

Johor To Finalise Negotiations With Petronas On Distributing RAPID Contracts To Bumi Contractors

Bernama

2 March, 2014

From Rohani Mohd Ibrahim

JOHOR BAHARU, March 2 (Bernama) -- The state government will soon finalise negotiations with Petronas on the distribution of contracts in the Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang, Johor, to Bumiputera contractors.

Menteri Besar Datuk Seri Mohamed Khaled Nordin said the percentage of contracts to be shared out was yet to be finalised but the national oil corporation has, in principle, agreed that some of the contracts should be awarded to Bumiputera and local entrepreneurs.

"We are in talks with Petronas and are optimistic of a positive feedback. We have appointed Datuk Hasni Mohamad (Chairman, State Public Works and Rural Development Committee) to look into how the contracts can be distributed when the project is implemented," he told reporters here today after officiating the headquarters building of the Johor Malay Contractors Association.

Khaled also said that a decision would be reached by year-end.

For Bumiputera contractors interested in participating in the RAPID project, they are required to register with the state government so that they can be evaluated.

It was reported earlier that the RAPID project is on track to secure its mammoth final investment decision by end-March.

The mega RM60.6 billion project, among others, will involve the construction of a refinery with a capacity of 300,000 barrels per day, a naphtha cracker, petrochemical complex and a deepwater jetty.

It 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.

Meanwhile, Khaled requested government-linked companies (GLC) and government linked investment companies (GLIC) especially in Johor to set their key performance index (KPI) target to train at least 10 Bumiputera companies every year.

"From here, we can determine the authenticity of the programmes to further develop these Bumiputera companies. GLC and GLICs have to place their best trained companies forward, we want to assess their effectiveness," he said.

For the long-term development of Bumiputera contractors in the state, Khaled said a masterplan would be drawn up by the Johor Economic Planning Unit to set their future direction.

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