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MALAYSIA OIL & GAS SERVICES EXHIBITION AND CONFERENCE

# PLAYERS URGED TO TREAD CAREFULLY

Price volatility expected to continue amid trade wars and geopolitical risks, warns Wan Zulkiflee

ZARINA ZAKARIAH  
KUALA LUMPUR  
bt@mediaprima.com.my

**L**OCAL oil, gas and energy players have been urged to tread carefully as oil price volatility is expected to continue due to trade wars and geopolitical risks.

Petroleum Nasional Bhd (Petronas) president and chief executive officer Tan Sri Wan Zulkiflee Wan Ariffin said despite an improving outlook, which saw Brent oil price hitting a four-year high of US\$80 (RM331) a barrel yesterday morning, it was important to be mindful of the unpredictable industry landscape.

"Currently, the outlook for the oil and gas industry is improving. Year-to-date

Brent is at US\$72 per barrel, a significant sharp increase from the average of US\$54 per barrel in 2017 and the oil and gas sector here seems to be responding positively.

"We can see this in the number of investments, which have increased slightly in tandem with the higher oil prices and better prospects. For September, 20 rigs are in operation across Malaysian waters compared to 15 at the end of 2017.

"As encouraging as it is, we can still expect volatility to continue, given the prevailing external factors such as trade wars and other geopolitical risks.

"While it is evident that players are now changing gears from survival to growth mode, I urge all players to tread carefully and respond cautiously to the unpredictable landscape as we do in Petronas,"



*Petroleum Nasional Bhd (Petronas) president and chief executive officer Tan Sri Wan Zulkiflee Wan Ariffin says the oil and gas industry is facing multiple disruptions that are changing the way business is being done. PIC BY AIZUDDIN SAAD*

he said in his speech at the 4th Malaysia Oil & Gas Services Exhibition and Conference 2018 (MOGSEC 2018).

Wan Zulkiflee also reminded stakeholders to adapt to disruptions that were set to challenge how business was being carried out.

"Just like other industries, ours is facing multiple disruptions that are changing the

way business is being done. These include new technologies, data-enhanced products, and innovative competitors and re-defined customer expectations."

He said new technologies would underpin various processes, from fully-automated drilling operations and autonomous pipeline inspection to the rig-less plugging and abandonment of wells.

## 28 tax incentives available for Malaysian OGSE companies

**KUALA LUMPUR:** Twenty-eight tax incentives are available for oil and gas services equipment (OGSE) companies.

Petroleum Nasional Bhd (Petronas) president and chief executive officer Tan Sri Wan Zulkiflee Wan Ariffin said Petronas also provided licensing and registration assistance for Malaysian OGSE providers.

"At the heart of all these efforts is the intent to strengthen local players so they can compete outside Malaysia.

"Petronas is keen to help build the competitive edge of local OGSEs, enabling them to explore overseas markets and

build mutually beneficial partnerships that can enhance their stature," he said at the 4th Malaysia Oil & Gas Services Exhibition and Conference 2018.

The Malaysia Tax Incentives Compilation and Guide for the OGSE sector was launched yesterday.

It outlines tax incentives designed to spur growth and activities in selected segments, such as general investments, high technology companies, integrated logistics services, selected industries, small scale companies, reinvestment allowance for manufacturing, among others.