

UNIVERSITI TEKNOLOGI MARA  
KOTA KINABALU

ETR 300

SEAWEED'S CHIPS MANUFACTURING AND MARKETING

KAPPA CHIPS SDN BHD.

KM 4.4, JLN KAMIRI OFF JLN. SUBUL 91300,  
SEMPORNA, SABAH, MALAYSIA.

PREPARED BY :

- |                        |                  |
|------------------------|------------------|
| 1. HUSNA LUKMAN        | 2001124450 (DIS) |
| 2. FARAYANA AWANG ATIN | 2002356083 (DIS) |
| 3. J. KESOL MATINGGANG | 2002150765 (DIS) |
| 4. JONAS JAMPAR        | 2001124404 (DIS) |
| 5. NORLIAN ABD. JANNAH | 2001343974 (DIS) |

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## **EXECUTIVE SUMMARY**

Seaweed industry has started since 1989 in Sabah where the production of air dried seaweed reached 10 metric tonnes at RM9320 for an area of 24 acres to 4716 acres and at 8 million for an area of 3325 acres as stated in statistical data of production of seaweed in 2001.

The development plan for 2003-2010 gives the production of 25000 metric tonnes of semi-refined carrageenan at RM380 for 35830 acres (14500ha) by an estimation made. To achieve this goal, we are offering chip producing to be sold to the business users, which develop the carrageenan powder. We are doing a business to business which means we are selling the semi processed product, which is chips to the other business users.

### **Operation/ production**

The proposed project will begin with an area of less than one acre in the first year of operation. It will reach up to ten acre or more after operated for over than three years and above. The proposed factory for chips processing is located at Kampung Bubul, Semporna. Areas are within the aquaculture Industrial Zone (AIZ).

In the first year, the project will be able to produce total of 66.6 tonnes of chips from 1998 tonnes. The production will include processors such as treatment or cooking and cutting the raw materials into seaweed chips. The first year of operation is done with three to four treatments per day. Productivity will increase to 70 tonnes in second year with 4 to 5 treatments per day. This quantity will be reached up to 76.8 tonnes at the end of third year.

### **Management team**

The management team of this proposed venture will be led by a project manager and being supported by 4 supervisors that managing office's necessities, marketing the products, managing the operation and dealing with financial of the proposed business. Supervisors of the operation will be assisted by 14 contract workers while other supervisors will work on their own to fully utilize their capabilities and skills.

### **Marketing potential**

Seaweed has a highly marketing potential due to its various uses especially in industrial market. This includes in industrial suspension and slurries, liquid scouring

## **INTRODUCTION**

Seaweed found in Sabah waters is *Eucheuma Kappaphycus Alvarezzi*, which is used to produce carrageenan. Carrageenan is gel-forming polysaccharide that forms part of seaweed cell walls, which has a lot of applications, mainly in food industry. The introduction and successful application of culture technique for seaweed is initiated by a leading foreign research company in 1978. It formulated a basic culture and farming technique in 1980 and then it is handed over to Sabah Fisheries Department.

## **Background of company**

The intended project will be undertaken through a newly established company of Kappa Chips Sdn.Bhd. with its principle activities include fisheries and other related aquaculture activities. The said project's activities are within the marine aquaculture that includes processing, distribution and marketing.

Kappa Chips Sdn.Bhd. is established with its main function to deal and expand the business opportunities in the production of marine aquaculture in industries related sectors. The seaweed chips have been identified, as one of the most highly demands for other business users, in this case the carrageenan manufacturer.

Our company located at Kampung Bubul in Semporna where the raw material there is abundance. Thus, this is made easy for us to have sufficient raw material every year. The location is chosen due to its strategic position where it is near the town with many infrastructure and other facilities and it is close to the sea for easier obtain supplied raw materials.

We will start our business on 1<sup>st</sup> January 2010, which means five years from the date of this business plan is written. This is because of the period of developing the factory is taken into account.

The proposed business is selected by the factors such as it is a very new venture in this country where we only have one competitor. The less competition occurs; the higher