

04 OCT 2001

BASF PETRONAS

BASF PETRONAS PLANT TO ENCOURAGE USERS TO BUILD FACILITIES IN KUANTAN

KUANTAN, Okt 4 (Bernama) -- The siting of the BASF Petronas Chemicals Sdn Bhd (BPC) complex here is to encourage users of the plant's products to build their own plants in or around the neighbourhood, said BPC chairman Tan Sri Datuk Mohd Hassan Marican.

He said 80 percent of the chemicals produced in the BPC plant is for the export market but BPC would still prefer their customers to set up their manufacturing facilities as close to the BPC complex as possible.

"So instead of exporting the product which we produce today, we hope that our costumers would come and locate their manufacturing facilities here," he said at a press conference held in connection with the launch of the BPC plant today.

The BPC complex at the Gebeng industrial area near here was declared open by the Prime Minister, Datuk Seri Dr Mahathir Mohamad.

The 150-hectare "Verbund" (integration and network) site consist of 12 plants producing acrylic monomers, oxo products and butanediol developed in three phases with a total investment for the projects sites around RM3.4 billion (US\$900 million).

The acrylics complex came onstream in July 2000. A complex for the production of syngas, oxo products, phthalic anhydride and plasticisers became operational in April 2001. A butanediol complex, which is under construction, is scheduled to start production in the fourth quarter of 2002.

Hassan who is also the president and chief executive of Petronas said that the completion of the plants within this integrated complex will not only provide a catalyst for the industrial development of the eastern corridor of Penisular Malaysia but it will also help Petronas realise its corporate objective to turn Malaysia into a regional petrochemical centre.

"The chemicals produced by this complex will help ensure the security of feedstock supplies in the domestic market to support the growth of further downstream manufacturing activities which will lead to the greater diversification of Malaysia's industrial base," he said.

Hassan said that although the world was undergoing an economic slowdown, the flexibility of the plant's operations would enable it to ride out the difficult times.

"We think the economic slowdown is just a temporary setback," he said.

BPC managing director John Fastier said the first two complexes were fully operational and the volume of output from the complexes were on target.

He said that although the world was going through an economic slowdown and was expected to face worse prospects in the aftermath of the Sept. 11 terror attacks in the US, BPC had not noticed any drop in the volume and value of purchase orders for its products. -- BERNAMA

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