

Welcome to eMPRC newsletter



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The State Government of Sabah, with joint cooperation of Sabah Economic Development and Investment Authority (SEDIA), has engaged the services of PEMANDU and Malaysia Petroleum Resources Corporation (MPRC) to organise a minilab to identify ways to extend the oil and gas value chain in order to channel more development into the State.

The *Sabah Oil and Gas Downstream Development Lab*, from November 19 to 30, focused on key segments of downstream activities, which can be supported through participation of local companies, new investments and skilled human capital.



The objective of the minilab is to identify:

- oil and gas downstream clusters in Sabah
- each new project's viability, investment required, Gross National Income (GNI) contribution and number of potential jobs that could be created;
- the key enablers to ensure the success of these projects and;
- 3-year implementation plans for each of these projects and initiatives.

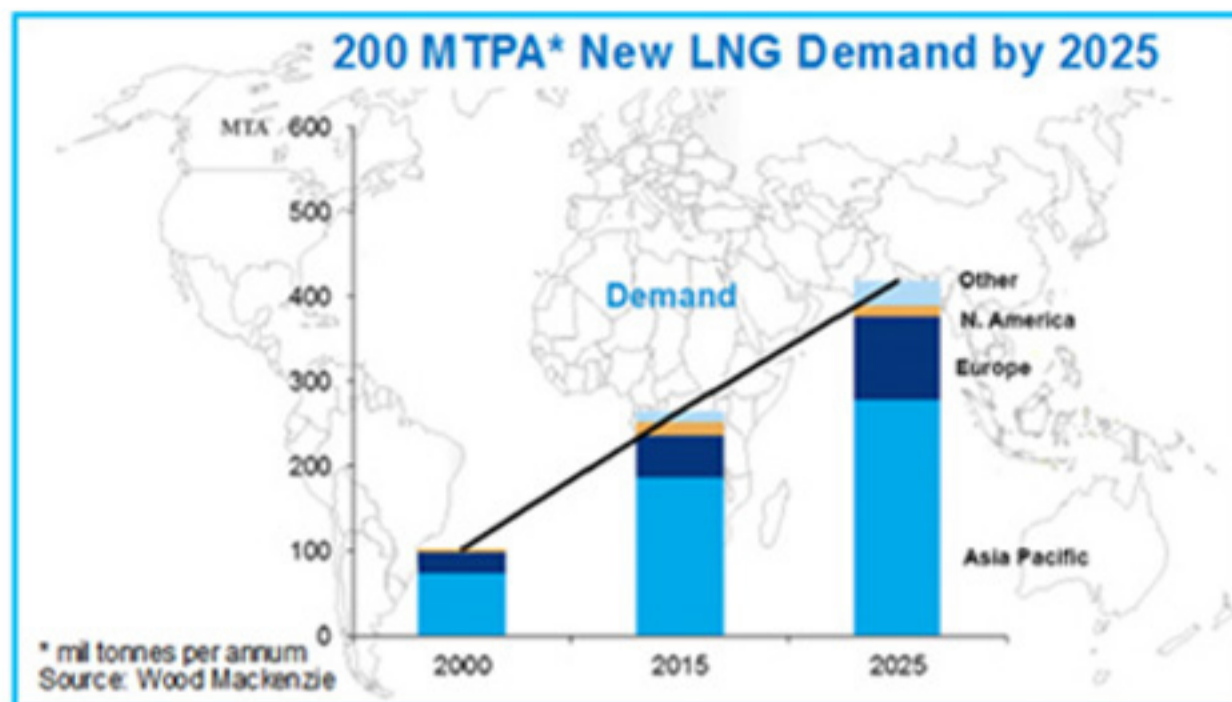
The oil and gas industry is a significant contributor to Sabah's economy annually, including providing jobs and employment not only to the oil and gas sector but also to various supporting services and ancillary industries.

"By facilitating this lab, we are assisting the Sabah State Government achieve their strategic objectives. We are assisting them in charting the economic, business, investment and human capital needs for the next five to 10 years. Investments in oil and gas have long shelf life and what we plan today will change the landscape of the state," said MPRC's president/ chief executive officer Dr. Emir Mavani.

