









# PERSPECTIVE OF MALAYSIAN GAS MARKET

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# TABLE OF CONTENT

-  About MGA
-  Natural Gas as Future Energy
-  Role of Gas in Developing Malaysia's Economy
-  Market Reforms to Ensure Sustainability
-  Addressing Industry Challenges
-  Key Takeaways



# ABOUT MGA

# ABOUT MGA



Founded 21 July 1986



A nonprofit organization with 150 members.



Serving as an effective platform to bring together the key industry players to work towards a common vision of promoting a vibrant and sustainable gas industry in Malaysia.

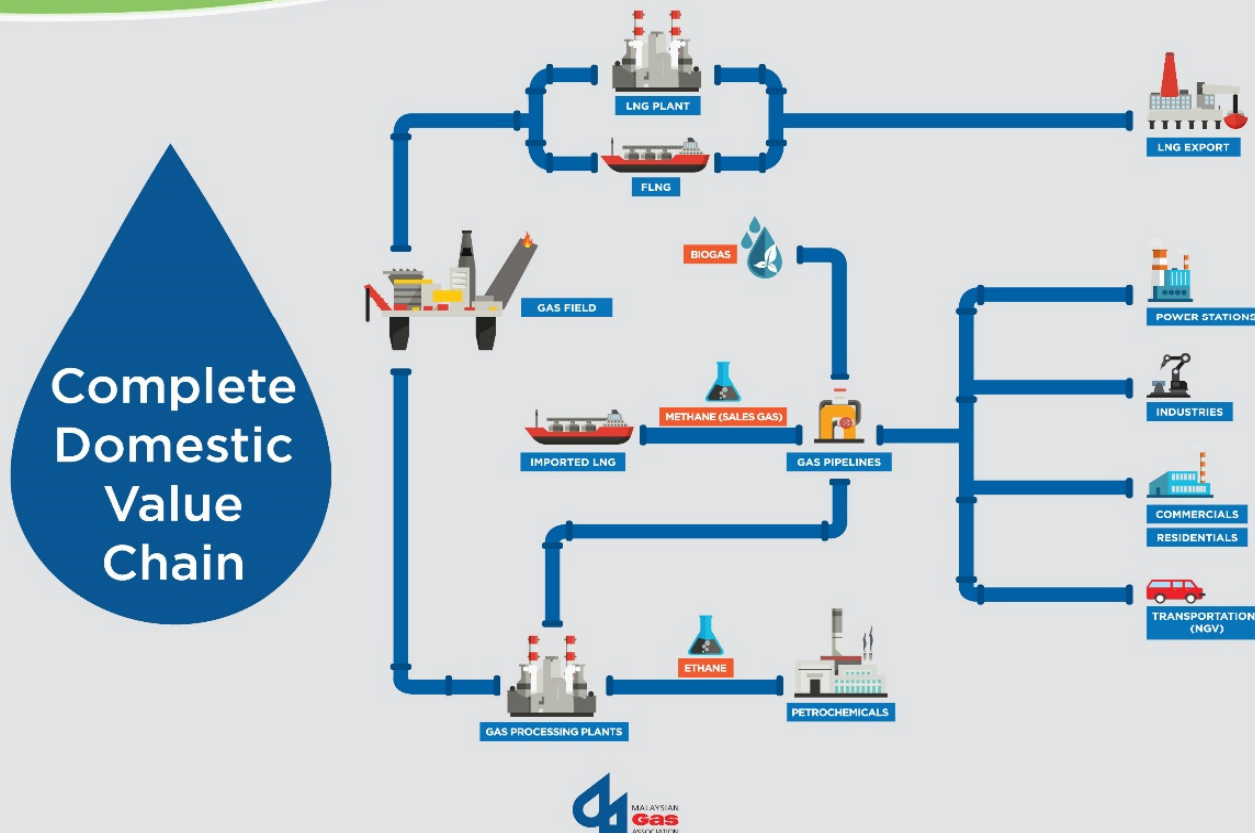


A charter member of International Gas Union (IGU), a global organisation with members from more than 90 countries, representing 97% of the global gas market.



Malaysia held the IGU Presidency for triennium 2010-2012 and organized the prestigious World Gas Conference (WGC2012) in Kuala Lumpur

