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Mahathir-Petrochemical

PM URGES LOCAL ENTREPRENEURS TO INVEST IN PETROCHEMICAL INDUSTRY

KERTIH, May 9 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today urged local entrepreneurs to exploit opportunities to invest in the petrochemical industry in Kertih.

"The project in Kertih has provided the key ingredients for the plastic, chemical and petrochemical industry to take off.

"It is disappointing to note that local entrepreneurs somehow still shy away from Kertih," he said when opening the Petronas petroleum industry complex (PPIC) here.

Dr Mahathir said that entrepreneurs must come forward to give their support and vote for confidence in the opportunities provided by the petroleum and the petrochemical industries.

He said that the small-medium industry (SMI), mainly plastic factories, should move closer to Kertih to exploit the incentives provided by the government including to save cost as it was cheaper to do business in the east coast.

"Job opportunities for business to exploit the downstream petrochemical manufacturing businesses can only be limited by their reluctance and the barriers which they put up for themselves," he said.

The prime minister said that the federal government, through agencies such as the Malaysian Industrial Development Authority (Mida) and business bodies such as the Malaysian Petrochemical Association and the Malaysian Plastic Manufacturers Association had made attempts to encourage and promote investment in the sector.

"Unfortunately, our young people are often unwilling to sacrifice city life to work in this world scale plant which employs high sophisticated technology. They prefer to work in the cities and towns and scorn the lifestyle in the kampung," he said.

He said that it was sad that most of the young people were unaware that the development in and around Kertih was a part of the big picture for national development.

The government and the people, he said, would have little choice to seek the chances in the future due to uncertain economic and trade competition which would become intense.

Dr Mahathir said that some RM70 billion had been invested to explore, develop and produce oil and gas from offshore Peninsular Malaysia including to design, build and operate the oil, gas and petrochemical plant and facilities.

"Off the coast of Kertih, 66 platforms are pumping oil and gas in round-the-clock operations every day over the last 20 years or so.

"The billions of investment brought into these plants and facilities onshore and offshore have generated sure benefit to the country both in economic and social terms," he said.

He said that oil exports from Kertih earned a revenue of RM6.6 billion last year while exports of refined petroleum products from Kertih amounted to RM2.5 billion.

The prime minister said that petrochemical plants around Kertih generated foreign exchange to the tune of half a billion ringgit while import substitution for the products was close to one billion ringgit.

"Last year alone, petroleum and petrochemical exports from Kertih amounted to RM7.9 billion," he said.

Dr Mahathir said that the PPIC in Kertih had become the nerve centre of

the petroleum and petrochemical industry in the country which also became the backbone of Peninsular Malaysia's economy.

He said that the complex was a strategic link of the offshore facilities where for gas pipelines, each stretching over 150km long and oil pipelines over 200km, transfer oil and gas to the shore round-the-clock.

"As a result of these investments, over 70 per cent of the nation's electricity generation is now powered by gas delivered from Kertih," he said.

He said that the massive development in and around Kertih had created employment opportunities for the people in Terengganu as well as many others throughout the country.

The PPIC is an integrated world-class complex housing many world-scale petroleum-based manufacturing facilities that include an oil refinery, condensate splitter, six gas processing plants, 11 gas-based petrochemical plants, five ancillary facilities, six common support facilities and 11 other facilities catering for the need of the complex.

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