

~~UCAPAN: ADHO~~~~232 - 154/78~~

Tang Berbahagia, Tengku Tan Sri Hassan  
Bazah, Menteri Kewangan, Malaysia.

Tang Berbahagia, Tan Sri Abdul Kadir Yusoff,  
Pengerusi, Malaysia LNG Sdn. Bhd.

**SPEECH BY THE PRIME MINISTER OF MALAYSIA,**

**YAB DATO HUSSEIN ONN, AT THE LAUNCHING**

**OF MALAYSIA LNG SDN. BHD. AT KUALA**

**LUMPUR HILTON, ON 1ST AUGUST 1978,**

**AT 7.30PM.**

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To us, and indeed to the whole country,  
the occasion this evening is a major milestone  
in the economic progress of our nation. To-night  
we are launching the Malaysia LNG Sdn. Bhd.

Perhad.

Yang Berhormat Mulia, Tengku Tan Sri Razaleigh  
Hamzah, Menteri Kewangan, Malaysia.

Yang Berbahagia, Tan Sri Abdul Kadir Shamsuddin,  
Pengerusi, Malaysia LNG Sdn. Bhd.

Distinguished Guests,

Ladies and Gentlemen.

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To me, and indeed to the whole country,  
the occasion this evening is a major milestone  
in the economic progress of our nation. To-night  
we are launching the Malaysia LNG Sendirian  
Berhad.

This company is involved in a major petroleum project. It is expected to make a substantial contribution to the economy and welfare of our nation. Although our petroleum industry has a long history, dating back to 1882, when oil was first discovered in Miri, it began to make an impact on the economy only recently. In terms of foreign exchange earnings, the petroleum industry has now climbed to second place, whereas three years ago, it occupied fifth place.

2. On an occasion such as this, it would be appropriate that I should congratulate PETRONAS and its two partners, namely, Shell Gas B.V. and Mitsubishi Corporation, on their success in formulating a plan for the imple-  
mentation of the LNG project. In fact, this LNG Company is a good example of the kind of cooperation, which the Government has been encouraging between local and foreign entrepreneurs. The project will not only benefit the three partners, but other parties as well.

3. The Federal Government will, of course, benefit from the revenues that it will get. Of equal satisfaction will be the fact that Japan will also benefit by getting an additional source of supply of natural gas. This source will supply Japan with about six million tons of LNG per annum, for the next 20 years. By supplying Japan with LNG, trade between Malaysia and Japan will be further increased and other forms of cooperation between the two countries enhanced.

4. As agreed among the three partners, the LNG Company will charter the LNG Carrier vessels of the Malaysian International Shipping Corporation Berhad (MISC) for the transportation of the gas. I understand that the charter rates for these vessels have been agreed between the LNG Company and the MISC. These vessels will, therefore, be gainfully employed. Here again, I note with great satisfaction the spirit of compromise and cooperation that has been

shown by all the parties concerned. This is the spirit that will surmount most difficulties whenever any endeavour requires discussion and consultation between well-meaning and sincere partners. The partners in this great venture have started in the right spirit. This augurs well for the project and the Company.

5. The project will also be beneficial to the State of Sarawak. The State will earn Royalty from the production of the gas.

Furthermore, it will also benefit from the development of Bintulu. A deep-water port, for example, is under construction at Bintulu that will serve, not only LNG traffic, but other cargoes as well. An ammonia-urea plant for the supply of urea to the other ASEAN countries, will also be set up in Bintulu, not far away from the LNG plant, so as to draw gas from the same source. The Sarawak Government itself is preparing a Master Plan for the proper development of the Bintulu area. Sarawak in general, and Bintulu in particular,

will develop and grow. All these will benefit the people of Sarawak.

6. The LNG project will also provide opportunities for employment, and opportunities to provide supporting services and facilities. All these will no doubt improve and upgrade local skills.

