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Attracting multinationals

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THE Pahang Government is banking on the existence of good infrastructure, political stability and the various incentives provided by the Federal Government to transform the State into an attractive location for multinationals, especially those producing petrochemicals.

The Gebeng Industrial Area, 35km north of Kuantan, is part of the stretch in the Eastern Corridor being developed as the country's petrochemical hub.

The construction of the East Coast Highway is a major advantage for petrochemical players.

Once completed in 2003, it is expected to cut travelling time by nearly one-third and will facilitate transportation of petrochemical products from the Eastern Corridor to the industrial centres in the West Coast and other parts of the peninsula.

Recently, the Government invested in the expansion of the Kuantan Port, which is the main channel of product distribution for petrochemical companies in Gebeng.

This expansion includes a new petrochemical jetty as well as dedicated berthing terminals, which are in the pipeline.

All these facilities allow for greater capacity and increased speed in the handling of shipments.

Also, the Government has introduced partial liberalisation of the haulage industry, which has been effective in enhancing the quality of land transportation.

Petrochemical companies have also been given the incentives to develop their facilities.

For example, BASF Petronas Chemicals Sdn Bhd, which operates an integrated chemical complex in Gebeng, was granted the approval recently to build and operate a 200m-dedicated berth at the port.

The Pahang Government places utmost important on creating a conducive investment climate.

Menteri Besar Datuk Seri Adnan Yaakob meets investors regularly to get their feedback on issues that need to be addressed immediately by the authorities.

The aim is to make them comfortable with the investment climate in the State. The State Government enjoys good co-operation from investors.

Manufacturers and multinationals in Pahang have agreed to help convince other investors to come to the State.

Federation of Malaysian Consumers (East Coast) chief Michael A. Jar said manufacturers here were comfortable with the investment climate in Pahang.

"This itself is already a drawcard. We will complement the State Government's efforts to attract more investors here."

He said the joint effort was important in view of the economic situation.

Referring to a statement by Prime Minister Datuk Seri Dr Mahathir Mohamad when opening the BASF Petronas integrated chemical complex recently, he said: "The Prime Minister stated that given the slowdown in the global economy which is anticipated to last longer following the situation in the United States, the challenge to consistently attract a steady stream of foreign direct investment will be much more daunting.

"Should the uncertainty continue to surround the global economy, the competition for a share in the FDI pie will certainly be even tougher with

more countries wooing a contracting pool of capital fund."

Petronas president and chief executive Tan Sri Mohd Hassan Marican said the company would like to encourage users of its petroleum products to set up plants close to the BASF Petronas integrated chemical complex.

"We would like to turn the Eastern Corridor into a manufacturing corridor.

"Instead of exporting our products, we will like our customers to come here and build their facilities in Kuantan," added Mohd Hassan, who is also the BPC chairman.

The better logistics and infrastructure facilities, coupled with support from investors, will provide further impetus for the continued growth of petrochemical as well as support industries in the Gebeng area.

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