
CNPC and UMW Holdings JV starts operation in Qinhuangdao

Tuesday, 09 Jun, 2009

China Knowledge reported that Zhongyou BSS Petropipe Co Ltd a JV between Baoji Petroleum Steel Pipe Co Ltd a subsidiary of China National Petroleum Corporation and Malaysia-based UMW Holdings Bhd on Friday started production at Qinhuangdao City in Hebei Province.

Zhongyou BSS Petropipe involves a total investment of CNY 1.3 billion. The Chinese firm holds a 51% stake in the JV and UMW Holdings owns the remaining 49%.

Mr Datuk Seri Najib Tun Razak Malaysia's Prime Minister attended the opening ceremony of the JV and said the move is in line with the country call to encourage Malaysian companies to invest abroad especially in China.

The JV is capable of producing 400,000 tonnes of oil and gas transmission pipes which will be used for the second China West-East Gas Pipeline Project from Khazakstan to Shanghai, Sino-Russian Crude Oil Pipeline Project and Sino-Burmese Crude Oil Pipeline Project.

Mr Feng Wensheng general manager of Zhongyou BSS Petropipe estimated that the firm's output could exceed 250,000 tonnes in 2009 with sales revenue exceeding CNY 2 billion.

So far, the JV is the UMW sixth plant in China as well as the firm's largest investment in the country.

(Sourced from China Knowledge)

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