

An offshore oil rig is silhouetted against a dramatic sunset sky with orange and red clouds. The rig's complex structure of towers and platforms is visible against the bright horizon. The overall scene is industrial and atmospheric.

# INCENTIVES FOR INVESTMENTS IN THE OIL & GAS INDUSTRY IN MALAYSIA

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# TAX INCENTIVES FOR OIL & GAS INDUSTRY



## MACHINERY & EQUIPMENT FOR SPECIFIC INDUSTRY

- High Value Added
- High Technology
- Design and R&D
- Comply with safety and other required specifications

New investment



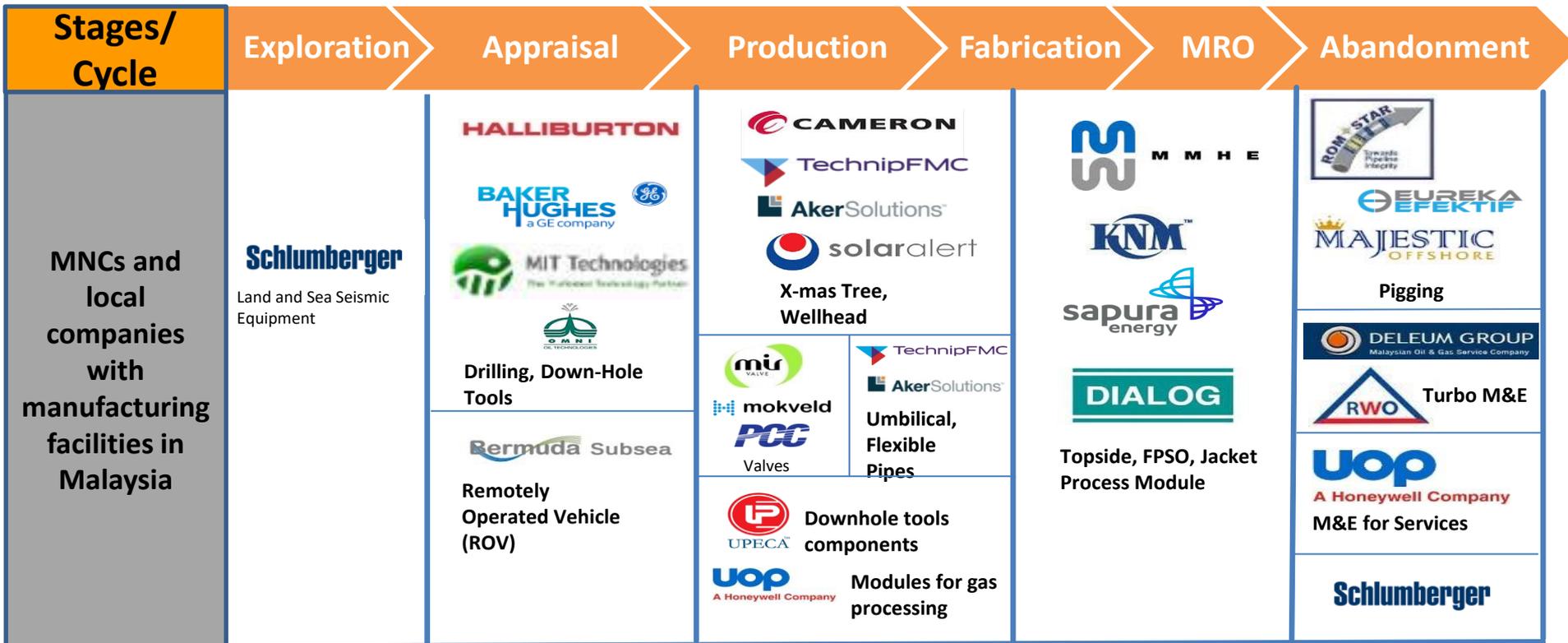
**PIONEER STATUS**  
100% of statutory income, for up to 10 years; or  
**INVESTMENT TAX ALLOWANCE**  
100% on qualifying capital expenditure incurred within 5 years.



