

Malaysia trade export and import environmental sciences essay



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HR- A (SEM-4) (Group - 4)PARUL INST. OF MGMT & RESEARCHDIRECTORATE
OF DEPARTMENTPIMRVADODARA

Overview

Malaysia is well gifted with both conventional (non-renewable) and non-conventional (renewable) sources of energy. The largest non-renewable energy resource found in Malaysia is petroleum (i. e. oil and gas) which is being actively oppressed. Malaysia's domestic oil production occurs offshore and primarily near Peninsular Malaysia most of the country's oil fields contain low sulfur, premium crude. Malaysia contains proven oil reserves of 3. 0 billion barrels, down from a peak of 4. 3 billion barrels in 1996. Despite this trend toward declining oil reserves, Malaysia's oil production has been rising since 2002 as a result of new offshore development. Malaysia's domestic oil production occurs offshore. Most of the country's oil fields contain low-sulfur, high-quality crude. More than half of the country's oil production comes from the Tapis field, which contains a light grade of crude oil with a low sulfur content. Esso Production Malaysia Inc. (EPMI), an affiliate of ExxonMobil Corporation, is the largest crude oil producer in Peninsular Malaysia, accounting for nearly half of Malaysia's crude oil productionIn

terms of institutional planning, PETRONAS, established under the Petroleum Development Act (1974) as a state-owned enterprise, has exclusive rights of ownership, exploration and production. It comes under the direct purview of the Prime Minister and is responsible for its planning, investment and regulation of all up-stream activities. As a result of the country's long-term trend toward declining oil reserves, Petronas, the state oil and Gas Company, has embarked on an international exploration and production strategy. Malaysia exports the majority of its oil to markets in Japan, Thailand, South Korea, and Singapore. Despite active exploring in offshore areas and several new projects due to come on stream in the next several years, it is expected that Malaysia's oil production will fall in years to come as its proven oil reserves decline. Malaysia is one of the world's leading exporters of liquefied natural gas.

Refining

" Malaysia has six refineries, with a total processing capacity of 544, 832 bbl/d. The three largest are the 155, 000-bbl/d Shell Port Dickson refinery and the Petronas Melaka-I and Melaka-II refineries, which have a capacities of 92, 832 bbl/d and 126, 000 bbl/d, respectively. The second phase of the \$1. 4 billion, 200, 000-bbl/d Melaka refinery complex, located about 90 miles south of Kuala Lumpur, commence operations in August 1998. The 100, 000-bbl/d Melaka-II second phase is a joint venture between Petronas (45%), Conoco (40%), and Statoil (15%). This second refinery contains a 62, 000-bbl/d vacuum distillation unit, 26, 000-bbl/d catalytic cracker, 28, 500-bbl/d hydrocracker, 35, 000-bbl/d desulfurization unit, and 21, 000-bbl/d coker. One of the main purposes of this refinery is to supply gasoline to Conoco's

service stations in Thailand and a new line of stations planned for Malaysia. The first phase of the Melaka refinery was finished in mid-1994 and consisted of a 100, 000-bbl/d sweet crude distillation unit, which is wholly owned by Petronas and processes Tapis crude oil".

VISION

The oil, gas and energy sector has been the mainstay of Malaysia's growth and contributes approximately 20% to the national GDP. To reach the ambitious real annual-growth target and provide a sustainable energy platform, Malaysia is pursuing sector-wide opportunities. By 2020, Malaysia will have more diversified oil, gas and energy sector that remains vital to our development, and that builds on the nation's competitive advantages. A key thrust would be to intensify exploration and enhance production from domestic reserves. Malaysia will also develop a strong regional oil field services and equipment hub and a stronger presence in the regional midstream logistics and downstream markets. Malaysia has the potential to grow alternative energy sources such as nuclear, solar and hydro to overcome the decline in domestic natural gas production. Malaysia is targetting to raise total GNI contribution to RM241 billion by 2020 from RM110 billion in 2009.

Exploration Capacity

Malaysia has approximately 615, 100 square kilometres of acreages available for oil and gas exploration. Of these, 218, 678 square kilometres or 36% of the total acreages are currently covered by Production Sharing Contracts. Exploration drilling in Malaysia by the Production Sharing

Contractors has resulted in the discovery of 163 oil fields and 216 gas fields.
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Malaysia Trade export & Import

" Southeast Asia, particularly Malaysia, has been a trade hub for centuries. Since the beginning of history, Malacca has served as a primary regional commercial center for Chinese, Indian, Arab and Malay commercial dealers for trade of precious goods." Today, Malaysia shares healthy trade relations with a number of countries, specifically the US. The ASEAN Free Trade Area that was established for trade promotion among ASEAN members also has Malaysia as its founding member. Malaysia has also signed Free Trade Agreements with many countries

Comparison between India & Malaysia (Oil & Gas industry)

Category	India	Malaysia
Oil production	9, 54, 000	7, 16, 000
Oil Exports	8, 25, 600	6, 44, 900
Oil Imports	30, 60, 000	3, 55, 300
Natural gas production	528	665
Natural gas Exports	247	3079
Natural gas Imports	1215	1269

