

## **O&G players urged to come up with breakthrough cost management solutions**

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**Kuala Lumpur:** Oil and gas industry players in Asia have been urged to come up with breakthrough solutions in managing cost and operational efficiencies during the current weak global oil price environment.

Making the call, Petronas Chief Operating Officer and Executive Vice President (Downstream) Datuk Wan Zulkiflee Wan Ariffin said the solutions could be built through leveraging on one another's expertise, knowledge and experience in managing new market realities.

"Asia's relevance is beyond just about contributing to demand in terms of population growth.

"The attraction of our vibrant region is really in our proven resilience, innovativeness and adaptability to change," he said in his speech at the soft launch of the Offshore Technology Conference (OTC) Asia 2016 here Monday.

He said that the fundamentals in Asia remain both solid and robust in the long run, despite the increasingly challenging environment.

"It is estimated that by 2030, Asia will be home to some three billion middle-income people, 10 times more than North America and five times Europe's.

"Clearly, the potential for Asia to be the engine of growth in the oil and gas industry is very encouraging," he said.

Wan Zulkiflee said the industry is operating in a different global market environment as dwindling oil prices and increasing costs have forced companies to reprioritise shareholders' returns over production growth.

"Across the board we are now seeing reduced budgeted capital expenditure, lowering of production plans, more targeted exploration efforts and the continued rationalisation of downstream businesses with an overall decrease in spending which has been aimed mostly on optimisation of assets.

"In the short to medium term, Petronas will closely monitor the global economy, the dynamics of supply and demand as well as the geopolitical risks which have over the past month suddenly become prominent.

"At the same time, more focus is given on areas we can control such as operational costs, safety and operational excellence," he added.

Themed "Excellence in Asia", the OTC Asia 2016 expects to welcome industry professionals from over 80 countries and 250 companies to showcase their latest technologies and expertise as well as consolidating more than 650 technical papers over 85 conference sessions.

The four-day conference starting March 22, 2016 is expected to play an important role in providing a platform for continuous conversations, spurring collaborations and partnerships for mutual benefit. – Bernama