

Petronas Chemicals allocates RM3 billion capex this year

KUALA LUMPUR: Petronas Chemicals Group Bhd (PCG) is allocating RM3 billion for capital expenditure (capex) this year.

Chairman Datuk Wan Zulkiflee Wan Arifin said the bulk of the capex, about RM1.8 billion, would be for the Sabah Ammonia and Urea (Samur) project with the rest going to two key projects at the Gebeng Petrochemical Complex in Kuantan and statutory plant maintenance activities.

“The capex for this year will be lower compared with last year’s RM3.1 billion due to lower allocation for statutory maintenance activities,” he told reporters after the company’s annual general meeting here yesterday.

The two projects in Gebeng are the Integrated Aroma Ingredients Complex and the 2-Ethylhexanoic Acid plant, both of which are joint ventures with BASF (M) Sdn Bhd.

All three projects including Samur are expected to be completed next year.

Meanwhile, on the outlook for this year, he said PCG aims to offset the impact of the falling crude oil prices with higher sales and production volume, with plant utilisation expected to grow to 85 per cent this year from 80 per cent last year.

“Excluding gas supply limitation at the methanol facilities in Labuan, the group’s plant utilisation would have been higher at 87 per cent,” he said.

He added that Petronas is currently undertaking the Dalak pipeline project, which would provide methane gas to the methanol facilities beginning next year.

Going forward, he said the company would refinance the Samur project upon its completion, to enable it to maintain sufficient cashflow for future projects.

Currently PCG’s cash balance stands at RM9.2 billion. — Bernama