## Gas Industry Value Chain in Malaysia



Source: MGA's Gas Industry Annual Review 2017

# OUR MEMBERS

## FULL CORPORATE



## ORDINARY CORPORATE





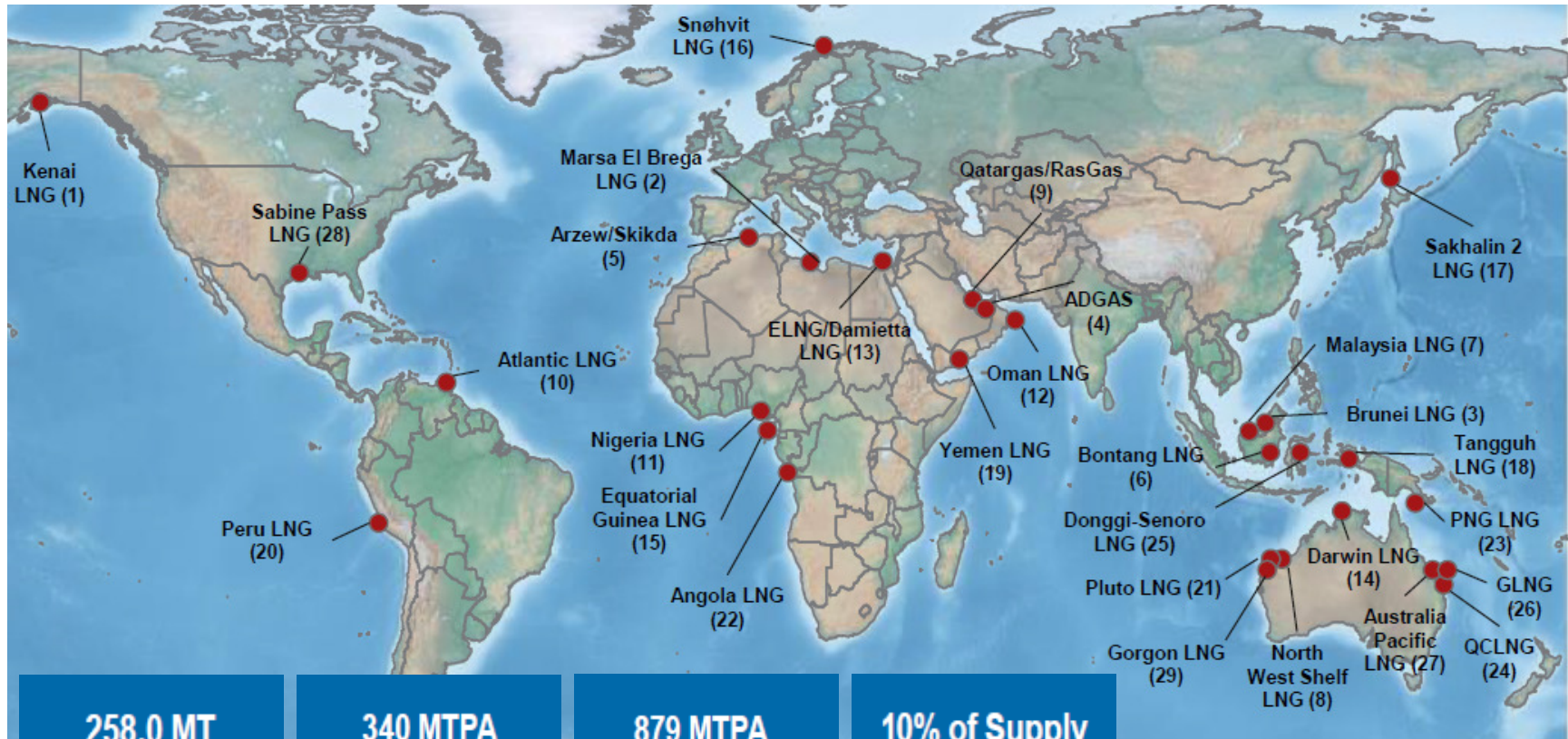


# **NATURAL GAS AS FUTURE ENERGY**



# GAS IN ABUNDANCE

## Global Natural Gas Liquefaction Plants (as of Jan 2017)



**258.0 MT**  
Global LNG trade reached a historic high in 2016

**340 MTPA**  
Global nominal liquefaction capacity, January 2017

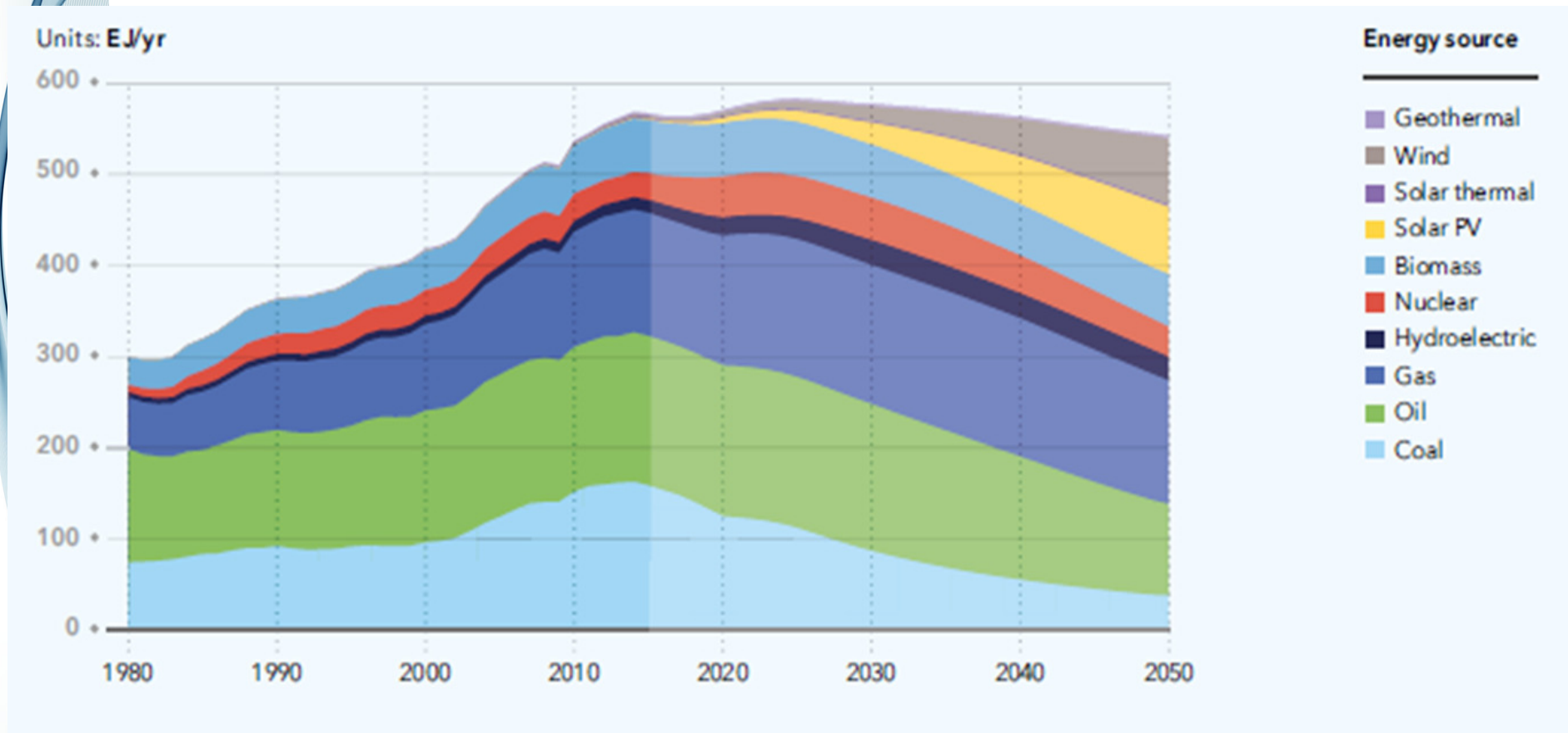
**879 MTPA**  
Proposed liquefaction capacity, January 2017

