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Diplomacy & Politics

While balancing a national agenda promoting economic transformation through lowering subsidies and taxes with an international programme for progressing a common market for member states of the Association of Southeast Asian Nations, Malaysia’s government must also deal with the economic impact of depressed oil prices, which at the beginning of 2015 reached new six-year lows.

Exploration & Production

Low oil and gas prices are denting the operations of national and international oil companies globally. With cuts to capital and operational expenditures planned by Malaysia’s state-owned Petronas for 2015, on the back of heavy fourth-quarter losses the previous year, the national oil company must weigh its upstream priorities. As development continues at major deepwater plays in the country, brownfield sites are to be rejuvenated through production enhancement efforts.

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As the second largest exporter of LNG globally after Qatar, Malaysia must weather conditions posed by sustained low oil prices, reflected in LNG prices at a lag of several months. National oil company Petronas has stated that its most critical infrastructure projects will advance unaffected, including two floating LNG facilities and a new train at its onshore complex in Bintulu, Sarawak.

In April 2014, after two rounds of delays, state-owned Petronas approved a $16-billion final investment decision for the Refinery and Petrochemical Integrated Development project. The project is a cornerstone of the Pengerang Integrated Petroleum Complex, which underlines the goal of establishing Malaysia as a regional oil storage and trading centre by 2020.

As a net hydrocarbons exporter, Malaysia faces a difficult 2015. Yet despite a downwards revision of growth prospects by the World Bank and a struggling national currency on the back of low oil prices, the country will stick to its GDP growth target of 5-6 percent for 2015. State-owned Petronas says it still intends to pursue most of its planned projects, with major domestic developments planned both in the upstream and further down the value chain.
Oilfield Services

As Malaysia seeks to develop an internationally recognised oilfield services sector, declining oil and gas prices have dented the confidence of major sector players and reduced overall national spending in the industry. Yet while cost-consciousness will be a strong theme in 2015, the country’s primary oil and gas projects will demand technological development and efficient oilfield utilisation, aimed at maximising production levels over the long term.

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5 Expansion along the value chain
Shahreen MADROS
Executive Director
MALAYSIA PETROLEUM RESOURCES CORPORATION

6 The Year’s Awards

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Expansion along the value chain

The Malaysia Petroleum Resources Corporation (MPRC) is working to help Malaysia meet its goal of becoming a regional hub for oil and gas services and equipment. Executive director of the MPRC, Shahreen Madros, speaks to TOGY about the collaborative efforts being made to grow investment across Malaysia’s upstream and downstream sectors and the likely impact of the global oil price slump.

Why is Malaysia an attractive place for oil and gas services and equipment providers to establish their regional bases? Malaysia is the second-largest oil and gas producer in the Association of Southeast Asian Nations (ASEAN) and one of the world’s top LNG producers. The industry is characterised by Petronas’ stability and an emphasis on enhanced oil recovery, marginal fields and deepwater developments, making Malaysia an attractive market for higher-value services.

With a mature upstream hydrocarbons industry, the country possesses a strong ecosystem of services and equipment companies that support the needs of the oil and gas value chain, both domestically and regionally. The period between 2011 and 2014 saw a significant increase in capital expenditure directed toward enhanced oil recovery and marginal field developments. Throughout this period, we saw a clear trend of services and equipment companies acquiring assets while also expanding their services capabilities.

How has Malaysia progressed towards achieving its goal of becoming a regional centre for oil and gas services and equipment? Malaysia has secured a number of significant achievements towards realising its goal. Since 2011, the country has hosted the 2014 Offshore Technology Conference Asia in Kuala Lumpur. Kuala Lumpur was also registered as part of the World Energy Cities Partnership programme in the same year. As a result, a good working relationship has been developed between Malaysia and all major international centres around the world to ensure a continued flow of investments and co-operation.

On the domestic front, a number of significant projects were carried out to encourage the involvement of local universities in research activities for the industry. These initiatives involve getting more graduates into the oil and gas industry by promoting internships in the services and equipment sector and encouraging industry players to share industry experience with universities to improve the quality of graduates.

How will lower oil prices impact the domestic services and equipment sector? No one is exempted from the impact of lower oil prices, not even major players. The same could be said about Malaysia. While the degree of impact may be different depending on each company’s circumstances, smaller services providers stand to be impacted the most.

Many international companies have announced specific responses on a local level, but we have not seen such announcements yet. Many are analysing the situation or streamlining processes and improving their efficiency in order to generate a competitive solution.