# MAJOR OIL & GAS COMPANIES

International Oil and Gas Companies	Domestic Companies

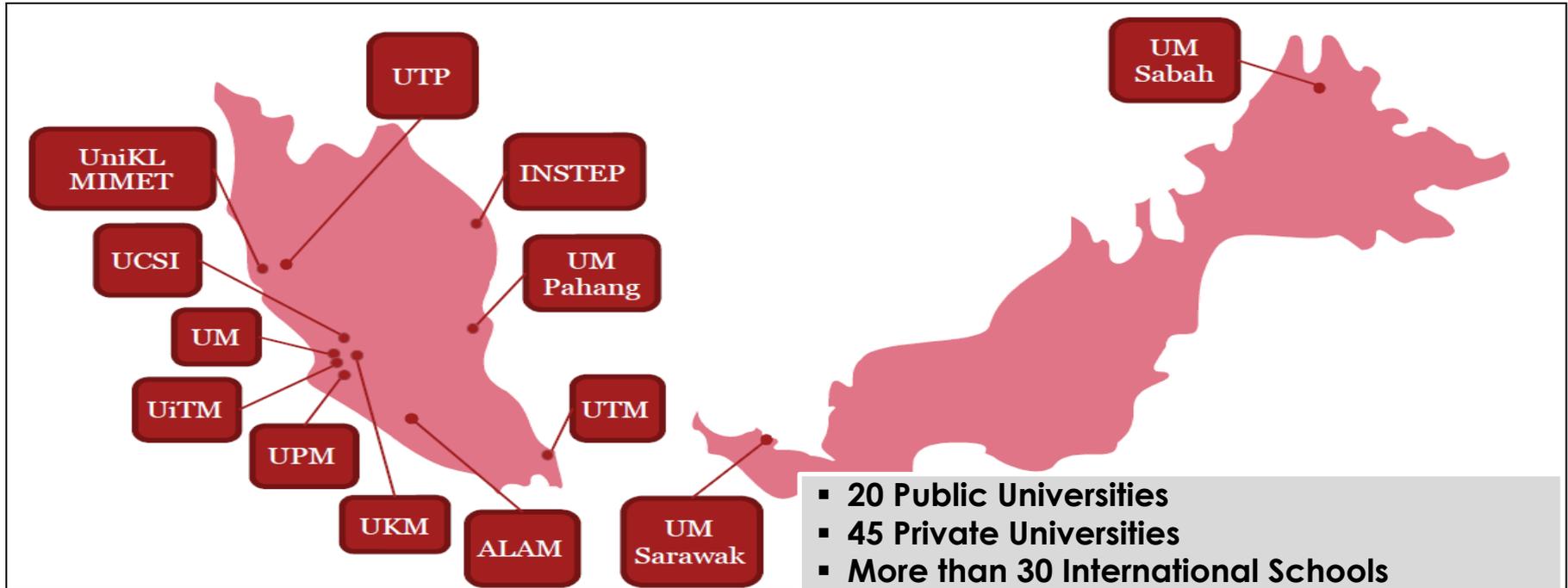
# OIL & GAS M&E VALUE CHAIN & ECOSYSTEM



## FUNDAMENTAL DETERMINANTS:

- PRODUCTION FACILITIES
- INFRASTRUCTURE
- SUPPORTING INDUSTRY
- INSTITUTIONAL SUPPORT & TALENTS

# INSTITUTIONAL SUPPORT (ENGINEERING, OIL & GAS, AND MARITIME RELATED COURSES)



- 20 Public Universities
- 45 Private Universities
- More than 30 International Schools
- More than 13,500 Engineering Graduates
- More than 8,000 Technician Graduates



# INVESTMENT OUTLOOK

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## Oil Market Volatility Prevails

- Investments on technology and innovation for sustainability



## Increasing Demands for Cleaner Energy

- Market demand for natural gas is growing.
- RE as a major fuel in the future.

*“Malaysia aims to increase the country’s target of RE generation to 20 per cent in the next six years”  
(Minister of Energy, Science, Technology, Environment and Climate Change, Sept 3 2019)*

# Thank You

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# OTHER INCENTIVES FOR OIL & GAS INDUSTRY

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Incentive	Details
Petroleum Income Tax Act Bill (PITA)	<p>Incentive for Upstream Petroleum Activities</p> <ul style="list-style-type: none"><li>▪ Investment Tax Allowance</li><li>▪ Reduction of tax rate from 38% to 25%</li><li>▪ Accelerated Capital Allowance</li><li>▪ Qualifying Exploration Expenditure</li><li>▪ Waiver on export duty on oil produced and exported from marginal field development</li></ul>
Global Incentive for Trading (GIFT)	<p>The GIFT programme is a framework of incentives for traders, of specified commodities, to use Malaysia as their international trading base to undertake International Commodity Trading Business in Labuan IBFC</p>

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