



Petronas Chemicals, BASF approve RM1.5b Gebeng project

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PETALING JAYA: Petronas Chemicals Group Bhd (PCG) and BASF Nederland BV (BASF) have, after almost a year, approved the final investment decision (FID) for their integrated aroma ingredients complex in Gebeng, Kuantan, Pahang, with a commitment of RM1.5 billion.

The FID was approved by the board of BASF-Petronas Chemicals Sdn Bhd (BPC), the joint-venture company that would undertake the project.

In accordance with their respective shareholdings in BPC, PCG will put in 60% of the total investment while BASG will fork out the remainder.

BPC, which was founded in 1997, operates an integrated complex in Gebeng, Kuantan for the production of acrylic monomers, oxo products and butanediol.

"The project comprises the development of a Citral and precursor plant complex, which will be integrated with the existing facilities of BPC located in Gebeng, Kuantan," PCG told Bursa Malaysia in an announcement yesterday.

"The project will also include a new world-scale plant to manufacture Citronellol and L-menthol, and will be developed in phases with the first plant expected to come on stream in 2016," it added.

PCG said the project will allow the parties to meet the globally growing demand of customers in the flavour and fragrance industry, especially in Asia.

"In addition, the project is part of PCG's overall growth strategy, and complements the company's expansion strategy into specialty chemicals," it added.

PCG's FID approval came five days after PCG's parent, Petrolia Nasional Bhd (Petronas), approved the FID of US\$27 billion (RM88.6 billion) for the development of the Pengerang Integrated Complex (PIC) in southern Johor.

PCG climbed 6 sen, up 0.89% to close yesterday trade at RM6.81 with 5.5 million shares changing hands.

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