Higher Exports in 2102 Refined & Crude Petroleum

Petroleum products Major Exports Monthly

Product	Value (RM)	Percentage
Refined Petroleum Products	4.19 billion	7.3%
Liquified Natural Gas	3.84 billion	7.1%

INDIAN OIL & GAS SCENARIO

The oil and gas sector plays a very important role in the economic and political scenario of the globe. The limited oil and gas reserve along with increasing energy requirement across the globe has led to spiralling of price resulting in supply related concerns for countries around the world. The Indian oil and gas sector is having core industries in India and has very significant forward linkages with the entire economy. The prospects of Indian oil industry are for more exciting than any other, which India being among the least explored countries in the world at a well density of 20 per 10000 kms. India is the third largest oil consumer in Asia, even though on per capita basis the consumption is mere 0.1 tonne

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per year, the lowest in the region. Of the 26 sedimentary basins only eight have been explored so far. All this makes India the desired destination in terms of opportunities.

Swot Analysis

Major Strength of Malaysia

Major natural gas discoveries by a number of domestic company hold significant medium to long term potential. Demand for petroleum products
Increase in demand for Oil & gas
High exploration portfolio
Independency in Palm Oil

Major weaknesses of Malaysia

Oil & gas sector dominated by state controlled enterprise
Increase in oil prices
Environmental issues
Lack of awareness in safety issues

Major Opportunities of Malaysia

LNG imports are still set to grow rapidly over the longer term. Untapped oil & gas domestic potential
Strong domestic energy demand
High recovery rates from existing project

Major Threats to Malaysia

Increase competition within government & private players. Continuing government interference
Changes in national energy policies
Political Instability
Business Opportunities in Malaysia" The outlook for Malaysia's oil & gas sector is expected to improve with new discoveries and higher-planned capital expenditure in upstream activities in Malaysia. Malaysia is just at the start of an oil boom, on the back of the promising outlook for the exploration

and production (E&P) industry the country's deepwater projects will assume a prominent role in providing new growth opportunities in Malaysia and are expected to produce about 250, 000 bpd of new oil by 2010." Nine deepwater fields have emerged for commercial control from 2007 to 2013. From a business perspective, oil and gas represent global commerce on a massive scale. World energy markets are continually expanding, and companies spend billions of dollars annually to maintain and increase their oil and gas production. Over 200 countries have invited companies to negotiate for the right to explore their lands or territorial waters, hoping that they will find and produce oil and gas, create local jobs and provide billions of dollars in national revenues. The exploration arm of Malaysia's Petronas and Japan's JX Nippon Oil & Gas Exploration drilled 3, 170 metres into the Adong Kecil West-1 Well in Sarawak state on Borneo Island, Petronas said in a statement."

The well, about 20 kilometres away from the nearest city of Miri, was found to have a net hydrocarbon thickness of 349 metres." These discoveries prove that onshore Sarawak has the potential for more oil and gas accumulations where the Miri Field, Malaysia's first oil field, was discovered way back in 1910."

Oil Companies Active in Malaysia

ExxonMobil's Predecessor Standard Oil began prospecting for oil in this region as far back as the early 1900s. Today Exxon have working interest in 4 Production Sharing Contracts with PETRONAS. Exxon operate over 40 offshore platforms in 17 fields in the South China Sea, off the East Coast of Peninsular Malaysia, which produce about a sixth of Malaysia's oil and <https://assignbuster.com/malaysia-trade-export-and-import-environmental-sciences-essay/>

condensate. ShellFirst set up operations in Sarawak in 1910. Shell upstream companies have interests in more than 10 production sharing contracts in offshore blocks in Sabah and SarawakConocoPhillips'Upstream involvement in Malaysia began in 2000 and presently consists of interests in three deepwater blocks off the eastern Malaysian state of SabahMurphyHas been active in Malaysia since 1999, and employs over 400 staff in-country. Murphy has majority interest and operates six separate production sharing contracts (PSCs), covering approximately 6.7 million gross acresTalismanHolds a 41% operated interest in Block PM-3 CAA between Malaysia and Vietnam and associated production facilities. In addition, Talisman holds a 33% interest in Block 46-Cai Nuoc adjacent to PM-3 CAA and a 60% interest in each of Block PM-305 and Block PM-314. In Block PM-3 CAA, Talisman is progressing developments referred to as the "Southern Fields" and the "Northern Fields."JX Nippon Oil & Gas ExplorationOperates a number of gas fields.

Prospects of Trade between India & Malaysia

Malaysia holds some of the most prolific hydrocarbon basins in the regionMalaysia has highly-skilled, professional, technical and multi-cultural workforces that are recognized all over the world which can be sent to India. Malaysia is rich in Production of Palm Oil & Palm products so such products should be manufactured to India. As for India LNG is easily accessible, so India can do export of LNG. As we have seen Malaysia is rich in Natural Gas Production so they can Export natural gas to required Indian Companies. As India is also rich in steel manufacturing & steel products so India can look further for developing trade relations with Malaysia for the export of steel items.