We saw a clear trend of services and equipment companies acquiring assets while also expanding their services capabilities.

About MPRC
An agency of the Prime Minister’s Department, MPRC’s initiatives include talent and technology development, encouraging foreign and domestic investment and promotional activities such as participating in international events and conducting business missions to target markets. In view of Malaysia’s chairmanship of ASEAN in 2015, MPRC is focusing on collaborations between oil and gas services and equipment markets in ASEAN countries.
The largest full-field enhanced oil recovery project in Malaysia and one of the largest in Southeast Asia, the Tapis project is being led by ExxonMobil in partnership with national oil company Petronas. The field has been producing since the late 1970s with a total production to date of around 400 million barrels of oil. Tapis-blend crude, with an API gravity of 45 degrees and very low sulphur content, is one of the major benchmark crudes in the region. The $3.1-billion project is expected to recover an additional 10-15 percent of the field’s crude oil.

Japanese engineering and construction company JGC Group plans to complete Petronas LNG Train 9 at the Bintulu LNG complex by the end of 2015 and have the facility on stream by the beginning of 2016. The contract is valued at $2 billion. Train 9 will have a production capacity of 3.6 million tonnes per year and will receive its feedstock from Petronas’ newly developed gasfields offshore Sarawak. The total output of the Petronas LNG complex is 25.7 million tonnes per year. JGC has a long history at the complex, having worked on the existing trains since the late 1980s.

SapuraKencana Petroleum was already Malaysia’s largest oilfield services company and the world’s largest tender rig owner and operator when the company took on its new role as a major upstream operator in the country. In February 2014, the company completed the acquisition of US independent oil company Newfield’s Malaysian assets. SapuraKencana Petroleum is now the operator of eight production-sharing contracts, one alliance contract and a risk-service contract. They are all located offshore Peninsular Malaysia, Sabah and Sarawak.

Deleum increased its number of operational slickline units to 53 in 2014. Doubling its capacity has allowed the company to take 50 percent of Malaysia’s slickline market. The company has invested MYR45 million ($13.5 million) to upgrade its operating equipment. In addition to its slickline business, Deleum’s chemicals arm has patents on a range of chemicals for improved oil recovery work, including Solid Clenz, a chemical solution jointly developed by Deleum Chemicals and Petronas that has proven effective in achieving production increases as high as 70 percent.

Malaysian offshore support vessel provider Icon Offshore had one of the largest initial public offerings on the main market of the Bursa Malaysia stock exchange in 2014. The company raised a total of MYR945 million ($284 million) in the offering on June 25, 2014, and the value of its stock rose by 15 percent on its first day on the market. The country’s largest offshore support vessel company is using the funds to expand its fleet of 32 vessels. The company is acquiring two new vessels in addition to a new-build programme that will add an additional seven ships to its fleet.
POLITICS
- **Population**: 30.4 million (2014 estimate)
- **Area**: 329,847 square kilometres
- **Capital city**: Kuala Lumpur
- **Climate**: Tropical with annual monsoons
- **Official language**: Bahasa Malaysia
- **Political system**: Constitutional monarchy with a bicameral parliament consisting of an elected lower house and unelected upper house
- **Ethnic groups**: Malay (50.4 percent); Chinese (23.7 percent); Indigenous (11 percent); Indian (7.1 percent); others (7.8 percent)
- **Legal system**: Mixed legal system of English common law and Islamic law

ECONOMY
- **Currency**: Malaysian ringgit (MYR1: $0.301)
- **GDP (official exchange rate)**: $312 billion (2013)
- **GDP (real growth rate)**: 4.7 percent (2013)
- **GDP (per capita)**: $17,500 (2013)
- **Natural resources**: Oil and gas, tin, timber, copper, iron ore, bauxite, palm oil
- **Major economic activities (percent of GDP)**: Agriculture: 11.2 percent, industry: 40.6 percent, services: 48.1 percent (2013)
- **Oil production**: 657,000 barrels of oil per day (2013)
- **Oil reserves (proven)**: 3.7 billion barrels (2013)
- **Natural gas reserves (proven)**: 1.1 tcm (38.8 tcf) (2013)
- **Natural gas production**: 69.1 bcm (2.44 tcf) (2013)

Sources: CIA; World Bank; Bank Negara (Malaysian Central Bank); BP 2014 Statistical Review, Malaysia Statistics Department, ASEAN Briefing
The Malaysia 2015 Investors Index

The Oil & Gas Year Malaysia 2015 Investors Index reflects a market hit hard by the global fall in oil prices, but one that has managed to retain its appeal for investors.

