

Samsung stumps up \$40m for \$3.5b Collie fertiliser project

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One of the world's biggest conglomerates, Samsung Group, has signalled it wants to invest more in the WA resources sector after sinking \$40 million into a proposed \$3.5 billion fertiliser project in Collie.

The investment by Samsung C&T Corp, a subsidiary of the multinational, is believed to be the biggest of its kind from a South Korean group since the early days of the North West Shelf gas venture.

In Perth yesterday, Samsung C&T Corp senior vice-president Chang Soon Kim suggested further investments might be on the cards.

"We would like to develop (a) long-term relationship with WA to find more opportunities in the resources and environmental sectors," he said.

"Our investment in the Collie urea project sends a strong message concerning our support for this project and the opportunities it will offer the residents of Collie and the surround-

ing areas. (It also shows our) commitment to providing the way forward for future developments in WA."

The deal will deliver Samsung a 2 per cent stake in the Collie urea plant, which is backed by Indian investor Vikas Rambal's private company, Perdaman Chemicals and Fertilisers.

By comparison, Korea's total investment in Australia in 2006 was about \$50 million. The country's biggest investment in WA is the North West Shelf, where State-owned Korea Gas is a major customer.

Samsung was previously awarded the main engineering contract for the Collie project in joint venture with an Indonesian group. Mr Rambal said Samsung's investment was "a public show of faith" in the project, while Regional Development Minister Brendon Grylls said it was another sign that WA was "fast becoming a downstream industrial hub".

The ambitious Collie venture, slat-

ed to be up and running by the second half of 2013, plans to produce more than two million tonnes a year of the common fertiliser, urea. Perdaman still hopes to raise about \$960 million in equity, about \$700 million of which will come from Mr Rambal's family and related parties.



Signing up: Chang Soon Kim yesterday.