

**WORKSHOP ON THE LIBERALISATION OF MALAYSIAN GAS MARKET
23 APRIL 2015**

**TALKING POINTS
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Energy Commission Members,

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President, Malaysian Gas Association (MGA) Council Members,

Panelists and participants,

Ladies and gentlemen,

Assalamualaikum and good morning.

- I would like to welcome everyone to the Workshop on Liberalisation of Malaysian Gas Market today, organised by Malaysian Gas Association and the Energy Commission. We wish to express our appreciation for your presence and support to this Workshop. I have been told that requests to

participate in the Workshop have been overwhelming. This is a good sign that the industry is keen for updates and gain insights into the gas industry development at regional and international level.

- I believe that this Workshop session is relevant in view of the fast-changing facade of the Malaysian gas industry. In the 10th Malaysia Plan the Honourable Prime Minister has emphasized on the improvement of the energy sector organisation to increase productivity and efficiency, including for the gas supply industry. The theme “Opportunities and Way Forward” could be a platform for the industry players to share their experience, findings, skills and expertise in improving the gas supply infrastructure.

Ladies and gentlemen,

- The Energy Commission has been identified by the Government to oversee this challenging task of supervising and promoting activities for a competitive gas market under the introduction of the Third Party Access System, to ensure security, reliability and sustainability to supply gas in Peninsular Malaysia and Sabah. By implementing the Third Party Access System, regasification terminals acts as a new source of gas, while also allowing new players other than PETRONAS to access local gas facilities. This will enable additional gas to be secured, meeting current and future needs. In addition to liberalising the gas supply industry, this new system will allow a room for competition between suppliers.
- The Energy Commission has prepared the regulatory framework which includes the **amendment of Gas Supply Act 1993** and **developing Codes**

and Guidelines to ensure a smooth operation of **Third Party Access System**.

At this present moment, the amendment proposal has been presented to the Attorney General Chambers of Malaysia and the Energy Commission team is hopeful that it will be tabled to the Parliament soon, in this year.

- To facilitate the Third Party Access System, the amendment of Gas Supply Act 1993 will expand the Energy Commission's scope of regulation to the downstream economic, technical and safety regulations, by including the economic regulatory aspects of regasification and transportation activities. The Act will encompass the regulation of access arrangements, connection, regasification, transportation and distribution agreements, licenses, guidelines and regulations. The amendment of Gas Supply Act 1993 will also **determine a new set of tariff for the use of Regasification Terminal, the gas transmission and the distribution system infrastructure.**
- While the Codes elaborates on agreements and services, **the Competition Guidelines for the Malaysian Gas Market** encourages a conducive, transparent and fair gas industry environment by creating a level playing field without discrimination among the users of the facilities by the suppliers. In addition to that, the Guidelines also prevents anti competitive behaviour and abuse of dominant position.

Ladies and gentlemen,

- I hope today's Workshop would give the participants a clear view of the current outlook of efforts as well as highlighting opportunities for industry players in the not so far ahead liberalised gas market. With the

enforcement of the Codes and its' guidelines and agreements, the Energy Commission is confident that the entry of multi player participants would be regulated fairly for the benefit of all and the country.

- Again, on behalf of the organising committee, our utmost appreciation to the panellist and to the participants, I am certain your views and suggestions during the dialogue session will make this Workshop a productive and an insightful one.

Wassalam and thank you.