PRICE SLUMP: Lower oil prices have had a strong impact on Malaysia’s oil and gas industry. As a key oil and LNG exporter, the country has been viewed by investors as being among the countries in the Asia-Pacific region that was hit hardest by the slump.

In February 2015, national oil company Petronas posted its first-ever quarterly loss, followed by the announcement that its investment plans would be cut by as much as $8 billion. In spite of the bad news, confidence in Malaysia’s hydrocarbons industry remains fairly strong, although tempered when compared to results from last year’s survey.

Of those surveyed in 2015, 89.2 percent said current business conditions in the oil and gas market are positive, compared to 95.8 percent in 2014. Only 76.9 percent of executives surveyed by TOGY said they expected their company’s revenue to increase in 2015, compared to 98.4 percent in 2014.

However, 86.1 percent of respondents still said this is a good time to invest in Malaysia’s oil and gas market.

MARKET STABILITY: The government aims to turn Malaysia into a regional hub for oil storage and trading, and oilfield services and equipment rivalling the existing oil and gas finance and trading centre of Singapore.

Political and economic stability is key to this target, and it is clear the right steps are being taken. In 2015, 100 percent of respondents rated Malaysia’s oil and gas market as either highly stable or stable.

IN BUSINESS: A total of 76.9 percent of respondents rated Malaysia’s climate for doing business as easy, including 15.3 percent who rated the country’s operating environment as very easy. These results are, however, down from 91 percent in 2014 who rated the climate as easy or very easy.

More surprising is that, in 2015, 23 percent of respondents rated Malaysia’s business climate as difficult or extremely difficult, compared to only 8.06 percent in 2014. However, investors do still view Malaysia’s government policies as supportive of the domestic oil and gas industry, with 83.1 percent of respondents saying the government’s policies on oil and gas were pro-business.

ABOUT THE INDEX: The TOGY Investors Index measures confidence among oil and gas investors as expressed in their level of spending in a given market. Participants are asked to give positive or negative responses to a set of questions about the market. A reading above 50 on the index represents a positive perception.

The Malaysia 2015 index is based on the responses of 65 oil and gas executives surveyed between September 2014 and March 2015.
Malaysia is a competitive economy and its vast potential for growth has made the nation a profit centre in Asia. Malaysia offers investors a large pool of young, educated and trainable workforce in a cost competitive environment that makes doing business easy.

MIDA will help you realise your potential. Talk to us and discover how Malaysia can be your profit centre in Asia.

Visit www.mida.gov.my or email us at investmalaysia@mida.gov.my.
29 SapuraKencana Petroleum announces a gas discovery at the Bakong-1 well in block SK408.

06 Swedish independent Lundin Petroleum completes first well in Tembakau-2 in block PM307, drilled by Seadrill’s West Prospero jack-up.

18 Spain’s Técnicas Reunidas is awarded a 50-month, $1.5-billion contract as part of the Refinery and Petrochemical Development project to engineer, supply and build part of the complex.

05 Petronas signs a deal with the Canadian province of British Columbia for a 62-percent stake in the Pacific NorthWest LNG project.

14 Barakah Offshore Petroleum wins $78.3-million contract to build the 282-kilometre Pengerang pipeline.

15 SapuraKencana Petroleum says it secured $304 million in contracts for work in Brunei, Côte d’Ivoire, India, Malaysia and Russia.

03 Petronas and Shell expand the terms of the Baram Delta production-sharing contract to include gas rights in its enhanced oil recovery project.

10 An explosion destroys a section of the $904-million Sabah-Sarawak pipeline between Lawas and Long Sukang.

15 Shell finds gas at its Rosmari-1 well in block SK318 off Sarawak.
Singapore’s Keppel Gas signs an agreement to purchase a 10-year supply of LNG from Petronas.

10 Argentina’s YPF ratifies a $550-million shale exploration deal with Petronas for the development of the Vaca Muerta field.

11 Malaysia’s Bumi Armada seals a $1.18-billion floating production, storage and offloading vessel contract for Indonesia’s Madura field.

12 US-based ConocoPhillips produces first oil from Rokan field offshore Sabah.

20 Malaysia’s prime minister announces measures to combat the fall of oil prices, including a reduction of oil subsidies.

