

Spotlight on major ETP projects

These are selected highlights from the newly-released 2012 ETP annual report

Klang Valley mass rapid transit

MANY benefits are expected to arise from the Klang Valley mass rapid transit (MRT) project.

More than 130,000 jobs are expected to open up during the construction period, with the completed tracks generating between RM3bil and RM4bil in gross national income (GNI) per annum.

The first phase, the Sungai Buloh-Kajang line, will connect Sungai Buloh to the city centre.

The greater connectivity provided by the new lines is expected to raise property values by an estimated RM300mil in gross development value.

Ripple positives from this include widened house-buyers' choice, developers' expansion to newer areas, higher pedestrian accessibility and improved amenities.

Associated activities related to construction are also expected to multiply by 2.5 times to 3.5 times the income amount generated, which means an additional RM8bil to RM12bil per year.

Stakeholders anticipate an average of RM24bil in GNI to be created over the next decade.

The MRT project is also expected to benefit the Rubber Research Institute Malaysia development in Sungai Buloh, Warisan Merdeka, the Tun Razak Exchange and the Cochrane development in Cheras, as linkages would be created between the MRT underground stations and shopping malls.

Last year, there was significant development as 94% of land acquisition processes was completed and 41 civil tender packages for civil engineering works were commissioned.

The land acquisition was mostly seamless, apart from concerns raised by residents and business owners in several areas, which have stalled the overall process as negotiations continue to take place.

As the high density of development in Kuala Lumpur makes track relocation impossible and economically unfeasible, this leaves developers with no viable alternative.

Developer MRT Corp Sdn Bhd aims to continue negotiating with outstanding land owners and has assured them that construction would not damage their properties.

However, in the unlikely case that damage does occur, MRT Corp has promised fair compensation.

Moving forward, the focus will be on the final implementation plan for MRT Lines 2 and 3 after agreement with the relevant stakeholders based on the Electoral Commission's decision.

This aside, the construction of the MRT remains on track, with Phase One set to be completed by December 2016 and Phase Two, the following year. Construction is also expected to stay within the budget, although the final cost would only emerge at a later date.

River of Life

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Many ministries, city and government authorities are involved in this expansive rehabilitative effort.

A 110km stretch of the river covering the municipalities under the jurisdiction of Selayang municipal Council, Ampang Jaya Municipal Council and Kuala Lumpur City Hall will be cleaned to make suitable for recreation its current standard of Class III to Class V by 2020.

The beautification plan will affect landmarks in the area including Dataran Merdeka, Bangunan Sultan Abdul Samad and Masjid Jamek in the city centre.

As part of the redevelopment programme, government land will be tendered out to private investors.

Seven of 17 identified sewerage projects were tendered and awarded in 2012.

Similarly, the construction of new facilities under the Drainage and Stormwater Management Master Plan designed to remove pollutants such as retention ponds began last year and is now 77% complete.

The installation of wastewater treatment plants at the Selayang and Jalan Klang Lama wet markets are 90% complete, and Phase One of the Public Outreach Programme at the Upper Sungai Klang catchment area has begun.

The RoL project will see a number of developments this year such as the Precinct Seven construction that is expected to be tendered out by the end of this quarter.

The team is expecting 14 construction packages under the Entry Point Projects to be completed by year-end, while sewerage upgrading and construction works are expected to continue throughout the year.

The delivery team will be adding another structural measure to prevent pollutants from entering the Klang River through the construction of a 10.7km interceptor pipe, 310 rubbish traps including log booms, trash rakes and static screens at key areas.

The latter will be put in place by the year-end.

Finally, the EPP's Public Outreach Programme will be in full swing at

the upper Klang River district.

The programme will be further expanded in Phase Two by extending the outreach programme to the Gombak River catchment area, and eventually to the entire project.

KL International Airport

THE KL International Airport (KLIA) connects more than 50 international flights to over 100 international destinations, handling some 37 million passengers in 2011 alone.

There is, however, room for improvement in terms of sales per person, which averaged RM30.73 in the first quarter of 2012.

To fully capitalise on KLIA's retail potential, a shopping hub will be created alongside the new KLIA2 low-cost terminal.

The key components of the retail hub would be driven by Malaysia Airports Holdings Bhd's (MAHB) overall Aeropolis masterplan, which includes retail in KLIA2, a premium landside mall as well as factory outlets.

During the tender phase, MAHB received overwhelming response from commercial operators keen on participating in the modern retail concept, with rental submissions going as high as over RM2,000 per sq m a month.

The construction of KLIA2, which includes retail area space, is on track to be completed by May as planned.