**10% of Supply**  
Share of LNG in global gas supply in 2015<sup>1</sup>

Source: IGU World LNG Report 2017

In abundance, from multiple sources

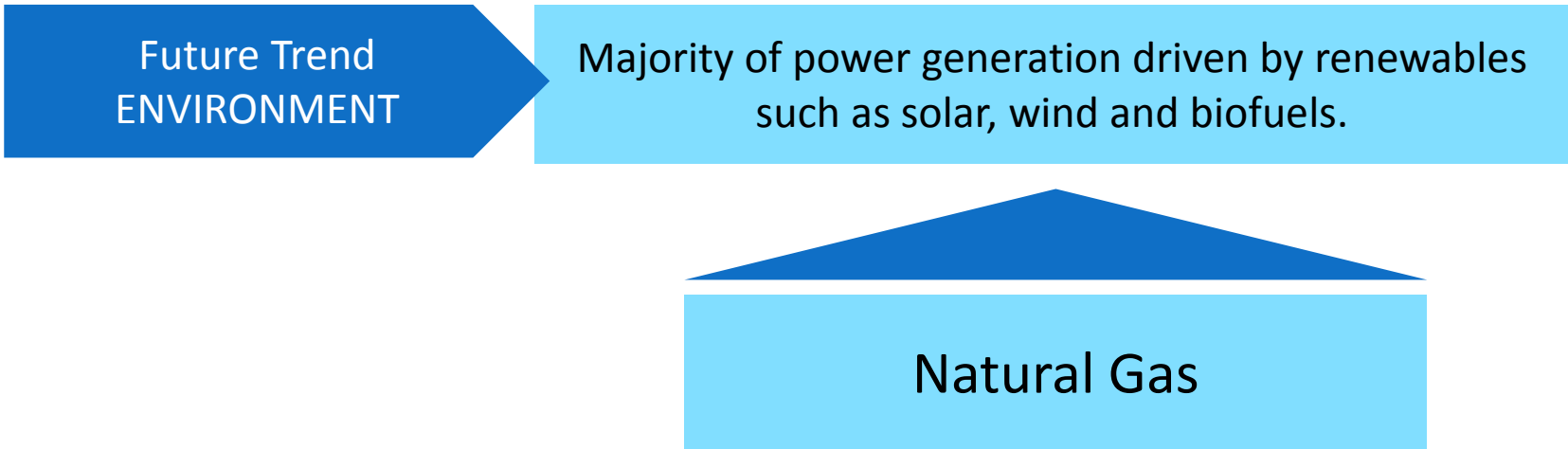
# ROLE OF GAS IN MEETING FUTURE DEMAND



Source: DNV GL Energy Transition Outlook 2017

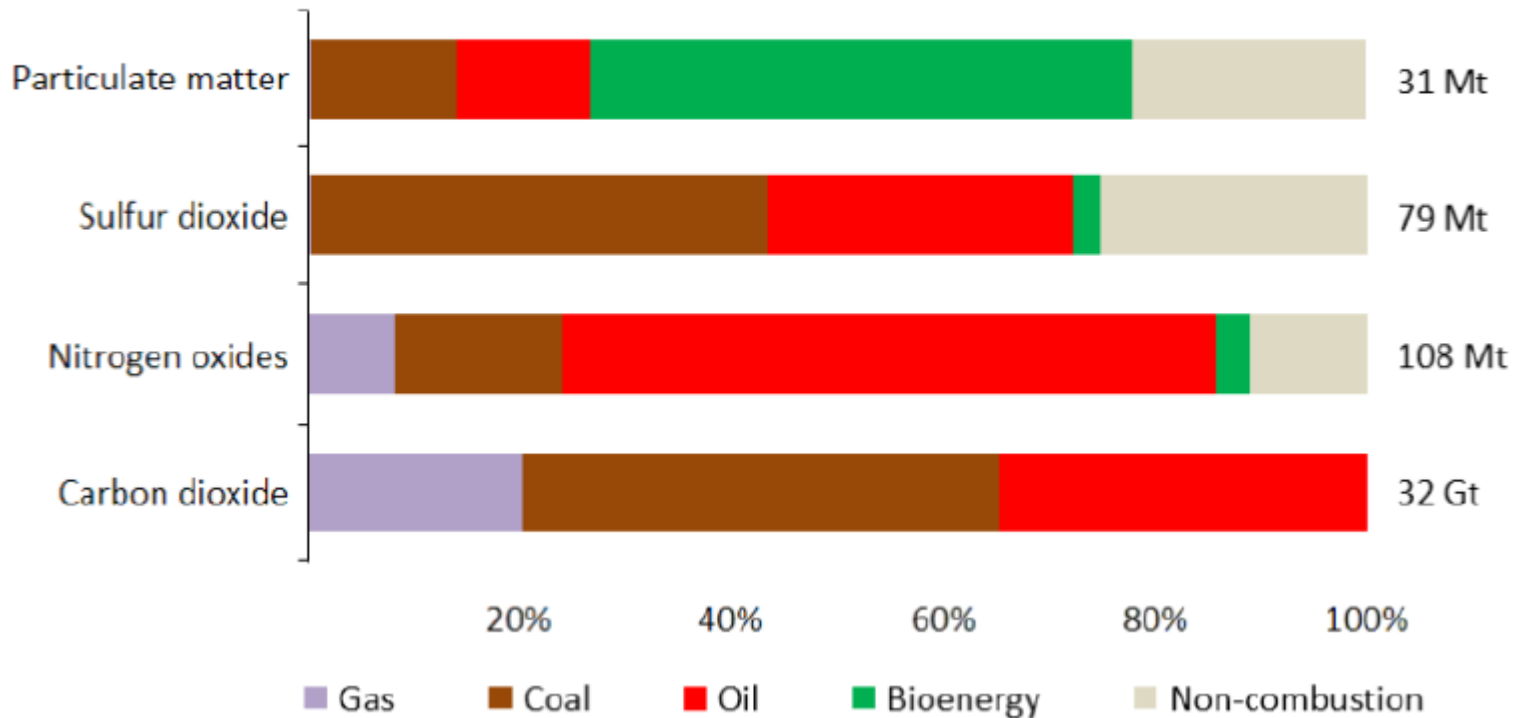
Gas will be single largest source of energy in the Future