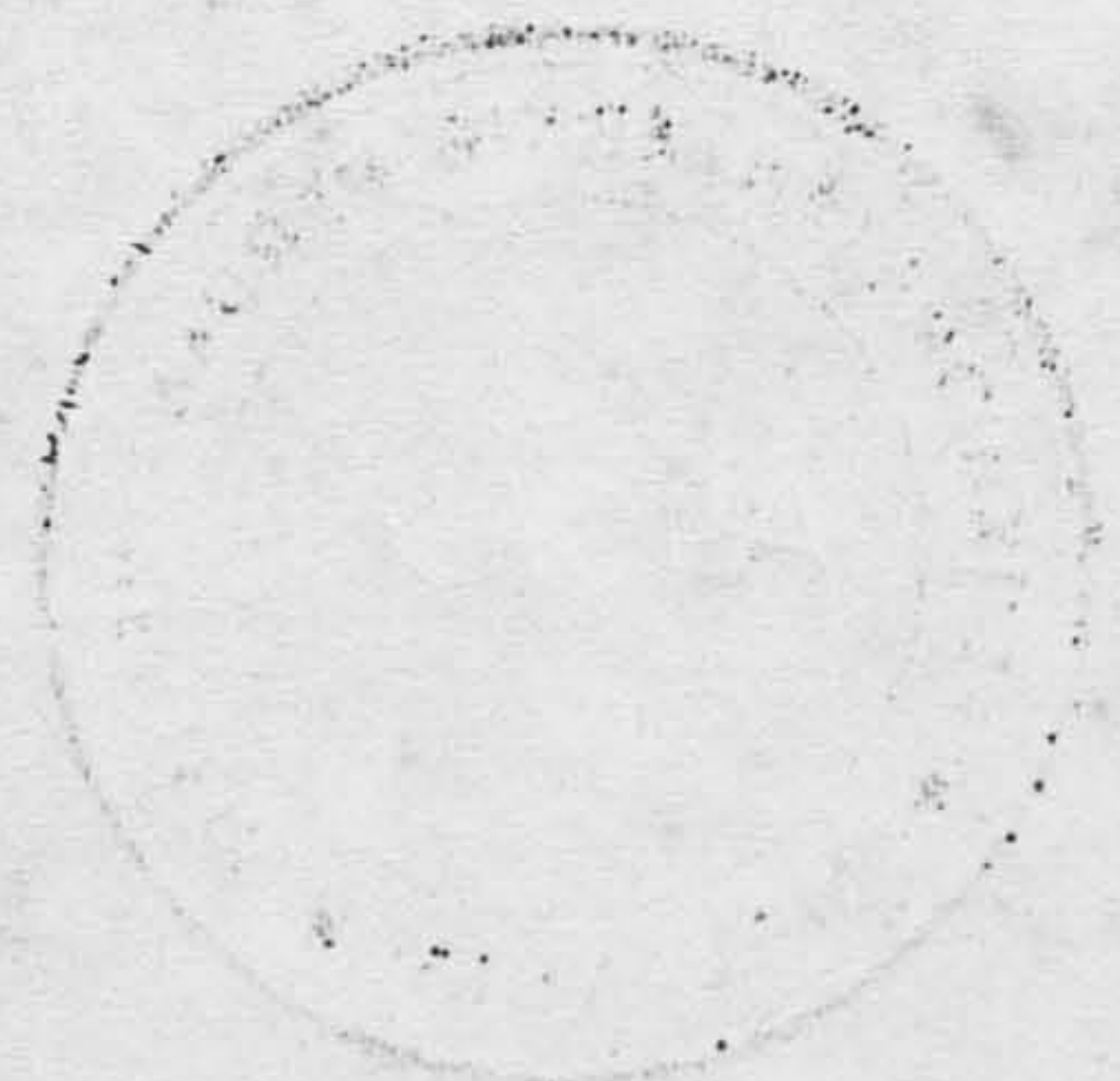
7. Petroleum and gas are wasting assets. Thus their exploitation and production must be carefully planned to make them last as long

as possible, and to ensure our country's future needs. Malaysia LNG Sendirian Berhad should not be looked upon like an ordinary commercial company, with ordinary commercial motives only. It is the custodian of one of our country's valuable resources. Thus, it must always bear in mind this special obligation and responsibility. While it is natural that it should make profits, nevertheless, it should also protect the national interest.

Ladies and gentlemen.

8. I now have great pleasure in  
launching the Malaysia LNG Sendirian  
Berhad, and wishing it every success.

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