Private Retirement Scheme

IN creating a much vibrant private pension industry in Malaysia, the Private Retirement Scheme (PRS) was launched to complement and further enhance the country's pension system led by the Employees' Provident Fund (EPF).

The Securities Commission issued licences to eight financial intermediaries to offer wider options for Malaysians' retirement planning.

PRS is an alternative voluntary retirement savings plan for working Malaysians.

It also serves as an avenue for

people who are not eligible to be a member of the EPF, such as someone who is self-employed, to plan for their retirement saving.

The financial units that has the rights to launch PRS products are: AmlInvestment Management Sdn Bhd, American International Assurance Bhd, CIMB-Principal Asset Management Bhd, Hwang Investment Management Bhd, ING Funds Bhd, Manulife Unit Trust Bhd, Public Mutual Bhd and RHB Investment Management Sdn Bhd.

As at Dec 2012, RHB Investment Management Sdn Bhd, CIMB-Principal Asset Management Bhd, Manulife Asset Management Services Bhd, Public Mutual Bhd and Hwang Investment Management Bhd had collectively launched 26 PRS funds.

To facilitate the introduction of PRS, Capital Markets and Services (Amendment) Act 2011 came into force in October 2011 to facilitate the introduction of PRS and its was followed by the Capital Markets and Services (Private Retirement Scheme Industry) Regulations 2012, which came into force in March 2012. Thereafter "Guidelines on Private Retirement Schemes" was issued to set out regulatory and operational requirements for PRS providers.

Following that, the Prime Minister launched the final component of the PRS framework, the Private Pension Administrator (PPA) in July 2012. The PPA represents a one-stop centre to ensure efficiency in the administration of the industry.

Going forward, the PRS industry is expected to gain traction and strong take-up of the products by the public, with an increasing number of funds offered, including syariah-compliant PRS funds.

Gumusut-Kakap field

THE Gumusut-Kakap field, which recorded its first oil production in Nov 2012, is expected to reach a maximum of 25,000 barrels per day (bpd) after ramping up two wells.

Located offshore Sabah, Malaysia's second deepwater development, the field's full development comprises 19 subsea wells, a permanent semi-sub-

mersible floating production system with a potential to produce a maximum of 120,000 bpd.

As one of the entry point projects under the Oil, Gas & Energy National Key Economic Area, the production is an achievement after a 14-month planning and execution process.

The oil production was linked via an interim crude evacuation system to a floating production, storage and offloading unit at the existing Kikeh field, Sabah.

It is operated by Sabah Shell Petroleum Co, partnering with Murphy Sabah Oil Co, Conoco Philips Sabah and Petroleum Nasional Carigali. Along with Gumusut-Kakap production-sharing contractors and related service providers, the parties achieved zero lost time injury in project execution.

Malaysia Petroleum Resources Corp

IN positioning Malaysia as the leading oil and gas (O&G) hub in the Asia-Pacific region by 2017, Malaysia Petroleum Resources Corp (MPRC) was formed to promote, catalyse and transform the sector.

Set up in 2011, the agency works with the International Trade and Industry Ministry, Finance Ministry, Malaysian Industrial Development Authority, Malaysian External Trade Development Corp, state governments and regional economic corridor authorities to attract private investments. The units collaborate to address issues such as permits and incentive schemes, as well as tracking the development of key projects.

Besides that, MPRC ties up and promotes partnerships between local companies and global multinational companies, research institutions and academia.

One noteworthy public-private partnership, is the one between the Johor state government, Holland's Royal Vopak and Dialog Group, to build an independent deepwater oil storage terminal in Pengerang, Johor.

Besides oil storage, there are other O&G-related industries such as oil refineries, petrochemical and liquefied natural gas terminals under the Pengerang Integrated Petroleum Complex (PIPC) in Pengerang.

PIPC which spreads over an 8,100ha area also houses Petroleum Nasional Bhd's (Petronas) Refinery and Petrochemical Integrated Development (Rapid) initiative.

Rapid, a RM60bil project, represents the largest greenfield investment in Asia-Pacific that produce and supply premium specialty chemicals in the region.

The complex will include a crude oil refinery with a capacity of 300,000 barrels per day, a naphtha cracker with a combined production capacity of three million tonnes of ethylene, propylene, C4 and C5 olefins, which are used in various products.

The site is strategically located for easy access to China and India.

Implementation of Rapid is expected to start in the middle of the year after Petronas reaches its final investment decision.

Completion of the PIPC masterplan and initiating earthwork for the Rapid project was of the critical targets under the oil, gas and energy national key economic area in 2013.