

MMC, FGV unit to explore investment in Pakistan port

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KUALA LUMPUR: MMC Corp Bhd seeks to team up with FGV Holdings Bhd to explore the potential equity participation of up to 25% stake in Fauji Akbar Portia Marine Terminals Ltd (FAP), granted a concession by the Port Qasim Authority to operate a dry bulk terminal in Port Qasim, Pakistan.

In a filing with Bursa Malaysia yesterday, MMC said its wholly-owned subsidiary Johor Port Bhd on Jan 3 entered into a memorandum of understanding (MoU) with FGV's indirect 65%-owned Pakistan-based unit FWQ Enterprises (Pvt) Ltd for the purpose. The remaining 35% equity interest in FWQ is held by Westbury Group based in Pakistan.

The MoU remains valid for two years.

On July 5, 2019, FAP invited selected potential investors to invest up to 25% equity interest in the company for the future expansion and upgrading works identified by FAP for its concession.

“Johor Port and FWQ intend to form an unincorporated joint venture (consortium) for the sole purpose of preparing and submitting an expression of interest (EOI) to FAP,” said MMC.

The project will consist of five potential expansion or upgrading works identified by FAP for its concession which are expected to increase FAP's throughputs, efficiency, capacity and revenue. They involve land reclamation for additional storage, installing new and efficient unloaders as well as new silos, a warehouse extension along with additional bagging lines and a jetty extension.

Under the MoU, both parties have expressed intention to work together to make available their technical and commercial expertise and to collaborate and utilise their resources, capabilities and prudent experiences in relation to preparing and submitting the EOI.

“MMC will make further announcements if there are material developments on the matter,” it added.

FAP is a joint-venture company among Fauji Foundation, Akbar Group and National Bank of Pakistan. FAP is the concession holder of Pakistan's fully automated dry cargo grains and fertiliser terminal with an installed handling capacity of four million tonnes per year.

FAP also has a 15-acre (6.07ha) backup area which can be further developed to accommodate an additional 500,000 tonnes of storage.