

No state interest compromised

KOTA KINABALU: No state interest will be compromised in the process of bringing in much needed foreign investments.

This is the assurance of state-owned POIC Sabah Sdn Bhd which recently hit the headlines with a potential RM1.3 billion petrochemical investment coming to its project site in Lahad Datu.

The proposed investment – by Swiss-based Burel Industries with Saudi and China partners – attracted widespread responses, no less the widely read *The Edge* business paper which headlined ‘RM13 bil petrochemical project in Lahad Datu raises eyebrows’.

Burel plans to bring naphtha, a by-product from petroleum processing, from Saudi Arabia to Lahad Datu to be processed into a variety of ethylene products, including polymers for the global market

Datuk Dr Pang Teck Wai, chief executive officer of POIC Sabah, said there was no question of a foreign company or a RM13 billion project or some company ‘getting’ a big and lopsided deal with a Sabah state-owned entity.

“We are the developer of the Lahad Datu palm oil industrial cluster and we are a industry promoter.

“Burel and its partners will source the funds, and our due diligence showed that they have made much progress, and it is entirely their investment, and they will either lease the needed land from us,” Pang said in a statement yesterday.

On *The Edge* contention that POIC Lahad Datu is logistically not an ideal location for the petrochemical plant, Pang said he believed Burel knew what is best for their investment, and



Dr Pang

has taken logistics issues into consideration.

Located along the eastern seaboard of Borneo, the POIC port is a vital link in the increasingly important and growing Lombok-Makassar shipping route. In anticipation of the potential, POIC Sabah has received State and Federal government support to build a comprehensive port infrastructure with terminals for containers, dry bulk and liquid cargo. Some of these facilities have been in operation since 2013.

Pang points to the State government initiative to ramp up industrialisation in Sabah to spur economic growth.

“We as a GLC subscribes to the state initiative, but we will not compromise any state interest in the process.

“We anticipate that an investment this size will raise eyebrows and attract scrutiny.”