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# Pengerang refinery to start commercial operations in 4th quarter



*The RAPID refinery at Pengerang, Johor. (Bernama pic)*

KUALA LUMPUR: The Refinery and Petrochemical Integrated Development (RAPID) project in Pengerang, Johor, will be fully operational in the fourth quarter of this year (Q419).

The US\$16 billion (RM66.76 billion) project between Petronas and Saudi Aramco will see 300,000 barrels produced per day, turning Malaysia into a net exporter of refined fuels for the first time since 2008, said Finance Minister Lim Guan Eng.

The facility will produce refined products including gasoline and diesel that meet Euro 5 fuel specifications and provide feedstock for the integrated petrochemicals complex with a capacity of 3.3 million metric tonnes per year.

Lim was speaking at the opening of 17th Asian Oil, Gas and Petrochemical Engineering Exhibitions here today.

On another note, he said the government is no longer as reliant on petroleum revenue as it used to be.

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He said that in 2009, 42.3% of government revenue came from petroleum sources.

But in 2019, "only an estimated 19.5% of total revenue came from petroleum sources, not counting the special dividend from Petronas used to finance GST and income tax refunds," Lim said.

For this year, Brent crude is expected to hover between US\$60 and US\$70 a barrel, he said, adding that this is sufficient to revive some exploration and production activities that may have been deferred or stopped due to lower oil prices.

Lim said the forecast rebound in global crude oil prices is positive for Malaysia's upstream sector, as it revives industry appetite for exploration and development works, especially for projects located in deepwater and technologically-challenging areas where the cost of investment and operations are high.

"For the government, every US\$1 per barrel increase in crude oil price brings the treasury approximately RM300 million in revenue annually," he said.