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OGSE players told to adapt to new energy landscape

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► Changes required to tackle transition, decarbonisation challenges, says Mustapa

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KUALA LUMPUR: The oil & gas services and equipment (OGSE) industry cannot operate in business-as-usual mode as the government pursues sustainable growth in tandem with the United Nation's 2030 Sustainable Development Goals.

Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said changes in systems, business models, economic assumptions, market rules and governance frameworks are required to tackle the challenges posed by energy transition and decarbonisation.

"The OGSE industry plays an integral role in this as industry players are best positioned to advise on technological needs and technical knowhow. The government will press on with our efforts to engage and collaborate with the industry," he said in his keynote address at the OGSE Roadshow 2022 yesterday.

The government has committed RM8.48 million to 36 companies for the Oil & Gas Services and Equipment Development Grant, which aims to accelerate technology adoption, according to Mustapa. He said projects being undertaken by the recipients include robotics and artificial intelligence analytics. The

government has allocated a total of RM25 million for the OGSE Development Grant.

"The OGSE Blueprint aims to support industry players and develop a robust, resilient and globally competitive Malaysian OGSE industry. We hope to accomplish this by addressing fundamental challenges in the industry and exploring value-added business opportunities in oil and gas. This is crucial given OGSE's role in servicing the oil and gas value chain," Mustapa said.

He remarked that as the world navigates energy transition, it is important for the industry to build upon its resilience against external shocks and enhance its capabilities in adjacent skill-sets such as renewable energy, energy storage and decarbonisation.

"OGSE companies must embed a sustainability component into their business strategy. I firmly believe that those able to develop products and services that address

global energy challenges will be around for the long haul. I am optimistic that these initiatives will help OGSE players to meet the needs of the sustainability agenda.

"The OGSE industry plays an integral role in this as industry players are best positioned to advise on technological needs and technical knowhow. The government will press on with our efforts to engage and collaborate with the industry. In today's interconnected and globalised world, no man is an island," said Mustapa.

Malaysia Petroleum Resources Corp (MPRC) president and CEO Mohd Yazid Ja'afar said that to ensure a robust implementation of the OGSE Blueprint, it has been coordinating government initiatives and implementing selected programmes since its launch in April 2021.

"When we developed the OGSE Blueprint, it was projected that the OGSE Blueprint will see greater contribution to the country's GDP to around RM40 billion by 2030 from current levels of around RM20 billion.

"We have held engagements and collaborations with industry stakeholders - financial institutions, statutory bodies and more - in the last 12 months, (focusing) on the OGSE Roadshows, which aim to raise awareness on the OGSE Blueprint and the pathways it has set out to shape the continued development of OGSE in Malaysia," Yazid said.

The National OGSE Roadshow 2022 caps a series of roadshows which were held in Kuala Terengganu, Kuching and Kota Kinabalu in May, June and August, respectively. The roadshows were aimed at enhancing awareness on the OGSE Blueprint and the pathways it has set out to shape the development of the OGSE industry in Malaysia.

The 10-year National OGSE Industry Blueprint, launched in April 2021, is envisioned to develop a robust, resilient, and globally competitive Malaysian OGSE sector by 2030.



From left: Petronas project delivery and technology senior vice president Datuk Bacho Piong, MPRC chairman Datuk Dr Ahmad Suhaili Idris, Mustapa, Economic Planning Unit (EPU) deputy director general (sectoral) Datuk Yatimah Sarjiman, Prime Minister's Department finance & development deputy secretary general Datuk Awang Alik Jeman and EPU energy division director Dr Afiza Idris at the event.