



**SPEECH TEXT
YB DATO' SRI MUSTAPA BIN MOHAMED
MINISTER IN THE PRIME MINISTER' DEPARTMENT (ECONOMY)**

**THE NATIONAL OGSE INDUSTRY BLUEPRINT 2021-2030 AND OGSE
DEVELOPMENT GRANT LAUNCH CEREMONY
27 APRIL 2021**

**Bismillahirrahmanirrahim, Assalamualaikum Warahmatullahi Wabarakatuh
and Salam Sejahtera**

- 1. Yang Berusaha Encik Azhar bin Noraini, Deputy Director General
(Sectoral), Economic Planning Unit**
- 2. Yang Berbahagia, Dato' Dr Ahmad Suhaili Idrus, MPRC Chairman**
- 3. Yang Berusaha Encik Mohd. Yazid Ja'afar, MPRC President & CEO**
- 4. Distinguished guests, ladies and gentlemen**

Good morning,

1. The global energy system has experienced significant disruptions in the last 200 years. From biomass, we shifted to coal, and then coal made way for oil and gas. Today, oil and gas itself is in the midst of another disruptive transition.
2. The current trend of energy transition into renewable and low carbon energy is redrawing the way economies are run. Driven mainly by consumer demands for cleaner energy, as well as growing investor pressure for environmental, social and governance (ESG) considerations, we are in the midst of an energy transition process. The COVID-19 pandemic is also accelerating this trend, as lockdowns and travel restrictions in many parts of the world led to cleaner skies and fewer traffic-clogged cities.

3. This backdrop not only presents a unique set of challenges but also opportunities to governments, societies and the oil and gas industry. The ability of oil and gas, services and equipment (OGSE) industries to pivot to a more green, innovative and sustainable business model will be key for our local oil and gas players to remain relevant in a low-carbon future.
4. The ability to produce oil and gas as cleanly as possible through innovative technologies, and environment-friendly practices will also be crucial to Malaysia's national development agenda, the Shared Prosperity Vision and the 12th Malaysia Plan, as well as international climate action pledges such as the Paris Accord.

Ladies and Gentlemen,

5. Although this trend is inevitable, oil and gas will remain an important part of the energy mix for the foreseeable future. But in order for our OGSE industry and the broader economy to thrive in a low carbon and environment-conscious world, the industry must have a solid plan to ensure their upward trajectory in the future.
6. The National OGSE Industry Blueprint 2021-2030 therefore, aims to provide direction for OGSE companies to improve their competitiveness, efficiency and technological capabilities. We must ensure that the growth of the sector is achieved in a sustainable manner without greater costs to future generations. Innovation and advancement in low-carbon technologies is thus key.
7. This transformational Blueprint also aims to improve the OGSE industry's financial strength through diversification into essential adjacent sectors. The successful implementation of the various initiatives recommended in the Blueprint will enable Malaysian OGSE companies to be more competitive globally and be able to penetrate into new markets abroad. In so doing, the OGSE industry can potentially contribute more towards the nation's

economic growth. To ensure the availability of skilled manpower, initiatives set under the Blueprint will up-skill and reskill the existing workforce.

8. Through the successful implementation of this Blueprint, the local OGSE sector in 2030 is expected to:-
 - Contribute RM40 billion – RM50 billion to the country’s gross domestic product by 2030, from RM21 billion recorded in 2020.
 - Continue to provide jobs for 60,000 talents
 - In addition, it is envisioned that these initiatives, particularly those under technology levers, could see a sharp rise in OGSE patent-filing by local entrepreneurs.
 - These initiatives will also be instrumental to pushing more OGSEs towards increased sustainability reporting and business practices, with a target of around 70 companies adopting and reporting their sustainability-based business models.
9. These initiatives will be coordinated by the Malaysia Petroleum Resources Corporation (MPRC), an agency under the Economic Planning Unit that is entrusted to spearhead the development of the OGSE industry.

Ladies and Gentlemen,

10. Malaysia’s OGSE industry has long held its position as a significant contributor to the national economy, accounting for 5% - 8% of the country’s GDP. To date, the sector has demonstrated remarkable resilience, having powered through the 2014-2016 oil price crash and a persistently low oil price environment.
11. As part of the initiatives to support and accelerate innovation amongst local OGSE players, particularly on embracing high-tech and environmentally sustainable solutions into products and processes, I am pleased to introduce the OGSE Development Program today as well. Designed by MPRC, this program provides developmental financial assistance in the

form of reimbursable matching grant that will facilitate local OGSE SMEs as well as Mid-Tier companies to build up their technological prowess.

12. The Government via MPRC will also establish a cross-agency collaboration platform to look at opportunities such as access to funding, intellectual property, and information sharing. This initiative, the Oil and Gas Innovation-Technology Collaboration or OGITEC hopes to streamline processes among government agencies.
13. I wish to emphasise that the OGSE sector is very much a critical sector for the National economy and the Government is deeply committed to ensuring that the OGSE sector maintains its relevance in a low carbon and environmentally conscious world in the future.
14. Even so, the OGSE sector needs to be bold, and step out of its comfort zone, in order to face this process of transition head-on. The Government's hope is to see a local OGSE industry that is not only thriving with high-tech development activities within the oil and gas space, but also in adjacent sectors such as renewables, power and more.
15. To end, I would like to take this opportunity to acknowledge the National OGSE Industry Blueprint's implementation partners—PETRONAS, MATRADE, MIDA, MOGSC, TalentCorp, MOHE and TERAJU—in ensuring that all initiatives are realised. It is certainly a shared vision to ensure our OGSE industry thrive.
16. Thank you. Wabillahi al-taufiq wal hidayah wassalamu'alaikum warahmatullahi wabarakatuh