

NATURAL GAS: FUELING THE NATION DURING CRISIS

For several decades, natural gas has been driving Malaysia's socio-economic growth. In 1998, natural gas took over leadership from oil as the country's single largest fuel source until today; contributing 42% of the national primary energy supply in 2017. Natural gas formed the bulk of the energy that spurred Malaysia's GDP rapid growth from USD 71.9 billion in 1999 to USD 296.5 billion in 2016

Natural gas has been integral to the electricity generation in Malaysia ever since the first-ever land-based large capacity gas turbine units were installed in Connaught Bridge, Selangor in 1984. Given its characteristics, natural gas is the fuel of choice in power generation due its flexibility, reliability and being the cleanest burning fuel with the lowest carbon emission and emitting hardly any pollutant. During the COVID-19 pandemic in early 2020, gas plays a key role in ensuring stable electricity supply for the national grid. Reliability and security of electricity supply has been critical in ensuring that the medical care remains operational at full capacity to combat the pandemic, especially in powering the critical medical equipment such as ventilators and thus supporting the remarkable frontlines to save lives and heal patients.

According to International Energy Agency (IEA), even as the world embarks on a low carbon pathway to meet climate change commitment, oil and gas will still remain an integral part of everyday life for decades to come. Natural gas became even more integral as the COVID-19 pandemic severely affected the global supply chains of goods and services. Endowed with its own indigenous natural gas, Malaysia is fortunate not having to be reliant solely on imported fuel during the crisis. The natural gas industry in Malaysia is committed to deliver uninterrupted supply of gas to the nation. Gas is delivered via extensive network of pipelines and supply infrastructures with reliability exceeding 99%. Gas ensured that operations in the two sectors critical during a pandemic, namely electricity and manufacturing of personal protective equipment (PPE), remain uninterrupted.

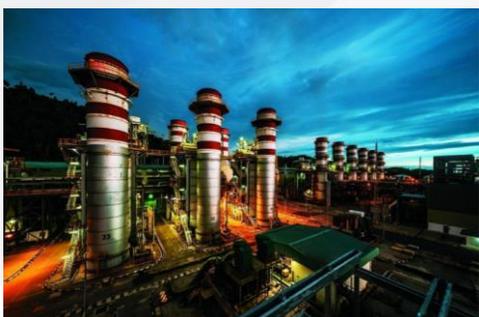


Figure 2: Capable of generating 1,943MW, the combined-cycle gas turbine plant in Lumut, Perak is the largest in Malaysia. (File photo courtesy of Malakoff Corporation Bhd)

“The gas industry in Malaysia is committed to deliver uninterrupted supply of natural gas to the nation”



Figure 2: Malaysia is the world's largest producer of rubber gloves. (File photo courtesy of Top Glove Corporation Bhd)

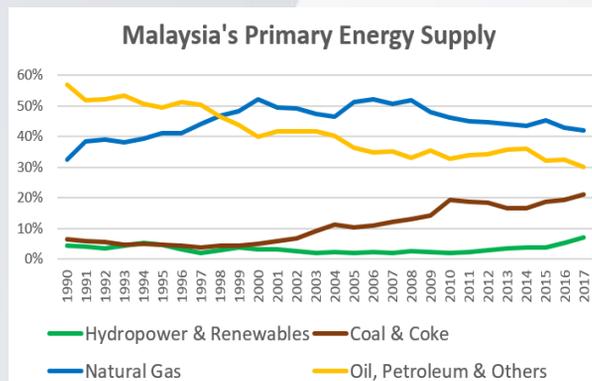


Figure 1: Since 1998, Natural Gas has been the country's single largest fuel source. (Source: Energy Commission, Malaysia)

As an essential service supplying to the global market, manufacturing of PPE remained in operation during the Movement Control Order (or lockdown) in Malaysia. In addition to its role as fuel for electricity generation to power the factories, natural gas also supplies feedstock to enable production of PPE, such as rubber glove. Malaysia dominates the world's medical rubber glove industry with about 65% market share, including surgical gloves that are crucial in helping doctors, nurses and other health care professionals confront the crisis. Uninterruptible supply of natural gas ensured that the rubber gloves factories are able to operate at full operations to meet the massive upsurge in demand triggered by the global health crisis.

Natural gas has again proven itself as the critical energy provider in Malaysia, fueling the nation times of crisis.