# TN50 AND GAS



# WHY GAS

## Share of gas in total energy-related emissions of air pollutants and CO<sub>2</sub>, 2015



Source: IEA World Energy Outlook 2016

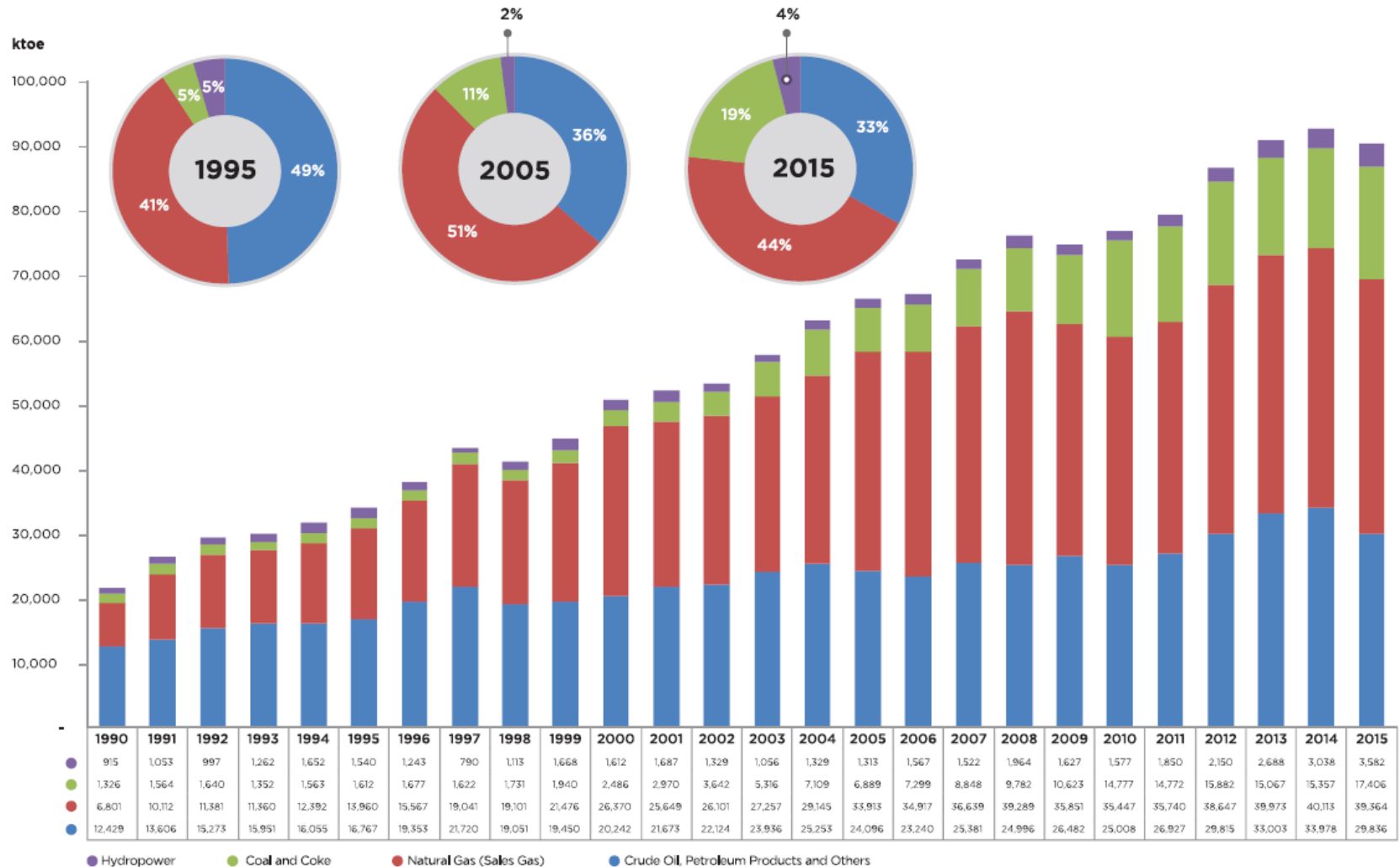
Being cleanest fossil fuel, Gas is best positioned to support RE