25 Lundin Petroleum acquires a 50-percent stake in block PM328 offshore Peninsular Malaysia.

07 Petronas’ domestic operational expenditure will face cuts of 30 percent, a source tells Reuters.

16 The price of Brent crude oil continues to fall, sinking to $96.2 per barrel, the lowest level seen since 2012.

30 Perdana Petroleum sells an offshore support vessel to Virgin Islands-headquartered Hauston for $26.5 million.

11 Petronas reports its first-ever quarterly loss, amounting to $2.97 billion.

08 Shell announces first oil from the Gomusut-Kakap floating platform in Sabah, expected to reach 135,000 barrels of oil per day at peak production.

14 The merger between the CIMB, RHB and Malaysian Building Society banks, is called off due to the fall in oil prices.

26 Japan’s JGC secures a $510-million contract with Petronas for an LNG project at Bintulu, Sarawak, one of the largest LNG facilities in the world.

11 Malaysia’s Bumi Armada seals a $1.18-billion floating production, storage and offloading vessel contract for Indonesia’s Madura field.

27 Petronas reports its first-ever quarterly loss, amounting to $2.97 billion.

01 Japan’s Inpex transfers a 25-percent stake in deepwater block S, located offshore Sabah, to Australia’s Santos.

04 Singapore’s Keppel Gas signs an agreement to purchase a 10-year supply of LNG from Petronas.

17 Singapore-listed Nam Cheong secures letters of intent worth around $186 million for the sale and charter of 12 anchor-handling tug supply vessels.

20 SapuraKencana Petroleum acquires Petronas’ stake in three shallow-water upstream assets off Vietnam for $400 million.

09 Datuk Wan Zulkiflee Wan Ariffin is named new CEO and president of Petronas, elected for a three-year term starting April 1.

19 South Korea’s Samsung C&T lands a contract to build a regasification facility at the Malaysian LNG terminal in Johor.

19 South Korea’s Samsung C&T lands a contract to build a regasification facility at the Malaysian LNG terminal in Johor.

12 Murphy Oil says it plans to sell 30 percent of its Malaysian assets to Indonesian state oil company Pertamina for $2 billion.

28 Petronas says it will cut capital expenditure for 2015 by 15-20 percent following a drop in oil prices after OPEC decides against cutting production.

17 Argentina’s YPF ratifies a $550-million shale exploration deal with Petronas for the development of the Vaca Muerta field.

The Who’s Who of the Global Energy Industry

The OIL & GAS YEAR

Malaysia 2015
13 Common goals
15 To the forefront
N. RAJENDRAN
Deputy CEO
MALAYSIAN INVESTMENT DEVELOPMENT AUTHORITY
17 Close co-operation
Vanu Gopala MENON
Singapore High Commissioner to Malaysia
Common goals

Malaysia’s government is determined to better foster diplomacy and co-operation as the country heads the Association of Southeast Asian Nations (ASEAN) in 2015. Internally, the government is pursuing an agenda of economic transformation that involves lowering subsidies and taxes, while the country moves towards achieving a high-income status by 2020.

In 2015, Malaysia is working to move forward with the planned ASEAN common market. The project aims to secure the free movement of goods and services in the region. ASEAN comprises 10 countries, which together make up a marketplace worth $2.4 trillion, the seventh-largest in the world.

Meanwhile, the Malaysian government is adjusting its own economic agenda in response to lower oil prices and changes in global demand for its staple products. The government plans to lower the country’s fiscal deficit to 3 percent of GDP in 2015, down from 3.9 percent in 2013, and eventually reach a balanced budget by 2020. This will entail cuts in subsidies and other expenditures, as well as an expansion of the tax base.

SUBSIDISED DEVELOPMENT: The government lowered fuel subsidies in December 2014. The price of the widely used RON 95-grade petrol is now based on a managed float system, allowing state intervention to protect against outside economic shocks. In 2013, the government spent about MYR29 billion ($8.72 billion) to subsidise RON 95, diesel and LPG, up from MYR27.9 billion ($8.39 billion) in 2012.

The subsidy reductions equate roughly to a 9.5-percent increase in petrol prices and a 10-percent increase in diesel. Cuts have reduced the share of subsidy spending in government expenditures from a peak of more than 20 percent in 2011 and 2012 to 17 percent in the first half of 2014.

