

04/11/1997

Penang Shipbuilding in deal to privatise Alexandria Shipyard

A. Devaraj

PENANG Shipbuilding & Construction Sdn Bhd, a subsidiary of Business Focus Sdn Bhd, yesterday signed an agreement with the Egypt State-owned, Holding Company for Maritime Transportation, for the privatisation of the Alexandria Shipyard in Egypt.

Executive chairman of Business Focus Group Datuk Amin Shah said yesterday after the signing ceremony in Kuala Lumpur that the pact was concluded after PSC received a letter from the Egyptian government confirming that it has been awarded the privatisation project.

"The agreement states that we are given six months to do a total evaluation of the shipyard and to come up with the full feasibility study and business proposal so that the government can complete the privatisation award.

"The agreement will be fully supported by the government when we apply to them for the shipyard to carry out shipbuilding, ship repair and steel fabrication work.

"We can also carry out other marine activities like bonded warehousing, free trade zone, cold storage facilities and warehousing.

"However the additional marine activities have not been approved by the Egyptian government. But we will apply to the government for approval later," said Amin Shah.

Yesterday's signing ceremony was witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamed and Egyptian Foreign Minister Amra Moussa, representing Egyptian President Hosni Mubarak.

Amin Shah signed for PSC while Captain Atef Hassan Mohamed Maroumi, chairman of the Holding Company for Maritime Transportation, signed for the State-owned company.

Alexandria Shipyard, valued at US\$50 million by the Egyptian government, is one of the significant shipbuilding and ship repair ports in the Mediterranean. It is geographically situated in the heart of the world sea borne traffic to and from the Far East.

The total area is about 400,000 square metres with a total quay length of about 1,200 metres and the current workforce is 3,000 persons.

Amin Shah said the Alexandria Shipyard is an established one but a lot of work needs to be done for a profitable turnaround.

"However our first preliminary study indicated this is a viable project. But we have to conduct proper marketing also."

On the concession period, Amin Shah said it would be for 30 years, "but this is subject to the Egyptian Government's approval".

Business Focus will work with local Egyptian partners and later list it on the local stock exchange.

(END)