

Sabah & Sarawak NEWS

Sabah set to get RM13 bln investment in POIC Lahad Datu

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KOTA KINABALU, March 6 (Bernama) -- The Sabah government is set to receive a RM13 billion investment, its biggest single investment so far, which is expected to come to the Palm Oil Industry Cluster (POIC) in Lahad Datu.

The plan is to set up a petrochemical plant at POIC Lahad Datu to process naphtha, a petroleum by-product, into a variety of petrochemical products for the world market.

This is the essence of the term sheet signed here today between state-owned POIC Sabah Sdn Bhd, the developer of POIC Lahad Datu, and Burel Industries Sdn Bhd.

POIC Sabah was represented by its chief executive officer (CEO) Datuk Dr Pang Teck Wai and Burel Industries by its executive chairman Per N Brandtzag, with the ceremony witnessed by Chief Minister Datuk Seri Mohd Shafie Apdal.

Also present were Deputy Chief Minister cum state Trade and Industries Minister Datuk Wilfred Madius Tangau and Sabah State Secretary Datuk Seri Hashim Pajjan.

Speaking at the event, Mohd Shafie said this is indeed good news for Sabah as it is potentially a game-changing investment that will put the state on the world map of petrochemical products.

Sabah needs foreign investment to diversify and strengthen its economy as well as to create highly skilled jobs along with new business opportunities for fellow Sabahans, he added.

Mohd Shafie said Burel Industries made the right choice investing in Sabah, pointing out that the state has abundant resources as well as a strategic location while the state government will do its best to ensure the investment is realised.

Burel Industries is a partnership between Swiss, Saudi Arabian, Chinese and Malaysian interests, and the company has secured a long-term supply of naphtha from Saudi Arabia.

POIC Lahad Datu has a container terminal as well as terminals for liquid and bulk cargo which have been in operation since 2013.

The investment envisages about two million tonnes of the petrochemical products, which will be shipped overseas via about 70,000 containers a year with some products going through POIC's liquid bulk jetty.

It is also expected to offer 3,500 job opportunities while the plant is under construction and 1,500 jobs after it is completed.

Meanwhile, Madius in his speech revealed that Burel Industries has obtained the Malaysian government's approval for its project, and it has also signed a 20-year supply agreement for naphta as well as securing several tranches of funding needed for the Lahad Datu investment.

"The investment will have a significant impact on POIC Lahad Datu which, by anchoring on its comprehensive port infrastructure and strategic geographical location, is hoping to develop Sabah's east coast into a regional and international logistics, shipping and industrial hub," he added.

-- BERNAMA