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PM: Malaysia's economic growth consistent despite challenges

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KUALA LUMPUR: Malaysia's economy continues to thrive despite headwinds in the oil and gas sector, said Prime Minister Datuk Seri Najib Razak yesterday.

The consistent economic growth, which was recorded at 4.2 per cent last year, is expected to hover between 4.3 and 4.8 per cent this year.

Najib said the positive outlook was buoyed by healthy domestic demand and robust private sector investment.

The encouraging development in Malaysia's efforts to mitigate uncertainties in the sector was bolstered by Petronas' adoption of digital technology to enhance efficiency and reduce operational costs, among others.

"Against the backdrop of these new realities and approaches adopted by players (in oil and gas sector), I am pleased to announce that Malaysia's economy continues to thrive despite headwinds," Najib said in his speech when opening the 19th Asia Oil and Gas Conference (AOGC) here.

Present were Saudi Arabia's Energy, Industry and Mineral Resources Minister Khalid A. Al-Falih, who is also Saudi Aramco chairman, and Petronas group chief executive officer and president Datuk Wan Zulkiflee Wan Ariffin.

The two-day event has rallied eminent industry players, policymakers and delegates from around the world. About 350 students attended the conference.

In expounding Malaysia's economic viability, Najib said total gross exports were expected to accelerate at 2.7 per cent.

"(This is) due to a rebound in exports of commodities and a good demand for electronics and electrical goods, which is expected to spur the manufacturing sector."

He stressed the need to galvanise efforts in advancing the growth of the liquefied natural gas (LNG) industry.

Najib said the abundance of gas discoveries had spurred advancement in the industry in the Middle East, Asia Pacific and Australia.

"The emergence of more producers, increased supplies and competitive gas prices has transformed LNG into an attractive energy resource for emerging economies, and one which has the benefit of being far less carbon intensive.

"I believe that industry players can collaborate to support the wider adoption of LNG by offering innovative commercial solutions and technical assistance to nations with fledgling interest in this sector."

He said Malaysia's had so far achieved numerous successes and achievements in the LNG industry; the most notable was the construction of the world's first floating LNG facility named PFLNG SATU by Petronas.

"PFLNG SATU is a game-changer for the industry, bringing together the liquefication, production, storage and offloading processes of LNG to offshore gas fields.

"We are proud that Petronas has developed this technology, which will maintain the company's technical edge as a key global LNG supplier."

At the same time, Najib said the government remained committed in adhering to the global standards in protection and conservation, as shown in its efforts to reduce greenhouse gas emissions by 45 per cent by 2030.

"We originally pledged to reduce it by 40 per cent back in 2009. After incorporating policies to safeguard the environment under the 10th Malaysia Plan, we achieved 33 per cent in reduction of emissions by 2013 alone."

He said oil and gas companies could help promote the use of natural gas and renewable energy.

"I am hopeful that companies and governments can form smart partnerships to unlock the full potential of natural gas as a viable option — which will make both commercial and environmental sense — as it is important that we see these two motives as supporting one another, not being in opposition."

Najib said those who understood Malaysia were aware that they had "every reason to have confidence in our country".

Apart from recording a healthy growth in the economy, the government managed to create 2.26 million jobs, keeping unemployment and inflation low, and increase Gross National Income by almost 50 per cent.

"This did not happen by chance. It happened because the government had a plan.

"That plan has delivered, and is continuing to deliver."

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