# **ROLE OF GAS IN DEVELOPING MALAYSIA'S ECONOMY**

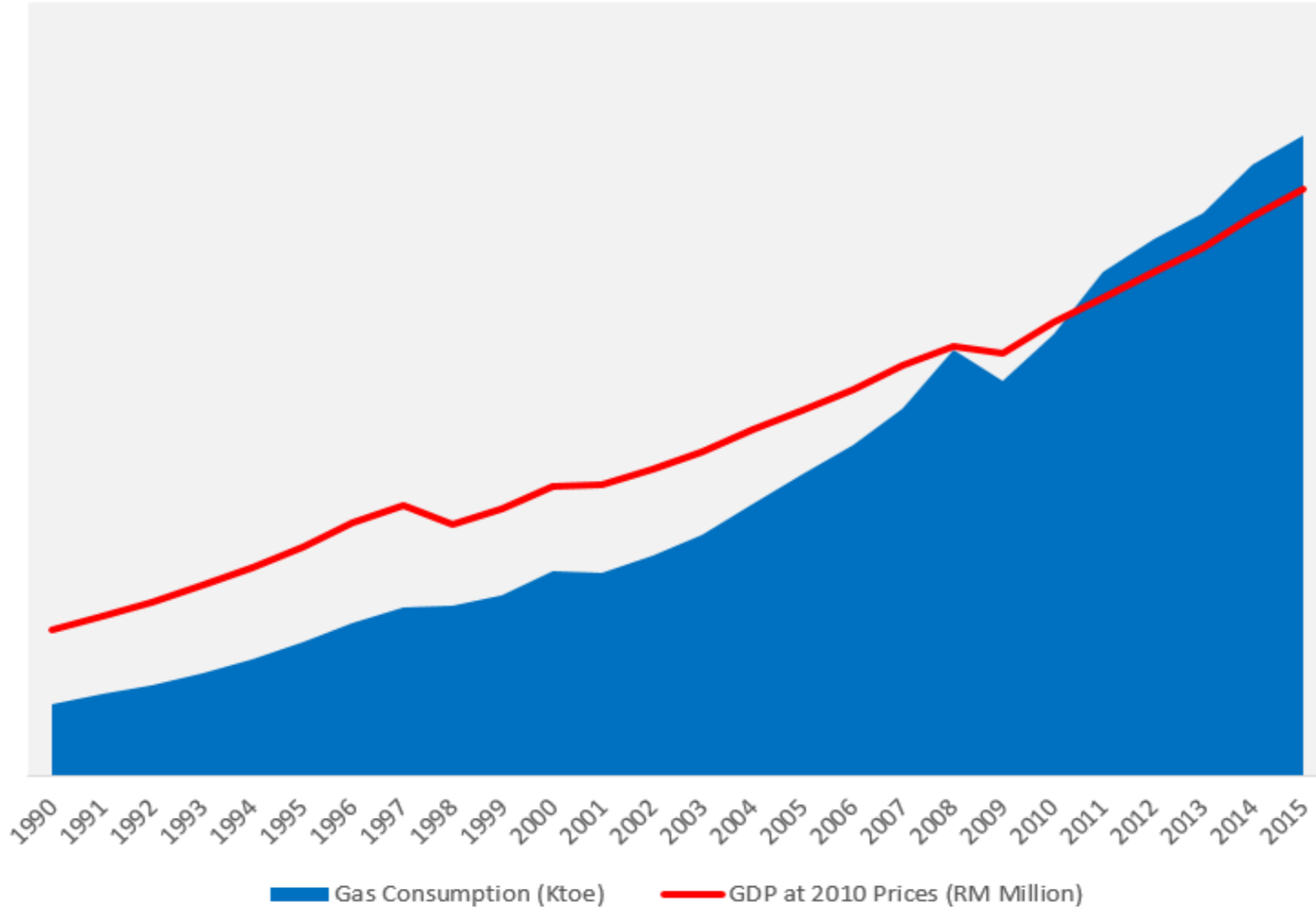
# GAS REMAINS MAIN PRIMARY ENERGY SUPPLIER

Figure 8: Primary Energy Supply



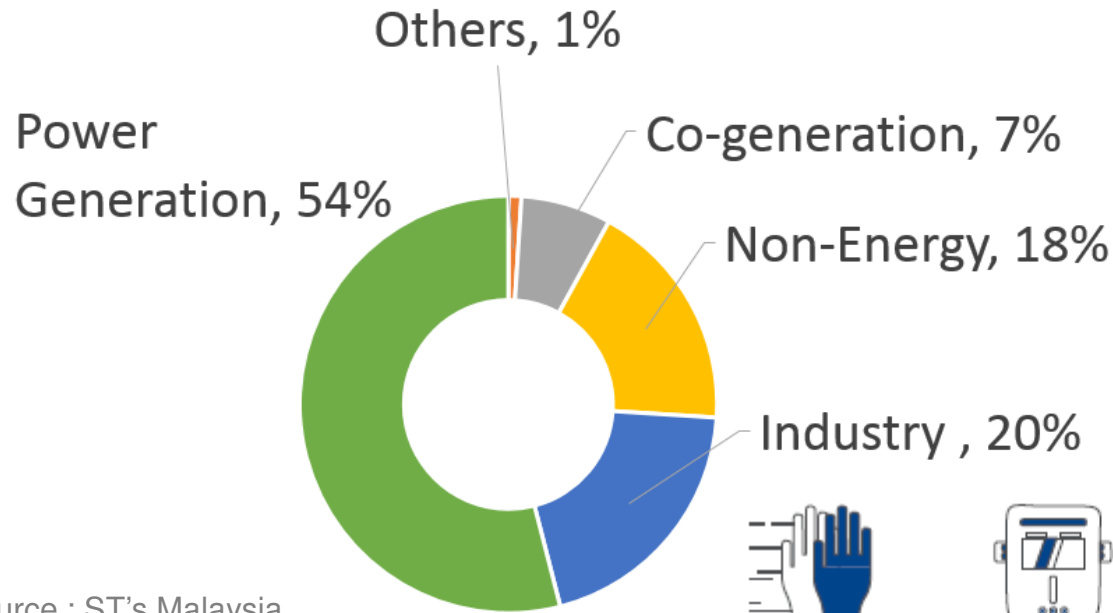
Source: Suruhanjaya Tenaga's National Energy Balance 2015

