

Petronas may come in

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Mahathir: Time to look into downstream petrol and gas-based industries

KOTAKINABALU: Petronas Advisor Tun Dr Mahathir Mohamad said the time has come for the national oil company to look into some of the downstream activities and industries in Sabah with the recent new oil finds.

The former Prime Minister said Petronas is also interested in increasing the earnings not only for the company but also for the nation with the available resources, be it in Peninsular Malaysia, Sabah or Sarawak.

"I am quite sure the moment the study poses that it is feasible and profitable, Petronas will decide to have the downstream activities in Sabah.

"And I know the State government will then give full cooperation in terms of land and infrastructure that will be needed to make a success of the industrial activities involving petroleum in Sabah," he said.

Mahathir who is also the Chairman of Perdana Leadership Foundation said this in reply to a question by Deputy Chief Minister



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cum Minister of Tourism, Culture and Environment Tan Sri Datuk Chong Kah Kiat at a special dialogue held during the closing ceremony of the International CEOs Conference 2005 at the Magellan Sutera yesterday.

Chong who was the dialogue session moderator, had asked whether it is timely for Petronas to come in strongly to develop the petrol chemical and gas-based industries in Sabah.

The State being the second biggest in Malaysia, is very rich in natural resources, particularly in land, oil and gas reserves, according to Chong.

"Sabah's major exports in the year 2003, we have palm oil of something like RM6.9 billion in value, crude petroleum something like RM4.2 billion in value, and of course palm oil kernels some RM714 million ... all these are exported in primary or semi-processed forms," Chong earlier told the session.

Chong also said the State government under Chief Minister Datuk Seri Musa Aman is now actively promoting and encouraging investments in the downstream processing of these raw materials.

"With respect to the oil palm resources, the State is now implementing what we call the palm oil industrial cluster in Sandakan, Lahad Datu and Tawau.

"Likewise the State government is also seriously seeking to go downstream with our petroleum resources ... the recent substantial oil finds on the west coast of Sabah by multi oil corporations and of course Shell, are expected to position Sabah as the biggest producer of oil and gas for the nation," Chong said.

Mahathir agreed with Chong that the time has come for Petronas to look at the possibility of citing some of the downstream activities.

However, these things take a long time to materialize and he would try to advise Petronas to look into the matter.

"Today in Malaysia, Terengganu is the sight for the biggest petroleum based

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Tun Dr Mahathir (centre) speaking at the dialogue during the closing ceremony of the International CEOs Conference yesterday while Chief Minister Datuk Seri Musa Aman (left) and Deputy Chief Minister Tan Sri Chong Kah Kiat (right) listen. - Rayner Majantim photo.