

# Gas Malaysia banks on 3 businesses to strengthen growth

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**KUALA LUMPUR:** Gas Malaysia Bhd will be banking on three strong business foundations that it rolled out recently despite a slew of macro-economic concerns it faced last year.

Its chief executive officer Ahmad Hashimi Abdul Manap said the gas company would stand to benefit up to 30 per cent returns in five years once the three businesses are up and running.

"As we look to 2016, we remain cautiously optimistic. We have rigorously laid out the foundation for three new businesses, the Combined Heat and Power (CHP), Virtual Pipeline and Bio-Compressed Natural Gas (BioCNG) to strengthen the group's growth.

"With the gas industry liberalisation steadily running its course, there is a need to re-position ourselves to diversify into other commercially viable ventures.

"Therefore, we will further facilitate the future growth of our CHP, Virtual Pipeline and BioCNG businesses as well as other potential new businesses, taking energy beyond our existing presence.

"Our core business, that is selling and marketing natural gas, will con-

tinue to have a strong foothold in our earnings stream. Notwithstanding that, it is important to gauge the strength of demand for gas accurately and re-look at our capital expenditure realistically," he said after the the company's annual general meeting, here, yesterday.

Meanwhile, Gas Malaysia is expecting an interesting period this year upon the outcome of the newly introduced incentive-based regulatory (IBR) framework trial, effective January 1.

Ahmad Hashimi said the IBR framework would provide transparency and predictability to the results of the trial period.

"The tariff should be very stable as the Gas Cost Pass Through mechanism is part of the framework," he added.

The framework, which will enter into its first regulatory period from 2017 to 2019, is aimed at providing better earnings clarity, certainty and stability via the Gas Cost Pass Through mechanism.

IBR is a form of regulatory intervention for public utility to operate efficiently and is typically applied to natural monopolies, often in transmission and distribution networks in electricity, gas and water sectors under the administration of the Energy Commission.



*Gas Malaysia*  
**CEO Ahmad Hashimi Abdul Manap**