

**Invest In Cost-Saving Technologies, Innovation - Najib
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KUALA LUMPUR, May 18 (Bernama) -- Low oil prices at present should spur innovation, said Prime Minister Datuk Seri Najib Tun Razak in urging renewable energy companies to invest in improving production methods.

This, he said, will make renewable energy cheaper and more economically viable in the long run, thus ensuring its appeal when oil prices rebound.

"I believe that adversities can provide opportunities...This is a time when cost-saving technologies and services will be in greater demand than ever," he said when opening the 18th Asia Oil and Gas Conference 2015 at the Kuala Lumpur Convention Centre, Monday.

Najib, who is also finance minister, noted that within ASEAN, promoting innovative and smart technologies would not only increase energy efficiency, but also boost competitiveness in industries, including building, transport and manufacturing.

Alluding to the price of Brent Crude Oil currently in the region of US\$65 (RM227.50) from around US\$110 (RM385) a year ago, Najib expressed the belief that there had been far too much focus on the problem of surplus supply.

"Rather than thinking of ways to curb surpluses, we should instead be concentrating on stimulating economic growth that will in turn elevate demand," he said.

The prime minister acknowledged that the drop in the price of crude oil had had implications for many governments globally.

He said Malaysia, for instance, had adjusted the assumption in the Budget 2015 of the price per barrel of US\$105 (RM367.50) down to US\$55 (RM192.50).

"But the reforms we've already enacted has put us in good stead to weather external shocks," he said.

Najib said for the past few years, the government had been working to strengthen Malaysia's economic fundamentals and fiscal position, broaden revenue streams and reduce the country's dependence on revenue from oil and gas.

He told the audience that although about a third of Malaysia's revenue source had taken a hit, the low oil price environment also meant that the country's exports had become more competitive.

It had brought opportunities to make timely changes and set reforms in place, he said, while citing as examples, Malaysia's subsidy rationalisation programme which began in July 2010 and the lifting of petrol, diesel subsidies last December.

"This not only freed up over RM20 billion in annual spending towards the development of Malaysia, but we also consider this to be an environmentally-friendly move," he said.

He said implementation of the Goods and Services Tax last month would diversify the government's revenue further.

"Both these measures will further strengthen the resilience of our economy," he concluded.

Over 1,700 participants of the oil and gas industry from 18 countries are attending the three-day conference.

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