

Petronas blames RAPID delay on Johor
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KUALA LUMPUR, June 5 — The RM60 billion Refinery and Petrochemical Integrated Development (RAPID) project will not be completed on time due to delays by the Johor government, state oil and gas company Petronas said today.

The mega project was previously slated to start operations in 2016, but Petronas announced today that the date has been pushed to early 2017.

“There has been some delay to state government, which includes housing ... There have been delays in moving the Muslim cemeteries,” said Petronas president and group CEO Tan Sri Datuk Shamsul Azhar Abbas at a media briefing here.

The controversial project has met resistance from the locals since last year, as it involves the relocation of 11 Muslim cemeteries and seven Chinese cemeteries in Pengerang, near the project site.

Shamsul Azhar also cited a delay in securing water supply for the project. Petronas stressed today that it has taken over the water supply project from the state government.

The RAPID project is on track to secure its final investment decision (FID) in March 2014, Petronas said.

In December last year, a scuffle broke out between villagers and authorities as the latter started their graveyard relocation exercise.

A group of NGOs also claimed that Johor contractors Icedecor Bina Sdn Bhd and PIJ Holding Sdn Bhd had failed to issue any notice for land acquisition before they started digging up the graves.

The mega project is expected to turn Pengerang into a boom town for global petroleum investors, rivalling neighbouring Singapore as Asia’s most vibrant petrochemical hub, and creating over 40,000 jobs for locals from construction to downstream activities.

Apart from fear over reports that one of the investors in RAPID — KuoKuang Petrochemical — had to abandon its plan to house a petrochemical project in Taiwan following concerns that those living in close proximity to such developments would see their life expectancy reduced, a number of the affected 3,129 villagers in Pengerang are also unhappy with the government’s compensation payment.

According to previous reports, licensed fishermen have been offered RM30,000 in compensation payments for the loss of their livelihood while unlicensed fishermen are being offered RM15,000. Smallholders with between one and two acres of land have been offered between RM65,000 and RM105,000.

The government has also offered villagers the option of subsidised alternative housing on a 6,000 square foot piece of land with a built-up area of between 750 and 1,600 square feet, some 15 to 20km from their villages.

The RAPID project is set to occupy over 2.43 hectares of the Pengerang Integrated Petroleum Complex's (PIPC) 22,500 acres, which is home to some 28,000 Pengerang parliamentary constituents in the southernmost tip of Johor.

PIPC is a massive RM170 billion project that is expected to turn Malaysia into a mega petrochemical hub.

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