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Kelantan-Petrochemical

PACT FOR KELANTAN'S BIGGEST INDUSTRIAL PROJECT SIGNED

KOTA BAHARU, April 4 (Bernama) -- Kelantan's sluggish economy received a timely boost today with the signing of an agreement for a petrochemical complex billed as the state biggest industrial project.

The petrochemical complex is a joint venture between soon-to-be-listed KUB Malaysia Berhad and state-owned Keloil Sdn Bhd and will be developed on a 2,000-hectare site at Pantai Senok in Bachok, 10km from here.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Kelantan Menteri Besar Datuk Haji Nik Aziz Nik Mat witnessed the signing of the agreement between KUB chairman Datuk Hassan Harun and Keloil chairman Abdul Halim Abdul Rahman who is also Kelantan deputy Menteri Besar.

Keloil is a wholly-owned subsidiary of Kelantan State Economic Development Corporation.

The project has been estimated by the state government to cost around RM2 billion.

Under the agreement, both parties will initiate a feasibility study to determine the project cost estimate and initial capital requirement for the project.

A joint venture company will be set up to develop the project site and infrastructure within the complex which is scheduled to be completed by the year 2003.

Known as Pantai Senok Integrated Petrochemical Complex, the project will facilitate the utilisation, processing, distribution and development of petroleum resources and product.

It will utilise gas from the Joint Development Authority (JDA) area bordering Kelantan and Thailand.

The complex is expected to be the centre of downstream activities of the oil and gas industry in Kelantan.

The signing took place at KUB's textile factory which Dr Mahathir earlier performed the official opening. The factory at Pengkalan Chepa industrial area began operation in August last year and had been producing KUB's line of Canggih school uniform as well as sportswear and childrenwear.

According to a KUB statement, the factory which also produces sport apparel for export on contract for international brand such as Adidas and Umbro is expected to reach sale of RM23 million this year.

-- BERNAMA

AU ABG