

# Industries to pay more for gas

The scheduled rate hike will take effect from May 1, says Gas Malaysia

**PETALING JAYA:** Gas prices to industry are going up by an average of around RM3 per million British thermal unit (MMBtu), which will among others impact cement manufacturers, steel producers and glove makers.

The scheduled rate hike would take effect from May 1, under a tariff revision that was approved by the Government, said Gas Malaysia Bhd.

In a statement to Bursa Malaysia yesterday, the company said the natural gas prices would increase by an average 20%, from RM16.07 MMBtu to RM19.32, for the non-power sector in Peninsular Malaysia.

This tariff revision does not apply

to liquefied petroleum gas (LNG) and natural gas for vehicle (NGV).

Gas Malaysia said the residential and retail commercial segments

that used below 600 MMBtu would have no change in their tariff rates.

It added that industries that consumed from 601 to more than 750,000 Mmbtu would see an increase ranging between 18.23% and 26.18%.

Gas Malaysia highlighted that the purchase price of gas it procured from Petroliam Nasional Bhd would be adjusted upwards accordingly.

"The purchase price shall take into account the prices of domestic (regulated) natural gas and the LNG," it said.

Gas Malaysia said the impact on its earnings was dependent on the cost of natural gas purchased as well as the volume sold to customers.

"On the assumption that the company continues to supply natural gas to customers based on volume at prevailing levels, the impact of this tariff revision to the company's earnings is not expected to be material for financial year 2014," it said.

Gas Malaysia added that it was confident its long-term profitability would remain healthy, and was poised for better position on the back of pent-up demand, which would result in higher overall gas consumption.