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Global drill pays dividends

THE Government's encouragement to Malaysian companies to spread their wings globally has its roots at the Prime Minister's doorstep. Often enough, Datuk Seri Dr Mahathir Mohamad has led by example in netwebbing and networking with the international community to draw their attention to the mutual enrichment that can benefit all in smart partnerships.

Just as the success of a country depends on its ability to adopt and adapt to global forces, so too can the same probably be applied to corporations.

Convention is but a path through which we tread and cull the lessons to be learnt so we can better create value and work towards a win-win situation to strengthen the capabilities of participating parties.

Corporations can only hope for image and product bestsellers if they dare to tear down conventional barriers and venture further afield into the borderless world, a catchphrase that is as central now to industries as when the respected Dr Kenichi Ohmae penned his *The Borderless World: Power and Strategy in the Interlinked Economy* bestseller published in 1990. Moving beyond the home base offers wider opportunities to expand and diversify business portfolios, catch up on the latest in technology at a quicker pace as well as sharpen the competitive edge. If the objective of entente falls into place, so much the better; even if it does not, nothing is wasted for the networking that emerges from these efforts should only spur a determined corporation to seek out other pastures. One such corporation which has heeded the Government's globalisation call is Petronas which has set up the building blocks for a global integrated business system since 1990.

Petronas' vision of being a leading oil and gas multinational has motivated it to continue seeking new partners and opportunities in chosen geographies. From east Asia to the south, Australia to Argentina, Africa and the Middle East, the national oil and gas corporation has been building up crude reserves and to supply its overseas refining deals and local refineries.

A salient reason for moving abroad is the drilling need to add to the nation's reserves as the prospect of discovering major oil fields at home gets tougher. At the current rate of production, Malaysia will be a net importer of petroleum by the year 2010. In taking on the world, moving both upstream and downstream, Petronas has further enhanced its integrated business prospects and endeavoured to be at the leading edge of technology. Over the years, this Fortune 500 corporation has earned respect as a professional negotiator and even bagged equity participation in projects eyed by multinationals with more muscle. The international business fraternity's confidence in Petronas is also reflected in the good response to its fund-raising roadshow last year.

In recent years, financially-strong Petronas has pumped in billions of ringgit in new investments overseas, some of which are now paying handsome dividends. By the year 2005, overseas operations are expected to account for 30 per cent of its revenue. Its exploratory ventures may not always meet with 100 per cent success but the black gold derived from hitting just one oil well successfully is likely to erase all losses. The discipline and entrepreneurial spirit that Petronas has exercised proves yet again that going global is the business ethos of now and the future.

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