

## KERATAN AKHBAR

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TARIKH : 7 OKTOBER 2022

AKHBAR : THE STAR

MUKA SURAT : <https://www.thestar.com.my/business/business-news/2022/10/07/ogse-players-to-benefit-from-rm1bil-maritime-and-logistics-fund>

### **OGSE players to benefit from RM1bil maritime and logistics fund**

KUALA LUMPUR: The RM1bil maritime and logistics fund is expected to benefit oil and gas services and equipment (OGSE) players, especially the close-to-100 offshore support vessel (OSV) service providers in Malaysia, according to Malaysia Petroleum Resources Corp (MPRC).

“We commend the expansion of the RM1bil maritime and logistics fund by Bank Pembangunan Malaysia Bhd to include oil and gas support services as well as shipbuilding and repairs. This is expected to benefit OGSE players, especially the close-to-100 OSV service providers in Malaysia,” MPRC president/chief executive officer Mohd Yazid Ja'afar said in a statement.

“MPRC has been actively engaging with the Malaysian OSV Owners Association (MOSVA), Association of Marine Industries of Malaysia (AMIM), and PETRONAS to understand the issue of ageing ships which requires the construction of up to 100 new ships, as well as the repair of existing ships.

“The financing could be utilised in the construction and repair of OSVs to support the offshore oil & gas operations throughout the country,” he added.

The announcement comes after a tumultuous period for the OGSE players during the 2020/2021 lockdowns and slowdown in economic activities by major economies as a result of the Covid-19 pandemic, which also saw a plunge in oil prices due to reduced global demand for hydrocarbons.

In addition, MPRC said the duty stamp exemption of 100% on restructuring or rescheduling of loans/funding until 2024 and tax reduction from 17% to 15% for the first RM100,000 of taxable income for micro, small and medium-sized enterprises could also provide welcome relief for OGSE companies to emerge from the liquidity headwinds.

MPRC supports Budget 2023's reinforcement of the sustainability agenda, including the announcement of the development of a Sustainability Framework by GLCs/GLICs.