Muhak Alcohol Co., Ltd., a hard liquor and alcohol specialty enterprise, announced on Oct. 18 that the company has entered the bio-methanol, the next-generation fuel, market with a full force by signing an exclusive supply contract with Cambodia. The contract was signed by President & CEO Choi, Dong-Ho of Muhak Alcohol and the Army Chief of Staff Meas Sophea of Cambodia at Muhak Alcohol’s headquarters in Masan City, Korea, to supply tapioca, the raw material for ethanol.

Through this contract, Muhak Alcohol has secured a steady supply of tapioca for the next five years, which is worth USD $20 million. In leading up to this, Muhak Alcohol established a 50/50 joint venture company with CJ Corp. in 2001 and incorporated CJ Cambodia with an initial capital of $520 million. At present, CJ Cambodia runs a farm and amylose factory on 20,000 acres of land in the Kampong-Speoe area.

As a result of this contract, Muhak Alcohol will invest a total of $20 million in the vicinity of Phnom Pehn, the capital of Cambodia, by constructing a bio-ethanol refinery with an annual output of 60,000 kl.

The company plans to start the construction of the refinery some time next month and complete it by the fourth quarter of next year. Once the refinery is built, Muhak Alcohol expects to generate annual sales of $50-60 billion by selling to Japan, China, and North America.

Muhak Alcohol is well-positioned to enter the next-generation bio-methanol market with the know-how it has accumulated by manufacturing ethanol and carbonic acid gas since 1978.