

Gas Malaysia Energy and Services delivers higher value-added services

With the advantages of natural gas market liberalisation from 2022 onwards, GMES would be able to provide more flexible and varied terms to its customers

BY AZALEA AZUAR

DESPITE being a relatively new company, Gas Malaysia Energy and Services Sdn Bhd (GMES) consists of a team which has been servicing customers for almost 30 years through its parent company, Gas Malaysia Bhd.

Being on familiar grounds with the natural gas market and understanding the needs of the customers, the three decades of expertise and experience have allowed GMES to sustain its customer base amid market liberalisation and potential competition.

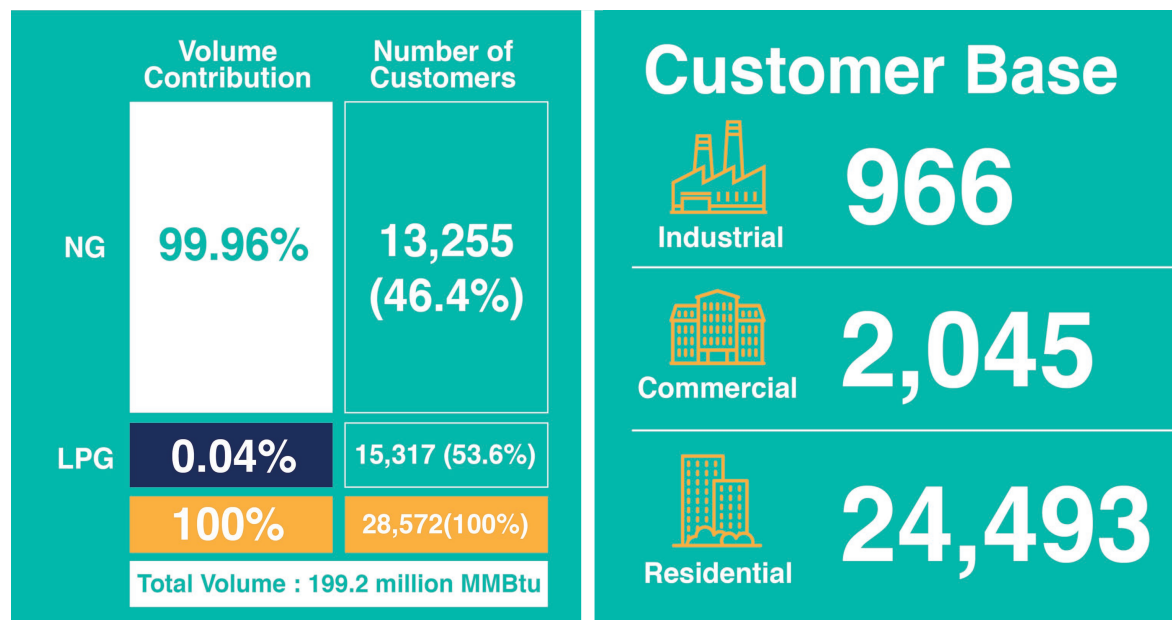
Gas Malaysia had been selling and supplying natural gas to the non-power sectors for nearly 30 years, but in complying with the Third Party Access regulatory requirement, the two business operations had to be unbundled, which led to the formation of GMES and Gas Malaysia Distribution Sdn Bhd.

The former undertakes all Gas Malaysia's marketing and selling activities, while the latter takes ownership of the pipeline which delivers natural gas to customers.

In an interview with *The Malaysian Reserve* (TMR) recently, GMES CEO Shahrir Shariff said to sustain its customer base, the company will continue to provide quality service at competitive prices with flexible terms of supply.

Established on Nov 21, 2017, Shahrir said GMES' current market reach and large customer portfolio enable it to have better purchasing power in negotiating the supply of natural gas, which benefits the customers.

"Further, with our role as an aggregator, we can provide flexible terms of supply which we believe our competitors cannot easily emulate, thus giving us an advantage. Capitalising on our strong presence in the industry, we believe we understand our customers' different needs and hence



are able to anticipate the type of assistance that they would require from us.

"We are focusing our effort to provide higher value-added services to targeted customers and would like them to see us as their preferred business partner — in the sourcing and procuring of their natural gas at competitive price," he explained to TMR.

Elaborating further, the CEO of GMES said: "Natural gas is a clean energy alternative with promising prospect. We believe it has robust demand within Peninsular Malaysia for both the power and non-power sectors. This is in line with Malaysia's aspiration towards achieving a low-carbon economy."

However, he noted that there are two major challenges which are hindering potential residential and commercial customers to switch from liquefied petroleum gas to natural gas.

Firstly, he said, is the lack of infrastructure, namely gas pipeline networks in major commercial and residential areas; and secondly, the gas cylinder price is low due to government subsidy — which is why

customers' reluctance to change is understandable.

"Until these two hurdles are resolved, we are not able to effectively attract potential commercial and residential customers to switch to natural gas," Shahrir added.



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GMES is exploring viable investments in new growth areas such as green fuel. At present, GMES is embarking on an initiative to inject biofuel from palm oil mill effluent into the grid as this is better for the environment and in line with the company's efforts to focus on renewable and sustainable energy.

Shahrir also explained how using energy-efficient gas technology for the industrial sector would assist customers in managing their energy consumption in a more environmentally friendly and cost-effective way.

With the advantages of natural gas market liberalisation from next year onwards, GMES would be able to provide more flexible and

varied terms in order to cater to its customer's requirements.

This is something GMES was unable to do in the past due to the regulated market.

"Also, GMES can procure gas from various sources outside the country, which will lead to a more competitive pricing in the long term. Not only that, being in a competitive environment means we are able to tailor our effort and services depending on the customers' needs," he explained.

When it comes to embracing digitalisation, which all sectors are racing to do because of the impacts of the pandemic, Shahrir said Gas Malaysia has been embracing digitalisation from very early on as one of the main communication platforms with their e-service portal.

"One of the main communication platforms with our large commercial and industrial customers is the e-service portal, where they are able to monitor their consumption, access information on billing details and make nominations as well as raise queries or make requests."

At present, GMES is enhancing its customer service system and is expanding the scope to also include residential customers. The intention is to have an integrated and interactive customer service system to better attend to consumers.

To further improve its visibility, Gas Malaysia is also actively involved in outreach programmes to give back to the communities, as well as the environment.

Among the initiatives include distributing essential household items to needy families, providing medical equipment to several hospitals in an effort to aid our frontliners combat the Covid-19 pandemic, while inculcating a recycling culture by installing several fabric recycling bins at various locations and mangrove tree planting, among others.