The minilab members comprise key representatives from public and private sectors such as Sabah State Economic Planning Unit (UPEN Sabah), SEDIA, Institute of Development Studies, Sabah Oil and Gas Development Corporation, Ministry of Industrial Development, PetroSab, Sabah Economic Development Corporation, and PETRONAS Chemicals Group.

ZERO TAX RATE FOR LNG TRADING COMPANIES

Natural gas is set to be the next growth sector in the next 15 - 20 years, with global LNG trading and consumption growing exponentially over the next few years.



Capturing this opportunity will benefit Malaysia and the private sector through additional value creation for oil companies, trading houses, financial institutions, engineering & construction companies, logistics providers and supporting industries.

In lieu of this, the government of Malaysia has taken active steps to promote the country as the number one storage and trading hub in the Asia Pacific region. Several initiatives have been launched to support this goal, including the Global Incentives For Trading (GIFT) programme, which was launched in October 2011.

During his 2013 budget speech, Prime Minister of Malaysia YAB Dato Seri Najib also announced a new incentive: LNG trading companies will be given 100% tax exemptions for the first three years of operations, before migrating to the 3% tax regime under the GIFT programme.

Given the high demand for LNG in the region - estimated to reach 400mtpa by 2025 - and Malaysia's aspiration to become the oil and gas hub for the region, this incentive will further attract trading companies to set up their local operations in the country.

Oilfield Services and Manufacturing

O&G career exposure for MMU students



Malaysia Petroleum Resources Corporation (MPRC) was a participant company at Multimedia University's recent sector-focused career fair, which was organised between the University and Talent Corporation Bhd.

Officiated by Deputy Minister of Higher Education II Dato' Saifuddin Abdullah, the event was an opportunity for students to explore their career options upon graduation. Companies from oil and gas, telecommunications, information technology and business services took part in the three-day programme.

In his speech, the Minister encouraged students to widen their horizons by looking further than what their paper qualifications gave them.



"When you go out to work, you must not only understand your job but also see how it will evolve, so that you can adjust to different career opportunities that arise. Jobs will change; your employers' needs might change and you need to adapt to the changes and anticipate what new skills and challenges you need," said Dato' Saifuddin.

Dato' Saifuddin urged the students to have three 'essential' skills when seeking a job, "creativity; communications and networking; and an entrepreneurial mind-set." These skills are important because traditional work in companies or public sector could change. Jobs could become shorter in tenure while volunteer-type jobs could become highly sought after, while having an international working experience could add tremendous value to a candidate's job prospects.

He also encouraged students to have an entrepreneurial mind-set to unleash their creativity and innovations, which are crucial in developing new technologies, products or services.

Did you know?



“ **1)** Natural gas burns cleaner than coal or oil. But it is not emissions-free. Burning coal for electricity creates how much more carbon dioxide than burning natural gas?

- a) 10 percent more
- b) 35 percent more
- c) 80 percent more
- d) 100 percent more



Correct Answer: c) 100 percent more

Compared to the average coal-fired plant, burning natural gas produces half the carbon dioxide, less than a third of the nitrogen oxides, one percent of the sulfur oxides and much lower levels of mercury.

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“ **2)** While the world's oil supplies are dwindling, much of the globe's natural gas remains untapped. Roughly how much of the estimated global supply have we used up so far, according to the International Energy Agency?

- a) 1 percent
- b) 8 percent
- c) 25 percent more
- d) 50 percent more

Correct Answer: **b) 8 percent**

The IEA estimates the world has used only 66 trillion cubic meters of 850 trillion cubic meters of recoverable natural gas reserves.

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OTC ASIA 2014

Offshore Technology Conference Asia
25-28 March • Kuala Lumpur, Malaysia

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3) OTC Asia also known as Offshore Technology Conference Asia. By 2014 OTC Asia will be held in which City in Asia?

- a) Tokyo
- b) Kuala Lumpur
- c) Shanghai
- d) Jakarta

Correct Answer: **b) Kuala Lumpur**

OTC Founded in 1969, the Offshore Technology Conference organizes the world's foremost events for the development of offshore resources in the fields of drilling, exploration, production, and environmental protection. OTC is held annually at Reliant Center in Houston. For the first time OTC Asia will be held in Kuala Lumpur Malaysia from 25-28 March 2014.

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