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Govt to review policies related to oil and gas industry, says Rafizi



The government will be reviewing the policies related to the oil and gas service and equipment (OGSE) industry, said Minister of Economy Rafizi Ramli. — Picture by Hari Anggara

KUALA LUMPUR, June 6 — The government will review policies related to the oil and gas service and equipment (OGSE) industry, said Minister of Economy Rafizi Ramli.

He said the review is to enable the sector to be more global, sustainable, agile and divergent because the global trajectory of the OGSE industry is much more positive now compared to six years ago.

“I think there is a realisation in the world, not just in Malaysia, that we are looking at the phase down and not an abrupt phasing out of fossil fuel.

“Therefore, crude oil and gas are going to be there,” he said after the launch of the OGSE Census 2024 here today.

Rafizi noted that signalling from the government is also important so that the financial sector could realign to the new reality of the industry.

“The ministry is working on specific initiatives for the industry because given the risk profile, it has to be treated slightly differently.

“Discussions are ongoing about extending credit lines and private credit to qualified oil and gas companies,” he pointed out.

The minister said the interest in oil and gas companies are coming back and would slowly improve.

Hence, this is why the policy alignment from the government needs to happen otherwise financing will be quite a challenge, he said.

Rafizi said the oil and gas industry in Malaysia has changed drastically in the last 15 years where the country’s oil output has decreased from its peak of 650,000 barrels a day to 370,000 barrels a day.

“Same with the gas industry. The demand for natural gas is increasing every year and at the same time, domestic production is no longer able to meet the demand,” he said.

Therefore, Rafizi believes that the OGSE Census 2024 will help in the development of a stronger, resilient and competitive OGSE sector at the global level and contribute to the development of the country’s economy.

He said that the OGSE Census will be carried out from June to September 2024, and held for the first time by the Department of Statistics Malaysia (DOSM) in collaboration with the Malaysia Petroleum Resources Corporation and national oil and gas company, Petronas.

As stated by chief statistician Datuk Seri Mohd Uzir Mahidin, the implementation of the OGSE Census will go through two phases of data collection and field operations which runs from today till September 2024.

Meanwhile, the second phase is a data processing period that ends in October 2024 with the involvement of 3,582 establishments in Malaysia.

“Organisations involved in the OGSE industry will be contacted by the relevant state DOSM offices throughout the country,” he said.

Mohd Uzir elaborated that four objectives that have been targeted for the implementation of the census are firstly, to measure the performance of OGSE industry involving gross domestic product (GDP), employment and exports.

Secondly, to be the new benchmark for Malaysia's OGSE statistics which covers data on output, input, value-added, employees, wages and salaries, information and communications technology, as well as micro, small and medium enterprises at the national and state levels.

"Thirdly, evaluate the achievement of national policies or programmes such as the 12th Malaysia Plan and to further increase the country's statistical capacity through updating of the Malaysia Statistical Business Register and the Malaysian economic database," he said.

Mohd Uzir added that the implementation of the OGSE Census for the year 2024 will show a significant outcome where the results can be used to plan development programmes for the Malaysian OGSE industry. — Bernama