

05/10/2001

BCP expects RM1b sales from plant by end of 2002

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BASF Petronas Chemicals Sdn Bhd (BCP) expects its Gebeng plant in Pahang to produce 1 million tonnes of petrochemical products and generate at least RM1 billion in sales revenue when it goes fully operational by end of 2002.

The Gebeng plant, a 60/40 joint venture between Petroliam Nasional Bhd and a German multinational BASF AG, is being developed in three phases for a total investment cost of RM3.4 billion.

It is due for completion next year, and 80 per cent of the plant's output will be exported.

Managing director John Fastier said by the time the first phase is operational, the company expects the plant to produce some 1 million tonnes of petrochemicals products.

"This would translate into sales revenue or sales value in excess of RM1 billion a year," he told reporters in Pahang ahead of the Gebeng plant's official launch by Prime Minister Datuk Seri Mahathir Mohamad yesterday.

The Gebeng plant's Phase One is to produce acrylic monomers, Phase Two oxo products and Phase Three butadienol, all hydrocarbon-derived chemicals used eventually in wide variety of consumer products.

The production facility is part of Malaysia's efforts to build an east coast petrochemical hub fed by national gas reserves.

On the implication of the September 11 tragedy, Fastier said BCP has not seen any drop in orders and expects to achieve its sales target for this year.

He, however, declined to reveal the targeted figure.

Meanwhile, Petronas president and chief executive Tan Sri Mohamed Hassan Marican, who is also BCP's chairman, said he hopes the plant would help anchor the development of Pahang's petrochemical production.

"There is a lot of land there. Money is not a problem," he said.

Nevertheless, Hassan said BCP remains "cautiously optimistic" about the future demand for its products.

"We hope that the ability and flexibility (of this business) will enable BPC to write out this temporary setback in the global economy," he said.

Meanwhile, BASF AG's executive director Helmut Becks said the firm is not anticipating a significant improvement in the economic situation for chemical products until next year.

However, it remains confident that Asia is still a good place to make a long-term investment, he said.

"(The slowdown) will stay for sometime, but we must focus on the long-term aspect," Becks said.

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