

# Gas Malaysia: Delivering value for a sustainable future

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**G**UIDED by its vision to be an innovative value-added energy solutions provider, Gas Malaysia Berhad (Gas Malaysia), a member of the MMC Group, recently commemorated its 30th anniversary at its head office in Shah Alam, Selangor.

In an exclusive interview with the *New Straits Times*, Gas Malaysia Group chief executive officer Ahmad Hashimi Abdul Manap remarked on the company's rich history and culture that has helped carve its success story for the past 30 years.

"As we celebrate three decades of Gas Malaysia's strong footing in the industry, it is important that we acknowledge our founding fathers and all who have played a significant role in the company's sustainable growth.

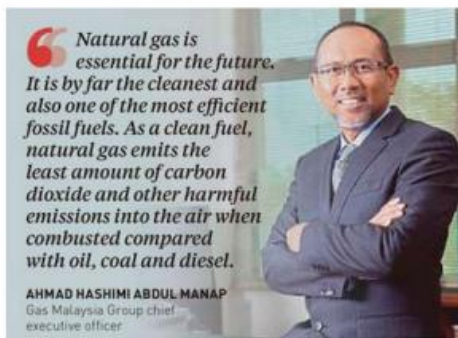
"Our business is the result of our founding father's visionary leadership. Our predecessors believed in leadership through excellent service. This belief was the backbone that drove forward decisions benefiting the company," he said.

## PROMOTING CLEANER ENERGY

"Natural gas is essential for the future. It is by far the cleanest and also one of the most efficient fossil fuels. As a clean fuel, natural gas emits the least amount of carbon dioxide and other harmful emissions into the air when combusted compared with oil, coal and diesel," Ahmad Hashimi said.

Over the last 30 years, Gas Malaysia has encouraged thousands of industries to switch to this energy source.

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**AHMAD HASHIMI ABDUL MANAP**  
Gas Malaysia Group chief executive officer

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For Ahmad Hashimi, this is a milestone to celebrate and a harbinger of greater prospects.

"Natural gas is a more efficient fuel, and in fact, the most competitive one in terms of pricing, compared with other fossil fuel derivatives.

"In 1992, we built our first gas pipeline in Kemaman, followed by Shah Alam in 1993. Since then, we have penetrated into all major industrial areas in the peninsula," he said.

Reminiscing over Gas Malaysia's three-decade long journey, Ahmad Hashimi said the company has nurtured local expertise, diversified into non-core businesses and embarked on efforts to

infuse green energy into its pipelines.

## STARTING FROM SCRATCH

Ahmad Hashimi, currently the company's longest-serving employee, has seen Gas Malaysia weathering the receding tide and flow of business cycles.

"About 30 years ago, we had no Google and social media platforms to build our business network. All we had was the Yellow Pages and we started from scratch with that."

When asked on how Gas Malaysia secured customers in the early days, Ahmad Hashimi said, "We deployed our marketing efforts to capitalise on gas demand in industrial areas. In some instances, we looked for factories or industrial areas that emitted thick black smoke. Those were indicators that they were not using natural gas.



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"We would visit those factories emitting black smoke, and convinced them that we had a much cleaner, cost-effective fuel for them. Customers could also see their equipment and facilities were much cleaner after they switched to natural gas. The public was able to see a positive difference to the environment, especially in areas like Shah Alam, Meru, Kapar, Petaling Jaya, Pasir Gudang, Ayer Hitam, Klung and many others.

"And when one company in an industrial area switched to natural gas, its rival companies also followed suit.

"That's how Gas Malaysia came to be. We went door-to-door, and relied on the word of mouth from existing customers to build the company," he said.

During its early years, Ahmad Hashimi said Gas Malaysia had to depend on foreign expertise to construct, operate and maintain the Natural Gas Distribution System or commonly known as NGDS.

"None of Gas Malaysia's pioneers came with a background of natural gas distribution. So, we roped in engineers who constructed water pipelines, internal piping systems, and even LPG tanks. Subsequently, we trained them to build gas pipelines.

"Initially, our shareholder, Tokyo Gas, trained the team and we also hired vendors and consultants from overseas. Thereafter, we managed to develop a fully-local workforce.

"Now, we have about 600 staff, comprising both technical and non-technical personnel. In fact, some of the guest speakers and modules on natural gas distributions are contributed by Gas Malaysia.

"Transforming the industry led by a local-only workforce is in itself an achievement," he said.

Following a full market liberalisation in 2022, Ahmad Hashimi said Gas Malaysia unbundled its business operations into two separate entities — as a gas distributor and gas shipper.

These two entities are Gas Malaysia Distribution Sdn Bhd (GMD) and Gas Malaysia Energy and Services Sdn Bhd (GMES).

Currently, GMD has a 20-year distribution licence that allows it to develop, operate and maintain the NGDS across the peninsula.

Meanwhile, GMES has a 10-year shipping licence to procure gas from suppliers and deliver it to customers. GMES has also been awarded with a 10-year import into regasification terminal licence.

"The company has bigger plans in the pipeline, especially for its non-core businesses and green ventures," he said.

## DIVERSIFYING ITS BUSINESS PORTFOLIO

In an effort to further solidify its position in the industry, Gas Malaysia has further broadened its business portfolio by embarking into the Combined Heat and Power (CHP) system and virtual pipeline.

"Virtual pipeline focuses on the distribution of compressed natural gas via land transportation to customers who have no access to Gas Malaysia's NGDS network.

"Another non-core business that we are focusing on is CHP to boost operational efficiency, to approximately 85 per cent through the simultaneous production of electricity and steam.

"Additionally, we are also keen in exploring the use of methane released from POME to augment our gas supply. POME is the organic liquid waste generated from palm oil production, and by using waste-to-energy technology, we are able to capture the methane that is released, convert it to bio-methane and inject it into our pipelines," he elaborated.

"Venturing into bio-methane is part of our environmental, social and governance (ESG) initiative to partake in the global push for clean energy," he said.

## MOVING FORWARD

Commenting on the future of Gas Malaysia as it moves forward under a liberalised market, Ahmad Hashimi hoped for Gas Malaysia to climb to greater heights in the next 30 years.

"We hope to establish our presence within and beyond the region in the next 30 years. Gas Malaysia has far greater potential that we can tap on.

"Someday, we hope to be involved in LNG importation and storage, perhaps develop our own mini regasification terminal. In addition, we are looking at the possibility of collaborating with other utility companies.

"We also want to market our home-grown expertise, like our engineering team or our project management team, as consultants to other companies and to other countries as well," he said.

"In addition, we continue to strengthen our digital capabilities as it is crucial to help us maintain our competitiveness, as we adapt to customers' evolving demands.

"As a matter of fact, natural gas is considered by many to be a key ingredient as the world transitions to a cleaner future.

"As long as there is demand for natural gas, rest assured Gas Malaysia will be there to provide our services," he concluded.



Gas Malaysia's head office in Shah Alam, Selangor.