

# Joint-venture oil and gas project in the pipeline

NS7 - 21/6/07



**MUSTAPHA KAMIL**  
Reporting from  
**MOSCOW**

PETROLIAM Nasional (Petronas) and two Russian energy giants, Rosneft and Gazprom are exploring the possibility of working jointly on a large oil and gas project.

Prime Minister Datuk Seri Abdullah Ahmad Badawi told a news conference here yesterday that discussions were at the early stage. "I am not at liberty to disclose details but the project is sizeable," he said.

Abdullah said Petronas, as one of the most efficient oil and gas companies in the world, had the capability to work well with the Russian companies as the national oil company had amassed wide experience in the field.

Petronas is Malaysia's largest investor in Russia. It has a slightly more than one per cent stake in Rosneft, valued at more than US\$1 billion (RM3.45 billion) and had also worked with Gazprom on projects before.

Petronas president and chief executive Tan Sri Mohd Hassan Marican was in the Malaysian delegation accompanying Abdullah on his three-day visit to Russia, which began on Monday. Abdullah has left for St Petersburg, and will leave for Sarajevo, Bosnia Herzegovina, early today.

Meanwhile, speaking at the Malaysia-Russia Business Forum earlier, Abdullah said both nations wanted to quickly put in place supporting infrastructure that would better bilateral trade.

He said discussions had begun between Kuala Lumpur and Moscow on an investment guarantee agreement.

He was bullish about economic benefits the two countries could derive from each other and outlined sectors the Malaysian and Russian private sectors could jointly exploit.

He said cross-investments between the two countries were still small and there was plenty of room for improvement.

Sectors, Abdullah mentioned, which could be explored by businessmen from both nations included energy, automotive, science and technology, heavy engineering, research and development, aerospace, construction, education, culture and tourism.

He said there were similarities between the positions of both countries in the global economic order.

Malaysia was the world's 19th largest exporter in 2006, accounting for 1.3 per cent of global mer-



Prime Minister Datuk Seri Abdullah Ahmad Badawi and his wife Datin Seri Jeanne Abdullah receiving a card signed by Malaysian students in Russia from Moscow Umno Club chairman Mohd Afiq Mohd Nor on Tuesday. — Bernama picture

chandise exports, while Russia was the 13th largest exporter, the 18th largest importer and accounted for two per cent of global trade.

"I would also like Malaysian business houses to view Russia as a transshipment hub to other countries in Eastern Europe," Abdullah said.

He said Russian businessmen should also take note of the potential to be tapped by using Malaysia as a gateway to the lucrative Asean market, which had a population of more than 560 million and a combined gross domestic product of more than US\$1 billion.

The region, he said, was working towards becoming a common market by 2015, allowing the free flow of goods, services, investment and labour.

Abdullah also highlighted Malaysia's cost competitiveness, using several international surveys as examples.

The International Institute for Management Development ranked Malaysia as the 23rd most competitive country for overall performance out of 61 economies this year.

A.T. Kearney ranked Malaysia

as the third most attractive destination for offshore services in 2007, while the Milken Institute's Capital Access index placed Malaysia in 12th position for access to financial capital.

Among 75 major cities in the world, The King Sturge Global Industrial and Office Rents Survey ranked Kuala Lumpur as the 3rd cheapest place to do business in.

Abdullah also explained Malaysia's Iskandar Development Region (Iskandar) development plans.

He said while Iskandar would be somewhat equal to Singapore in terms of facilities, the cost of doing business in Iskandar would be cheaper.

Earlier, on Tuesday evening, Malaysian students from various Russian universities hosted Abdullah and wife Datin Seri Jeanne Abdullah to dinner.

In an off-the-cuff speech, Abdullah reminded the students that they were very much part of Malaysia's strategy in developing knowledgeable human capital.

There are about 2,000 Malaysians studying in five universities in Russia. Some 95 per cent are studying medicine while the rest are working towards en-

gineering degrees.

Abdullah said the students of today would one day have to continue developing Malaysia from the foundation laid by the present government.

He reminded them to aim high and to upgrade their skills even when employed.

The students put up a magnificent cultural show for their guests, displaying Malaysia's diverse culture through presentations of Malay, Chinese and Indian dances. Even though far from home, the students of various racial backgrounds displayed harmony and unity.

Those who attended the dinner had looked forward to Abdullah's and Jeanne's presence at the dinner.

Many travelled eight hours by train from Nizhny Novgorod to welcome the prime minister and his entourage.

Members of the entourage included Higher Education Minister Datuk Mustapa Mohamed, Science, Technology and Innovation Minister Datuk Seri Dr Jamaluddin Jarjis, Sabah Chief Minister Datuk Seri Musa Aman and Kedah Menteri Besar Datuk Mahadzir Khalid.