# GAS CONSUMPTION GROWING WITH GDP



Source: Malaysian Energy Information Hub

# GAS CONSUMPTION BY SECTOR



Source : ST's Malaysia Energy Statistics Handbook 2016



**33%**  
Rubber Products



**10%**  
Fabricated & Basic Metal



**8%**  
Non-metallic Mineral



**27%**  
Food, Beverages & Tobacco



**8%**  
Chemical Products



**14%**  
Others

Source : GMB's Annual Report 2016

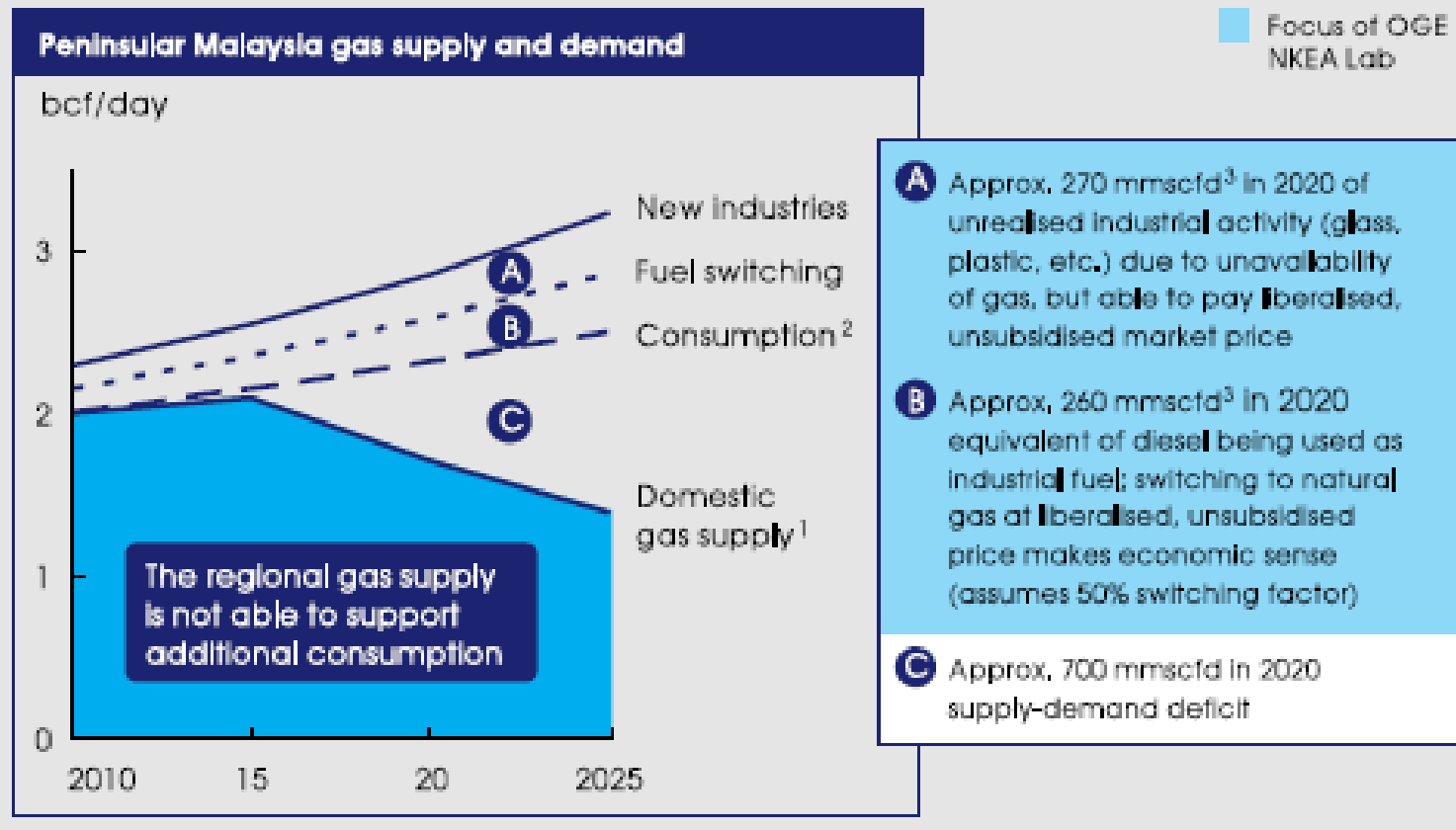




# **MARKET REFORMS TO ENSURE SUSTAINABILITY**

# GAS ISSUES IN 2010

About 500 mmscfd of latent high-value gas demand in Peninsular Malaysia can be served with imported LNG



Source PEMANDU's ETP – Roadmap for Malaysia 2010

# UNLOCKING PREMIUM GAS DEMAND



## EPP 5: Unlocking Premium Gas Demand in Peninsular Malaysia

GNI by 2020 (mil) **RM 2,404**

Projected jobs by 2020 **27,000**

Ensuring Security  
of Supply

Gas Market  
Reforms

Transition to  
Market Pricing

Source PEMANDU's ETP Annual Report 2014

# FAST FORWARD TO 2018

## Ensuring Security of Supply

- Enabling multiple sources
- Cross-border Pipelines
- Regasification terminals

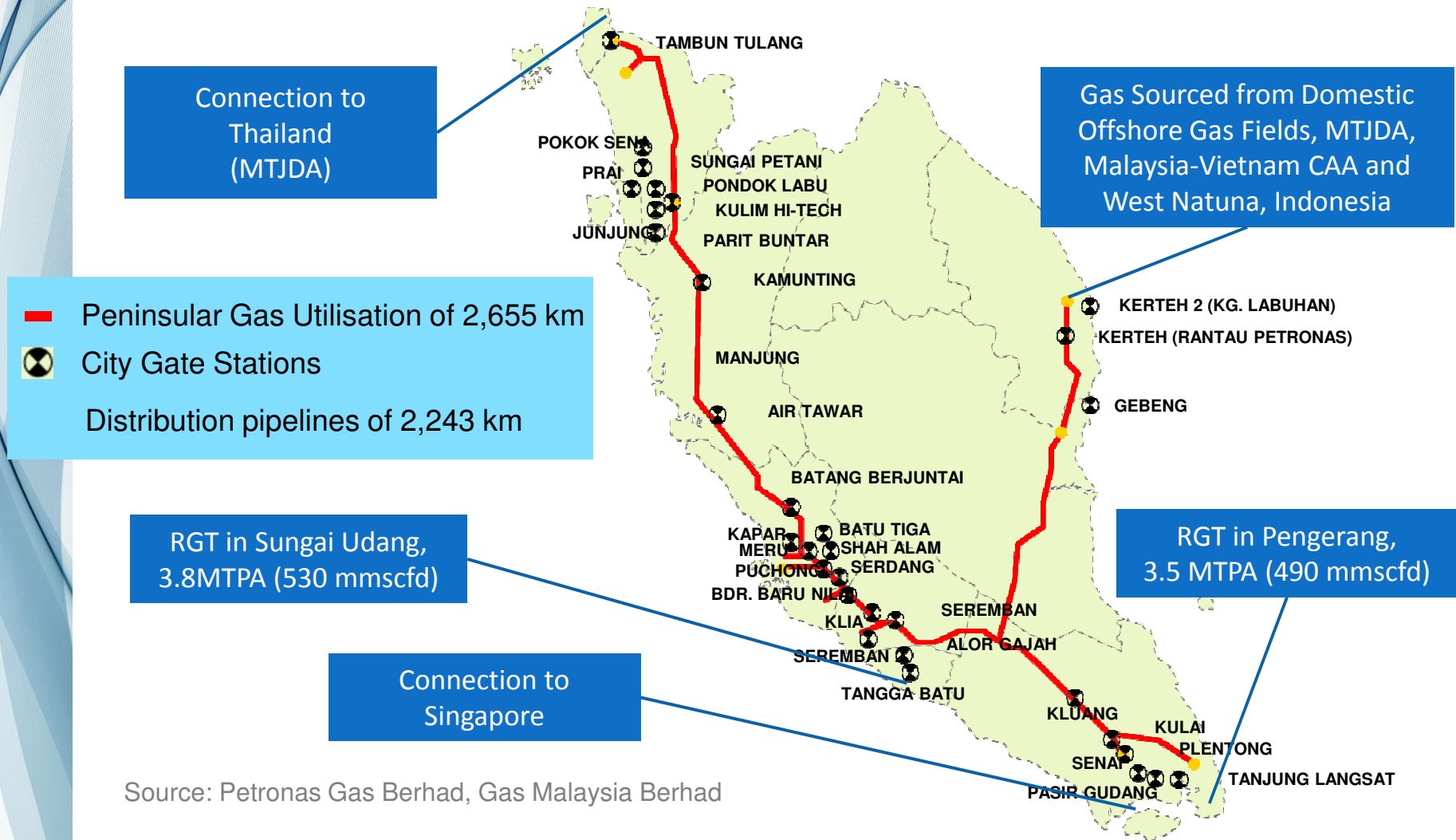
## Gas Market Reforms

- Amendment of Acts
- Third Party Access

## Transition to Market Pricing

- Gradual increase of regulated pricing
- Unregulated at LNG price

# ENSURING SECURITY OF SUPPLY



Source: Petronas Gas Berhad, Gas Malaysia Berhad

**Extensive Pipelines, Multiple Sources**

# GAS MARKET REFORMS



## GAS SUPPLY (Amendment) ACT 2016

Gazette 9 Sep 2016

Eff. 16 Jan 2017



## THIRD PARTY ACCESS

### **NATION**

Sustainability Of Supply  
Attracts investments  
Creates jobs  
Direct impact to economy

