with the market and an efficient, effective way to this is to collaborate, to work with others who are already established in the market.

18. This is the strategy that Innocement has embarked on – to collaborate with other players.

19. More specifically to collaborate with player who are established and world-class cement manufacturers

20. Today Innocement is signing MOUs with two of the biggest cement players in the region – SCG International of Thailand and YTL Cement, Malaysia's biggest cement manufacturer.

## **E. THE COLLABORATORS**

### **SCG INTERNATIONAL:**

21. Subsidiary of Siam Cement Group (SCG)

22. SCG was established in 1913 and is celebrating its 110th anniversary this year.

23. It is a leading business conglomerate in the ASEAN region and the biggest cement supplier in Thailand.

24. It has a total cement production capacity of 34 Million MT across 11 cement plants located in Thailand and throughout the ASEAN region.

25. It is committed to become a regional business leader with emphasis on innovation and sustainability.

#### **F. YTL CEMENT:**

26. Subsidiary of YTL Corporation Bhd

27. YTL Cement Bhd is Malaysia's oldest and largest homegrown cement company with operations across Malaysia, Singapore and Vietnam.

28. The mother company, YTL Corporation Berhad, is an integrated infrastructure developer with extensive operations in 12 countries and assets worth of RM76.6 billion (as at 31 Mar 2023).

29. YTL Group is committed to producing world class products and services at competitive prices.

#### **D. THE CONCLUSION**

30. Through these collaborations with SCG International and YTL Cement, we can fast-track the growth and readiness of

Innocement and cut short the time-to-market.

31. We can then achieve our mission of Strengthening The Cement Supply Chain for the State - ensuring the long term reliability of supply and stability of prices of cement in Sarawak.

32. And ultimately supporting the growth of Sarawak's construction industry – today, tomorrow and for many years to come.

Ends.