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HEADLINE: MALAYSIA'S OIL AND GAS INDUSTRY ON THE ROAD TO RECOVERY



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Malaysia's oil and gas industry on the road to recovery

BY MARTIN CARVALHO



Datuk Seri Dr Ahmad Zahid Hamidi (left) looking at one of the exhibits.

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KUALA LUMPUR: There is optimism that the nation's oil and gas industry is on the road to recovery, said Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi.

"If 2016 was the 'year of tough decisions' for the oil and gas industry, then 2017 could well be the year for the road to recovery," he said when launching the 16th Oil and Gas Asia 2017 Exhibition.

He cited the examples of the Organisation of Petroleum Exporting Countries' market forecast and recent survey by Reuters that Brent crude oil could average US\$58.20 (RM250.12) per barrel this year as examples of positive signs for the industry.

"The interim Q4 (fourth quarter) and FY (financial year) of Malaysia's state giant Petronas noted a 12% year-on-year growth in profit after tax despite revenues that were some 17% lower," he said.

He added that Petronas had taken measures to reduce capital investment by 22% while cutting "controllable costs" by 8% last year.

Ahmad Zahid said he also remained confident that Malaysia's oil, gas and energy (OGE) sector would achieve 5% annual growth target until year 2020.

He said the government had mapped out various policies and incentives to spearhead the growth of the OGE industry as it is one of the key result areas in the ongoing Economic Transformation Programme (ETP).

"And as part of the ETP that will propel Malaysia forward into a truly developed nation, the OGE sector is targeting a 5% annual growth until 2020."