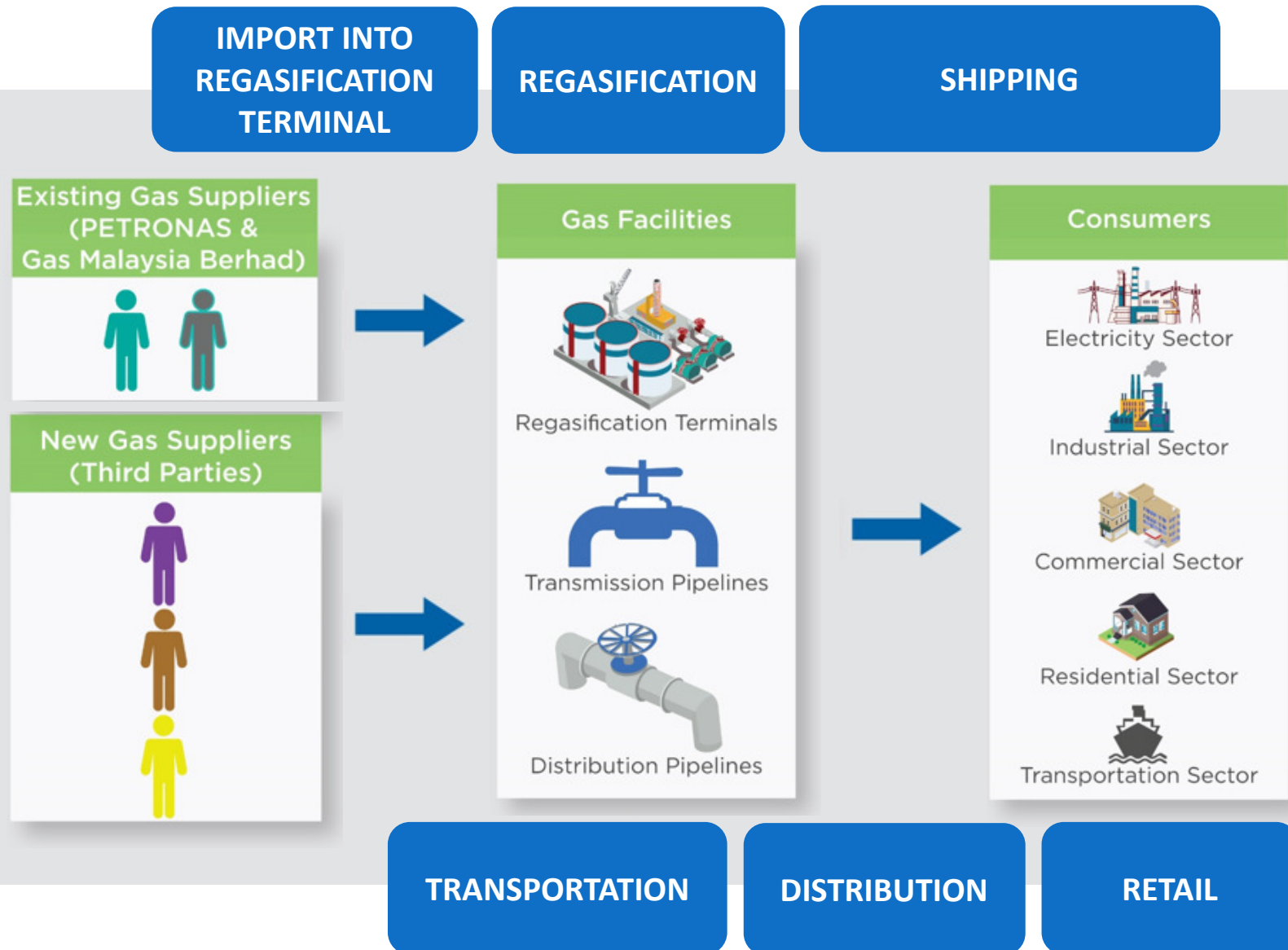
### **INDUSTRY**

Level Playing Field  
Healthy Competition

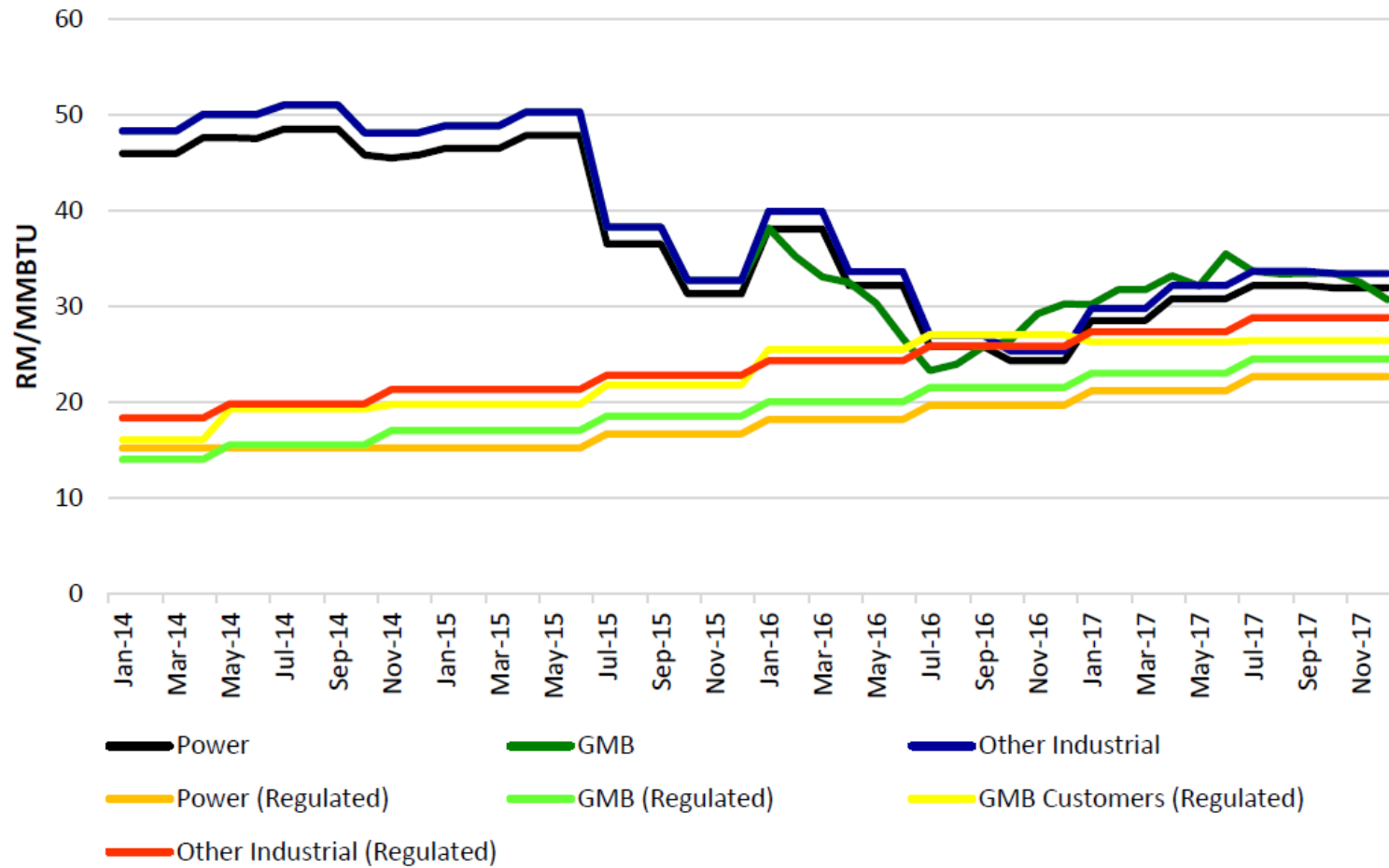
### **CONSUMERS**

More Option  
Quality Services  
Competitive Prices

# THIRD PARTY ACCESS



# TRANSITION TO MARKET PRICING



Source: Suruhanjaya Tenaga





# ADDRESSING INDUSTRY CHALLENGES

# ADDRESSING MARKET CONCERNS

## Gas Price Reforms & Affordability

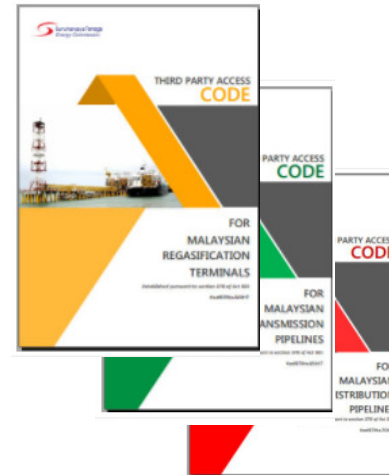


Source: Petronas

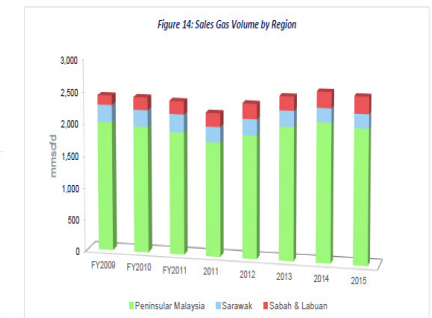


Source: Petronas

## Third Party Access & Demand

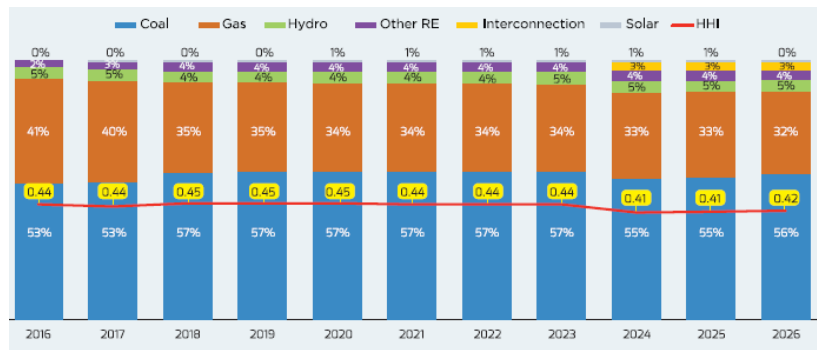


Source: Energy Commission



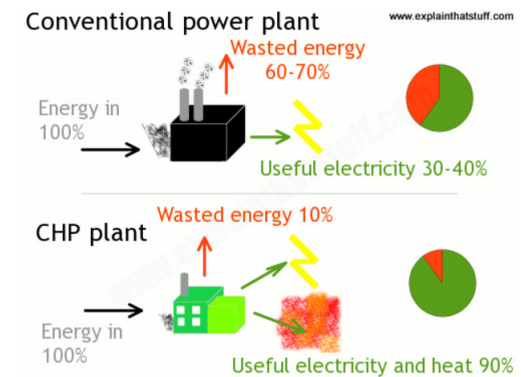
Source: MGA

## Least Cost Option & Carbon Emission



Source: Energy Commission

## Energy Efficiency & Barriers



# POSITIONING MGA AS VOICE OF GAS

## MGA PRIORITIES FOR 2018

### Gas Advocacy

- Ensuring Market Reforms
- Facilitate Demand Growth
- Enhance Awareness of Gas

Enhancing  
value  
proposition  
for members

## Achieving objectives through Working Committees;

Advocacy

Regulatory  
&  
Government  
Affairs

Learning  
&  
Development

Communications  
&  
Multimedia

Membership  
&  
Social

Taskforce  
On  
CoGen



# KEY TAKEAWAYS

## KEY TAKEAWAYS



Gas is abundant



Gas is the backbone for economic development



Market reforms to ensure;

Security of supply  
Open competition  
Options to customers



Demand growth to ensure industry sustainability

# Benefits of Natural Gas to Malaysia

- 💧 Ensures energy security
- 💧 Drives economic growth
- 💧 Promotes clean air
- 💧 Enables greener electricity
- 💧 Inspires energy solutions



# THANK YOU

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