

**Chapter****3****Statement of Need**

Among Muhibbah Group's core businesses are in ship building and steel fabrication. Its current shipyard and fabrication yard are located at Telok Gong, next to South Port in Port Klang, Selangor. These facilities have been complementing Port Klang as a maritime hub in the western side of Peninsular Malaysia.

As the existing facilities have limited land areas for expansion and in view of potential demands from the east coast regions, MEB has taken this opportunity to propose another and bigger maritime hub in Kuantan, Pahang. MEB was given the authority by the *Perbadanan Setiausaha Kerajaan Pahang* on 4 June 2016 to develop 3 plots of land with total area of 500 acres into the proposed Kuantan Maritime Hub (KMH). The proposed KMH is planned for a much bigger shipyard and fabrication yard with associated maritime industrial park as well as institution, business and residential parks to support and be self-sufficient where necessary.

The proposed KMH will also benefits vessels calling Kuantan Port and the deep-water port (currently under construction) in the near future for ship maintenance and repairs works and any other marine engineering requirement. A state of art steel fabrication yard to cater for offshore and onshore requirement especially fabrication of large steel structures, will attract many potential industries as well as the oil and gas groups in the east coast region. With its dedicated navigation channel, the launching of marine vessels and transportation barges will be much at ease and the proposed Project site is deemed strategic to serve these potential customers with shorter delivery time to projects in the east coast region.

Ship building and steel fabrication works require highly skilled workers. In ensuring that the required work force is available, a institution is planned in the proposed Project site. The proposed Project is expected to provide for more than 13,000 PE which should largely makeup of the workers working within the Project area and their families. During the construction stage, about 2,800 workers are expected during the peak construction period.

Additionally, the proposed KMH will contribute and support the associated developments within the East Coast Economic Region (ECER). Importantly, the proposed Project is expected to contribute to new job and business opportunities to the locals, State and Country.

