
Sumitomo seeks PEZA perks for nickel plant

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Sumitomo Metal Mining Company Limited is seeking registration with the Philippine Economic Zone Authority and the proclamation of its USD 1.3 billion nickel processing plant project in Surigao del Norte as a special economic zone.

Mr Takanori Fujimura president of Sumitomo owned Coral Bay Nickel Corporation in Palawan has already informed government officials that the new project has to be registered with PEZA instead of the Board of Investments because it is an export oriented enterprise.

Part of their registration is a petition for Malacanang to proclaim its project as a special economic zone just like the CBNC nickel refinery plant in Palawan. As an export oriented enterprise, the project would be entitled to tax and fiscal incentives including income tax holiday and zero duty importation of capital equipment.

Project registration for incentive purposes was the next step following the recent signing of the memorandum of understanding between Sumitomo and Nickel Asia Corporation to proceed with the construction of a nickel processing plant in the municipality of Claver, which is adjacent to Taganito Mining Corporation's nickel mine.

Taganito will supply all of the required nickel ore to the plant for an estimated 30 year project life while Nickel Asia will take a 20% to 25% equity interest in the project under a JV company called THPAL Corporation. The output of the high pressure acid leaching plant, a mixed nickel cobalt sulfide will be purchased by Sumitomo for final processing at its refinery in Japan.

The nickel processing plant in Claver will be the country's second downstream nickel-processing plant by the Sumitomo Nickel Asia, the first being CBNC in Palawan. CBNC was put up by a Japanese consortium led by Sumitomo and Rio Tuba Nickel Mining Corporation another subsidiary of Nickel Asia.

The Surigao processing plant is expected to triple the size of the initial CBNC plant which became operational in 2005 with an initial capacity of 10,000 tonnes year of nickel metal equivalent. CBNC's output has been doubled since then. The project is expected to start early 2010 and commercial operation to commence after 3 years. An estimated 4,000 personnel would be hired during the construction stage and 1,000 full time employees when fully operational.

(Sourced from Mb.com)

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