Sabah oil and gas players told to be focused

Joe Leong

KOTA KINABALU: "Finally, the sun is shining on the oil and gas industry in Sabah," a speaker said during a panel discussion on how to jump-start the industry in the state at the two-day Oil and Gas Conference and Exhibition that came to a close here yesterday evening.

Professor Dr Pogaku Ravindra, director of the Master of Oil and Gas Engineering programme at the Universiti Malaysia Sabah (UMS), said with so many things happening in this industry Sabah could one day have a global standing on its own despite the many challenges.

Dr Pogaku, who is a distinguished professor of chemical and bioprocess engineering at UMS, was among several speakers who urged companies in Sabah that are contemplating to enter into the field to be focused on what they wish to do and then move on from there.

Participants were told since the opening of the conference on Monday that among the many mega oil and gas projects in the state include the Sipitang Oil and Gas Industrial Park (SOGIP), the Sabah Ammonia-Urea plant also at Sipitang, the Sabah Oil and Gas Terminal (SOGT) and the Sabah Sarawak Gas Pipeline (Project).

Prof Pogaku said it was easier for new players to enter into downstream activities rather than upstream, saying that Malaysia already has those engaged in downstream production of value-added petroleum products.

Among challenges he highlighted include an aging workforce and the need for youngsters to be trained in the field of oil and gas.

While noting a lack of interest in mathematics and science among the younger generation, he said there was also a need to overcome the development of new technologies and the replacement of outdated machineries and technologies.

Touching on the challenge related to environmental issues, the UMS academician saw the need for the young to be trained on how to jump-start the industry in Sabah and go into this field of tackling problems related to pollution.

On a more positive note, Prof Pogaku said a Sabahan entering into the oil and gas industry could very well become the richest Malaysian in the state one day.

He called on oil and gas companies to assist in the human resource development for the industry by sponsoring students in pursuing advanced studies in the field.

Saladin Jasle Jasmin, vice president of Malaysia Oil & Gas Engineering Consultants (MOGEC), said that now more than 80 per cent of oil fields in the country, he said the future is in providing engineering services in other parts of Malaysia.

"Maybe, one day we shall see Sabah to be the local champion in providing engineering services in the oil and gas industry," he remarked.

Engineer Saladin who is currently a Director of OPE (Malaysia) Sdn Bhd, hastened to add, "We still have a long way to go."

He said MOGEC is committed to make Malaysia a high income nation.

Shamsul Said, the vice president of the Malaysian Oil & Gas Services Council (MOGSC), another speaker on the panel, told conference participants that now more than 80 per cent of economic activities in the oil and gas industry in Malaysia are being out sourced to service companies.

Shamsul, who has been engaged in the industry for 25 years, said this large scale out sourcing of services by petroleum companies provide a catalyst effect to small and medium enterprises (SMEs).

"This, coupled with the various projects of the national Economic Transformation Programme (ETP), Malaysia is the hottest spot with many mega billion ringgit projects for Sabah and the rest of Malaysia," he observed.

Saying that there are now a total of 167 oil fields in the country, he said the future is in providing services and that MOGSC is here on a mission.

"We want to see the best of Sabah for the betterment of all."

Shamsul, who is also the managing director of Perdana Petroleum Berhad, said MOGSC wishes to position Malaysia to be the regional hub for oil and gas services.

He too announced to the participants that MOGSC would, very shortly, open a Sabah chapter for the benefit of the locals.

The MOGSC vice president sees this move as a necessity, explaining that the local chapter would serve the role of match-making for collaborative support.

It would also become a feedback mechanism to stake-holders, various authorities and government agencies.

This panel session was moderated by Datuk Paduka Udani Mohamed Daud, the group executive chairman of Max Energy Sdn Bhd.