

Sarawak smelter to go on as planned

29 DEC 2003

By **Liau** Y-ding

MALAYSIA'S planned US\$2 billion (RM7.6 billion) aluminium smelter project in Sarawak is on track despite a recent change in government leadership, its builder said after meeting the prime minister on Saturday.

The 500,000-tonne-a-year plant — a project by tycoon Tan Sri Syed Mokhtar A-Rukhary and Arab businessman Mohamed Ali Alabbar — had been in doubt after former prime minister Tun Dr Mahathir Mohamad retired in October and was replaced by Datuk Seri Abdullah Ahmad Badawi, fuelling talk of a change in fortunes for Syed Mokhtar.

Syed Mokhtar won several big

jobs under Mahathir's administration, including a US\$3.8 billion rail project which was postponed this month.

The pullout of Dubai Aluminium Company (Dubal) from the smelter project also resulted in concerns that the project might not get off the ground.

"The schedule [for the project] is as it is. Everything is pretty much on track," Alabbar told reporters.

"The government is very welcoming, they're very warm, they're very supportive. I am confident, I'm very comfortable."

Alabbar, Dubal's then vice-chairman, signed a joint-venture deal for the project in 2002 with Gulf International Investment Group (GIIG), a company

he controls with Syed Mokhtar.

Alabbar, a prominent businessman in the oil-rich United Arab Emirates, has since been replaced as vice-chairman, but remains on Dubal's board of directors and is tied to the smelter through his links with Gulf International.

The smelter plant, set to be completed in 2007, will be the main customer for power from Sarawak's 2,400 MW Rakun dam.

Alabbar said he had no plans to withdraw from the project.

"There is a new team in the government and I think we should be fair, we should give them time to understand the total project, its effect, its viability, consequences? — *Reuters*