Moody’s evaluated the subsidy decreases as a positive development. However, the ratings agency added that more reforms might be needed for the country to reach a balanced budget by 2020.

PRICE CRUNCH: The long-term impact of lower oil prices on Malaysia’s economy is still unclear. Malaysia has a more diversified economy than most oil-producing countries and is marginally a net exporter of crude. The country’s mining sector, including oil extraction, was responsible for 43 percent of Malaysia’s growth in gross fixed capital in 2012.

Many of the projects under the Economic Transformation Programme, an initiative to turn Malaysia into a high-income economy by 2020, are in the oil and gas industry. Lower oil prices may make these investments less attractive. Petronas also projected that its contribution to government revenues would be 37 percent lower in 2015 if oil traded in the range of $70 to $75 per barrel.

A 6-percent goods and service tax will be introduced in April 2015 as part of wider efforts to

FIGURES

ASEAN ECONOMIES WERE WORTH A COMBINED $2.4 trillion IN EARLY 2015

THE GOVERNMENT AIMS TO LOWER THE FISCAL DEFICIT TO 3 percent OF GDP IN 2015

SUMMARY

The Malaysian government’s oil revenues correlate closely with the price of Tapis crude…

Malaysian oil revenue and Tapis prices, 2001-2013

…and cuts to longstanding fuel subsidies may not suffice to prevent a budget shortfall...

Malaysian subsidies and Tapis prices, 2008-2015

…however, development expenditure may be cut, as it has been in the past.

Expenditure cutbacks; current accounts, 2008-2013

Source: Malaysia Industrial Development Finance

The Who’s Who of the Global Energy Industry
Regional priorities for Malaysia in 2015 include advancing progress on the planned ASEAN common market and ensuring maritime security and cooperation in the South China Sea.

Malaysia's prime minister visited China twice in 2014 to improve bilateral relations.

ECONOMIC CHANGE: Malaysia aims to become a high-income country by 2020, and the World Bank says it is on track to do so. "Malaysia is poised to reach the World Bank’s high-income status before 2020, as the basic drivers of growth at the macro level remain firm," World Bank senior country economist for Malaysia, Frederico Gil Sander, said.

In 2014, the country placed among the top five economies in the Asia-Pacific region in seven areas measured by the World Bank’s Doing Business indicators. Its overall ranking was 18th worldwide.

REGIONAL RELATIONS: As the chair of ASEAN in 2015, Malaysia is in the delicate position of having to foster dialogue over disputes in the South China Sea. China and Taiwan, as well as ASEAN members Brunei, Malaysia, the Philippines and Vietnam, have conflicting territorial claims to the sea.

In May 2014, China sent rigs to areas Vietnam claims as its territory, a move that set off protests in the latter country. ASEAN foreign ministers responded with a united voice, calling for all parties involved to follow international law, including the UN Convention on the Law of the Sea. Malaysia's foreign minister has said stability in the maritime region would be a top priority in 2015.

Malaysia's prime minister visited China twice in 2014, with the second trip made during the 40-year anniversary of bilateral ties between the two countries. Malaysia is working to continue improving bilateral relations with neighbours Indonesia and Singapore, as well. Despite disagreements over incidents in neighbouring waters and migrant worker issues, maintaining good relations is important for both Indonesia and Malaysia.

The same is true for relations with Singapore. Plans to construct a bridge on the Johor Strait to replace the Johor Causeway may be in the works. The strait marks the coastal divide between Malaysia and Singapore. The primary reasons cited for construction of the bridge are to ease congestion and further improve bilateral relations.

GLOBAL TIES: Malaysia’s relations with the US are also improving. Barack Obama visited Malaysia in April 2014, the first visit made by a US president since Lyndon B. Johnson's in 1966.

On the docket were talks to increase co-operation on economic issues, security, education and technology, as well as the feasibility of visa-free access for work and travel for up to 90 days for Malaysians visiting the US. Malaysia’s home minister has said that the efforts to meet US visa-free requirements could succeed by the end of 2015.

DIPLOMATIC PUSH: Malaysia has already indicated it will be a strong diplomatic player in 2015. The prime minister actively promoted both the country and the ASEAN community at the World Economic Forum meeting in January 2015 during talks with foreign leaders and representatives of UK defence company BAE Systems, engineering multinational Lloyd’s Register and Shell, among others.

