

**OPENING CEREMONY, 20TH ASIA OIL & GAS CONFERENCE (AOGC 2019)**

**'FORGING A NEW ENERGY FUTURE'**

By : YAB. TUN DR. MAHATHIR BIN MOHAMAD, PERDANA MENTERI MALAYSIA

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(KLCC)

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1. Firstly, I would like to thank PETRONAS for inviting me to address and officiate this conference of Asia Oil and Gas (AOGC 2019). It is indeed a pleasure to be here once again after a longish absence.

2. I was present at the 8th edition of the conference. That was 16 years ago and I am truly impressed by the growth over the years and the high regard for the conference as seen by the presence of the oil and gas leaders and industry experts. It is here that they convene to exchange ideas and views on the next move in realising their collective aspiration for a sustainable future for energy.

3. I was informed that we have representatives from 28 countries here today and a total of 4,500 attendees are expected throughout these two days. The number itself reflects the stature the conference has attained.

4. Congratulations are in order as the conference today also marks its 20th edition, a milestone indeed.

5. In June 2003, I delivered a speech at the 8th edition of this conference entitled “Political and Economic Uncertainties: The Emerging Challenges.”

6. It was at a period when the world witnessed geopolitical uncertainties in the Middle East and the impact of the outbreak of SARS in Asia. Brent crude oil price then was at an average of US\$28 per barrel.

7. The oil price had since recorded impressive highs at US\$145 per barrel in 2008 and US\$125 per barrel in 2012. Despite that, we have also seen the oil price taking its share of dips, plummeting to US\$32 per barrel

within 6 months of its all-time high in 2008. More recently, there were the steep declines in 2014 and 2016.

8. Today, 16 years later, the situation and concerns surrounding the subjects of my speech in the 8th edition are very much relevant and prevalent. Indeed, the Middle East is as turbulent as it was back then in spite of, or because of the success of the Western powers and their allies in affecting regime changes in the region and forcing the acceptance of what they defined as democracy.

9. Whether we acknowledge it or not, the military expeditions of 2003 used democracy as their cause when it is widely accepted that it was merely a camouflage, a pretext to take control over the production of oil in these nations.

10. While the turmoil of 2003 and the subsequent years remain unabated, we are now facing an unprecedented economic crisis caused by the US–China trade war. At this point in time we will not know how it will fan out but even as it is, numerous casualties have fallen along the way and we can expect more to fall if it persists.

11. In the Gulf, games of provocation create more uncertainties. These have definitely increased the stress on doing business and surely the oil and gas industry is and will be affected.

12. The oil and gas industry is indeed a cyclical business. History has shown that the ability to respond quickly with systematic and coherent strategies is necessary for longevity.

13. On that note, I would like to commend the oil and gas leaders gathered here today for your resilience in facing the continuing uncertainties and challenges.

14. It is crucial that in this two-day Asia Oil and Gas Conference 2019 for the captains in this field to seriously enter into strategic dialogue on the challenges facing the industry especially the possibility of opening new avenues for collaboration that tap into the knowledge and expertise of other sectors aimed at innovating new energy solutions.

15. The world of today is confronted with increased concerns over the sustainability of global economic growth in the face of rising financial, political, social and environmental challenges. As nations progress towards a robust global economy, we see improvements in life expectancy rates, literacy and livelihoods. These can result in predictable consequences.

16. Firstly, the rapid growth in population size and affluence. Thirty years ago, there were 5.2 billion people in the world. Today, the global population has grown to approximately 7.5 billion people and is set to surpass a projected 9.8 billion by 2050 according to the World Bank and the United Nations reports. And 70 per cent of the population will be concentrated in Asia and Africa.

17. Secondly, the growing industrialisation of emerging economies such as China, India and Southeast Asia will require energy to fuel their growth. According to the International Energy Agency (IEA), global energy consumption in 2018 increased at nearly twice the average rate of growth since 2010.

18. Thirdly, more countries are pursuing prosperity and a better quality of life. As a result, energy companies must adjust their strategies and

practices to navigate the policies and regulations adopted by countries that are aligned for example, to the United Nations (UN) Sustainable Development Goals framework and the Paris Agreement on emissions target.

