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Malaysia O&G Services Firms Seek New Markets Overseas

by Chee Yew Cheang |

Rigzone Staff

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Hurt by a shrinking domestic upstream market, Malaysia's oil and gas services and manufacturing companies are looking overseas for business opportunities, a senior official at a government agency told Rigzone Wednesday at the Offshore Technology Conference (OTC) 2016 in Houston.

"It's been challenging (to operate in the current industry downturn), but nevertheless exciting for Malaysia and the government sees this as an opportunity for us to push our companies to do more or better (including venturing overseas)," Azwan Shukor, vice president of Promotion & Business Opportunities at Malaysia Petroleum Resources Corp. (MPRC) said.

Like the rest of the world, Malaysian petroleum services and manufacturing firms have not been spared the adverse effects of the downturn, which have resulted in steep cuts in capital spending by major oil and gas companies worldwide.

"This presents us with an opportunity to promote and offer our expertise and capabilities beyond Malaysia. Our companies realized that they are no longer allowed the space and comfort of operating at home, so they have to do better at exporting their services," he said, citing MIT Technologies and **ProEight Sdn Bhd** as two such examples that have ventured overseas.

The push to tap overseas business has become a necessity following shrinking opportunities in Malaysia arising from spending cuts implemented by domestic upstream operators, including state-owned national oil company Petrolia Nasional Berhad (PETRONAS).

"They are more hungry and passionate (about venturing overseas) and require less push from the government than before," Azwan said.

MPRC, tasked by the government to promote, catalyze and transform the oil and gas services sector to become stronger entities in the industry, seeks to position Malaysia as the premier oil and gas hub in Asia Pacific by 2017. On the subject of skilled manpower, the MPRC executive did not see a "manpower drainage" in Malaysia at the moment. Still, the agency and other government departments are working closely to ensure that Malaysia has the required talents when the industry recovers. "MPRC's Human Capital Technology Team have been constantly engaging research universities to produce the talents to meet industry requirements. Some companies exhibiting at OTC are still actively involved in getting fresh graduates into their systems, training them and prepping them for future challenges," Azwan said, adding that most of these firms have placed their senior talents, made redundant by the industry downturn, to similar roles in other departments.

"We are doing all we can to ensure that when the industry starts to pick up, Malaysia is in a position to supply the necessary manpower and talents going forward," he said.

For Malaysia, the industry downturn is not all negative, especially on the availability of skilled manpower.

"There will be companies in Malaysia who actually benefitted from the downturn. The best talents are in the market right now. It's an employers' market in Malaysia and around the world. So those who are hungry and have the appetite to grow – and I have to say most of Malaysian companies are in that mode – they are benefitting greatly from this downturn," Azwan told Rigzone.

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