For the first time in 15 years, Malaysia was voted back into the United Nations Security Council in October 2014 as a representative of the Asia-Pacific region. While oil prices remain uncertain in 2015, the Malaysian government is working to ensure the country and the wider ASEAN region will be poised for longer-term economic security.
The Malaysian Investment Development Authority (MIDA) is a government body tasked with advancing Malaysia’s services and manufacturing industries. Deputy CEO of MIDA, N. Rajendran, discusses the role of the oil and gas industry in the nation’s economic transformation and outlines its potential to be the regional energy leader.

The Economic Transformation Programme (ETP) is meant to move Malaysia from a middle-income to high-income nation by 2020. Previous development plans have not succeeded in this goal. Growth maintained the same rate, but Malaysia was not getting any richer than its neighbours.

Countries such as Singapore, Japan and Korea were at the same economic level as Malaysia in the 1960s, but we were stuck in the middle-income trap, unable to sustain the necessary growth to reach high-income status. That is why the government launched the ETP in 2010, seeking growth with a targeted investment of $444 billion by 2020.

THE ROLE OF OIL: The government realised that with limited resources, developing every aspect of the economy would not be possible. If we were to invest in developing 40 different industries, 20 of them would likely fail.

With this in mind, the government selected 12 sectors (11 industries and Greater Kuala Lumpur) that it felt would benefit most. Because the oil and gas industry contributes more than 20 percent of the country’s GDP, it was identified as a key economic area and became central to the plans.

To meet the goals of the ETP and transform Malaysia into an Asia-Pacific oil and gas centre by 2017, the hydrocarbons industry must contribute 5 percent of annual growth to the GDP between 2010 and 2020. This will require the industry’s contribution to increase to about $70 billion by 2020.

MIDA has been facilitating this expansion, approving 13 oil and gas projects for the first seven months of 2014, with a projected investment value of almost $5 billion. This is an increase over the more than $2 billion of investment in the industry in 2013.

TECHNOLOGY AND SERVICES: Oil and gas production is becoming more difficult and conventional methods less common. Exploration is farther afield and drilling is deeper. The challenges presented by higher pressures and temperatures, unconventional hydrocarbons developments and brownfield projects pose many potential complications.

Malaysia must have the latest exploration techniques in order to discover new reserves, as well as access to enhanced oil recovery technologies. Furthermore, these approaches have to be developed through local manufacturing and by inviting foreign investors to come to the country and set up collaborations with local companies.

Incentives in the local oil and gas industry include the Petroleum Income Tax Act, which encourages enhanced oil recovery and deepwater projects through tax incentives, the Refinery and Petrochemical Integrated Development, known as RAPID, to expand and diversify Petronas’ petrochemicals operations and the Global Incentive For Trading, to draw in global commodity trading firms.

With the exception of strong domestic services companies such as SapuraKencana, Bumi Armada and Dialog Group, Malaysia has always sourced technology abroad. We need larger numbers of such companies and a more intense focus on advancing the technology available in the country.

Malaysia has more than 3,500 companies in the hydrocarbons industry, yet we do not have a robust local services environment or make a major contribution to the oil and gas technology sector globally. We need to step up the capacity of Malaysian companies to compete at the global level.

SURPASS SINGAPORE: Future hydrocarbons consumption growth will be driven by India, China, Malaysia and the Association of Southeast Asian Nations more than anywhere else in the world. Singapore is strong in the regional hydrocarbons industry, but we believe Malaysia can take the lead. Malaysia has both the area to accommodate an expanding industry and oil and gas production, unlike Singapore.

Major projects and investors are flourishing in the country today. In addition to Petronas’ $17.2-billion RAPID project, US company GE Oil & Gas has established its Monitoring Diagnostics Centre in Kuala Lumpur, overseeing around 800 gas turbines and compressors in 27 countries. Swedish independent company Lundin Petroleum also plans to invest $385 million in its Malaysian operations. These projects are just a few examples of the billions of dollars being invested in Malaysia’s hydrocarbons industry in both upstream and downstream projects.

Given its location and economic climate, Malaysia can become a cost-competitive place for investors to establish offshore operations and manufacturing of advanced technologies for regional and international markets. In the years to come, Malaysia will lead Asia’s hydrocarbons industry.
Serving The Industry
Serving The Nation

Malaysia The Regional Hub
for Oil & Gas Services

The Malaysian Oil & Gas Services Council is the premier and most proactive Business forum representing the interests of the service providers in the Malaysian Oil Gas Industry.

Find out more at www.mogsc.org.my