19. Having said all these, Asia however continues to position itself as a dynamic and vibrant market despite facing common challenges in the rising demand for energy, expanding energy access and meeting climate commitments.

20. For Asia to develop, the countries in the region must explore a range of options to improve energy efficiency and affordability by diversifying their energy mix.

21. Although reliance on fossil fuels are expected to remain intact, Asia has made great strides in utilising less carbon-intensive fossil fuels such as natural gas, Malaysia is among the largest exporter of LNG to countries such as Japan, Korea and Taiwan, to provide power for their economies.

22. Also, renewable energy is seen to have doubled in the region in five years with China and India leading the pace.

23. We must therefore recognise the potential of our neighbours to forge strategic alliances on the back of a Prosper-Thy-Neighbour policy that promotes the concept of shared prosperity. Only then can we forge a new energy future that is sustainable and secure for generations to come.

24. With the rapid development and market dynamics of the energy industry, governments' role to nurture an ecosystem conducive for the implementation of sustainable energy has never been more crucial.

25. For Malaysia, I am pleased to state that we have made great progress in our commitment to achieve the United Nations Sustainable Development Goals (UNSDG). According to the UNSDG Report, Malaysia is on track to meet the target for Sustainable Development Goals No. 7 – i.e Affordable and Clean Energy which measures access to electricity, clean fuels and technology for cooking thus lowering the level of carbon dioxide emissions from fuel combustion and electricity output.

26. Under our 11th Malaysia Plan, we have put in place a policy direction that focuses on the inclusive and equitable development of all Malaysians. In the context of today's conference, the Government has undertaken initiatives to enhance environmental sustainability through green growth to ensure the sustainability of our natural resources. There will be increased resilience against climate change and disasters even as we work towards greater economic growth.

27. The Government has also established the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) to oversee the energy performance of the country and accelerate developments that promote sustainability and wealth creation through science, technology and environmentally-conscious actions.

28. As a business-friendly country, we value the contributions of the business community to the economy. In ensuring that businesses continue to thrive in Malaysia, the Government is committed to nurture an environment that is fair and competitive, with policies that are clear and consistent, and provide the right incentives to encourage growth.

29. In this regard, PETRONAS has spearheaded an industry-wide study with various agencies to develop an Oil, Gas, Energy and Environment White Paper on Malaysia's Future Energy Landscape.

30. The study supports the country's aspirations to be a low-carbon economy with a blueprint on energy policies that will stimulate action towards achieving Malaysia's Paris Agreement pledge. PETRONAS and its partners should be commended for undertaking this study.

31. PETRONAS, as one of the largest liquefied natural gas (LNG) supplier in the world, is poised to meet growing energy demand while advocating gas as a significant source of clean energy. There is gas in abundance in many locations. It is environment-friendly and economically competitive.

32. The Pengerang Integrated Complex in Johor which is the largest oil and gas downstream investment in Malaysia, will strengthen PETRONAS' position as a key player in the Asian chemicals market once they are operational.

33. PETRONAS has also made great strides in venturing beyond oil and gas into the renewable energy space. The company's recent venture into the new energy space is just the beginning.

34. I am also pleased to note that PETRONAS is working on a number of clean energy initiatives in Malaysia. Among them is the company's collaboration with Universiti Teknologi Mara (UiTM) to jointly develop Large Scale Solar projects.

35. With PETRONAS' commitment as a progressive energy and solutions partner, I believe Malaysia will be at the centre in the drive towards collaborations that extend beyond traditional oil and gas partnerships to involve sectors for innovative energy solutions.

36. In recognition of the Asia Oil and Gas Conference achieving its 20th edition milestone since it started in 1996, I am indeed encouraged by PETRONAS's efforts to initiate this platform that promotes collaboration among industry leaders and governments which in turn will step up and seek opportunities to forge a sustainable energy future for generations to come.

37. With this focus on Asia, I believe that the evolving and challenging economic landscape will require a new level of thinking and novel approaches to business that I am confident will be achieved here at this Asia Oil and Gas Conference.

38. I look forward to hearing the outcome of this conference and hope that the diversity of thoughts will find their convergence and proceed to form new strategic alliances that will take us towards forging a new energy future.

39. On that note, it gives me much pleasure to officiate the ‘Asia Oil and Gas Conference 2019’.

Thank you.

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