World Class Refinery and Integrated Petrochemical Complex at PMB Begins to Take Shape

Artist's impression of Hengyi Refinery and Petrochemical Project at Pulau Muara Besar.

BRUNEI Darussalam's conducive and pro-business environment continue to become one of the main factors that attracts foreign investors to consider setting up base in the country. The recent improvement in the Doing Business (DB) 2017 ranking to 72 from the previous 97 (DB2016) makes Brunei Darussalam as the most improved economy in the world for the second year running. This is an indication of the government's seriousness in making sure various reforms and improvements are carried out and processes are streamlined in all aspects of doing business. These augur well with the country's efforts to attract and increase the participation of foreign investors in the country's economic diversification programme. Today, investors may consider Brunei Darussalam as their investment destination for industries such as aerospace, agribusiness, construction, petrochemicals, energy and mining, food processing and packaging, health technologies, ICT, Islamic finance and the Halal sector.

Jetties piling activities at PMB

In the petrochemicals industry, one of the earlier Chinese investors to set up base in the country is the Zhejiang Hengyi Group which was given the approval in 2011 to set up Hengyi Industries Sdn Bhd. The partnership between Hengyi and Damai Holdings Limited, with more than US$4 billion investment, is for the development of a world class refinery and integrated petrochemical complex on a 260 hectare site at Pulau Muara Besar (PMB). The construction of the refinery and petrochemical complex is in line with the Zhejiang Hengyi Group's objective to back integrate to the production of aromatics, which is a feedstock for their assets in China. When completed, it will be able to produce eight million tonnes of refined products per year including diesel, gasoline, jet AI and petrochemicals which include benzene, toluene for both the local and Chinese markets. Construction of various facilities are ongoing at PMB. Site preparations involving dredging, backfilling and reclamation works around the island have been completed to pave the way for construction of the refinery complex. Seven jetties are currently being built along the southeastern and western shores of the island to facilitate the offloading of equipment and machineries before construction of the main refinery complex begins in the third quarter of 2017. The commissioning and operation of the refinery is expected to begin in 2019.

Western Tank Farm & PMB bridge construction

A four lane sea-crossing 2.7km bridge will connect the mainland to PMB and a 2.5km road will be constructed leading to the refinery complex. Both will facilitate the movement of personnel, raw materials and finished products for exports, as well as to provide vital services and utilities to the island.

While construction activities are well underway, Hengyi Industries have started recruitment of local Bruneians and to date, 60 local Bruneians are currently on permanent employment with the company. The company is expected to generate 980 jobs in the first phase of the refinery development.

As part of its long-term commitment to develop local talent and manage its future manpower requirements, the company introduced a joint-scholarship programme with the Universiti Brunei Darussalam and Zhejiang University. Students on a four year Bachelor of Science Chemical Engineering course will undergo a twinning programme with Universiti Brunei Darussalam and Zhejiang University, spending their first two years in UBD followed by 1 ½ years at Zhejiang University which includes a six-month industrial placement in one of the Group's affiliated plants in China. They will then complete the final semester in UBD. Currently, a total of 45 scholars are pursuing the Chemical and Process Engineering courses with the first batch of scholars already under full employment with the company.

Sandfilling work at PMB

In addition, Hengyi Industries have employed nine graduates from the Energy Industry Competency Framework programme launched by the Energy and Industry Department, Prime Minister's Office. In addition to contributing to the country's economic diversification of downstream industries and creating jobs for the local Bruneians, the project is expected to generate many business spinoffs for local companies and SMEs.

Ministry of Finance