

Guest of Honour's Speech
YB Pehin Dato (Dr.) Haji Mohammad Yasmin
Minister of Energy and Industry at the Prime Minister's Office
Foundation Laying for the Oil Country Tubular Goods Local
Threading and Supply Chain Management Industrial Site
Salambigar Industrial Park
Saturday, 24th October 2015

Bismillah Hirrahman Nirrahim,

All praise be to Allah Subhanahu Wataala, salawat and salam upon our beloved Prophet Muhammad Sallallahu 'alaihi Wassalam, his family, companions and faithful and honest followers till the end of time.

Assalamualaikum Warahatullahi Wabarakatuh and Very Good Afternoon,

Your Excellency Ms. Noriko Iki, Ambassador Extraordinary and Plenipotentiary of Japan,

Mr Kazuhiro Egawa, Executive Director for Southeast Asia & India of Nippon Steel & Sumitomo Metal Corporation (NSSMC),

Mr. Masao Sekiuchi, CEO of Sumitomo Corporation Asia & Oceania Pte Ltd (SCAO),

Mr. Masahiko Yokohama, General Manager of OCTG Business Department at Sumitomo Corporation,

Mr. Tomoyuki Ohashi, Managing Director of VAM® BRN SDN BHD,

Mr. Stuart M'Cartney, General Manager of SC Tubular Solutions (B) Sendirian Berhad,

Mr. Laurent Dubedout [*LO-RON DUE-BAH-DOOH*], Sales & Marketing Manager at Vallourec [*VAL-LOO-REK*] Asia Pacific Corp Private Limited,

Senior Government officials and senior representatives from the companies,

Ladies and Gentlemen.

1. Allow me to start by recalling my visit to Tokyo in December 2012 where I had the honour of meeting the senior management team of Sumitomo Corporation. At that time, Sumitomo Metal and Nippon Steel had just merged in October 2012 to form Nippon Steel and Sumitomo Metal Corporation thus creating the world's second-largest steel firm today.

2. Coincidentally, discussions were then held between BSP and Sumitomo on the possibility of the latter opening up a threading plant here in Brunei Darussalam, in addition to providing management services for the supply chain. With that in mind, I took the opportunity to put forward His Majesty Government's strong support to the on-going discussion. The message I delivered then was simple. We strongly supported the initiative to set up the threading plant – and guaranteed a conducive environment for investment free of unhealthy practices. I also mentioned that we have excellent sites available for the plant to be built, all very close to local and regional markets.

Ladies and Gentlemen,

3. Alhamdulillah, in November last year, the initiative gained momentum with the signing of the contract between Brunei Shell Petroleum Company Sendirian Berhad (BSP) and Nippon Steel and Sumitomo Metal Corporation (NSSMC) and Sumitomo Corporation. Today, we are witnessing yet another milestone, with this foundation laying ceremony for the Oil Country Tubular Goods (OCTG) Local Threading and Supply Chain Management Industrial Site.
4. During the signing ceremony, I conveyed the Government of His Majesty the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam's appreciation for the hard work and cooperation of the parties in bringing this important project to this country, and, the numerous benefits it brings directly and indirectly to our domestic market.

5. I have been made to understand that the construction and commissioning would be completed by early November 2016. Let us all pray to Allah Subhanahu Wataala for His blessings and for the safety of everyone involved with the implementation of the construction and commissioning stages of this Project.

Ladies and Gentlemen,

6. Please allow me to share with you three main aspects of the Government of His Majesty's aspirations and expectations for this project. Firstly, those relating to *local business development and increasing local content*, secondly - *employment opportunities and increasing competency*, and last but not least, *showcasing the project in order to attract more foreign direct investments into this country*. Combined, these would work toward increasing the in-country value of the project, thus benefitting the nation as a whole.
7. **Allow me to touch first on local business development and increasing local content.**

Let us be open about this – our oil and gas industry is already 85 years old and Insya Allah, we are looking ahead at many more years to come. We must continue to develop our local businesses, from the most basic activities to more specialised fields. We must strive to be capable of producing and manufacturing goods locally, or further enhancing the value of imported goods before they are introduced to the market.

8. Having this threading plant will boost the energy goods and services scene in Brunei and enhance the quality of our local content. With the plan for the plant to supply goods regionally, we will be able to encourage others to develop more local goods and services of a high quality and standard. We need to strive harder – and we need the continuing co-operation and assistance of our long-term industry players to achieve this vision..
9. On this note, I am very pleased to hear that two joint venture companies for this project have been incorporated in Brunei i.e. **SC Tubular Solutions** (B) Sendirian Berhad (SCTSB) and **VAM BRN** Sendirian Berhad. With the vast experience and extensive worldwide business networks of the parent companies – I have no doubt that the whole project will be implemented successfully, profitably and efficiently.
10. Yet, as the Government, we look at the true value of this project far beyond profits. We want investors in Brunei to be excellent corporate citizens – by supporting our local business development drive. These could be easily achieved by opening spin-off opportunities for our local companies to provide support services.

11. **The second aspect of the aspirations that I mentioned earlier is creating and providing local employment and filling up competency gaps.**

I understand that both companies will create 164 direct employment opportunities, where at least 115 (i.e. 70%) would gradually be localized. On this, I would urge that any specific training required be identified and shared with our local training institutions so that we can work together on tailoring training programmes to meet your requirements. It is in our interest to ensure that we have locals with the required skills ready to undertake the job when the plant goes into operation. This is in alignment with one of our key objectives in introducing technical training programmes including under the Energy Industry Competency Framework and the Brunei Maritime Academy.

12. The project should not only be seen as simply providing employment to our locals - but represent life-long meaningful careers for our locals with well-structured training and skill upgrading programmes for technical and non-technical staff.
13. Let me now move on to our third aspiration, on **increasing Foreign Direct Investment in Brunei Darussalam.**

As mentioned in my speech in November last year, this project could serve as a very important catalyst in attracting and bringing in more would-be investors to come to Brunei Darussalam.

14. This Salambigar Industrial Park is just one of many industrial parks or sites designated by the Government of His Majesty to attract foreign companies to invest in industrial activities. Yet, more needs to be done – including reducing red tape, costs and the time taken to start up businesses.
15. Perhaps the seriousness and the urgency of the need to overcome these hindrances and turning Brunei Darussalam into a competitive country of choice for investors was best covered by His Majesty Sultan Haji Hassanal Bolkiah Mu'izzadin Waddaulah ibni Al-Mahrum Sultan Haji Omar 'Ali Saifuddien, the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam in His Majesty's Titah on 17th November 2014 during the 21st Civil Service Day Celebration. The Titah highlighted His Majesty's concern on Brunei Darussalam's position in the World Bank's Ease of Doing Business index which had slipped from 98 economies in the World in 2013 to 101 in 2014.
16. His Majesty also reminded us of the need to self-reflect the progress of our improvement program, the level of commitment and the delivery of the implementation. His Majesty further stated that we must identify the '*sebab musabab*' or the various causes whilst at the same time, making efforts to overcome the decline.

17. In response to His Majesty's Titah, lots of hard work have been undertaken by various Ministries across the Government to improve important business processes associated with doing business, and this is still currently being led and driven by His Royal Highness Haji Al-Muhtadee Billah ibni His Majesty Sultan Haji Hassanah Bolkiah Mu'izzaddin Waddaulah, the Crown Prince and Senior Minister, as Chairman of PENGGERAK (Delivery Unit).
18. His Royal Highness The Crown Prince is pro-actively looking at each of these processes, scrutinising the performance data, setting ambitious goals, ensuring effective plans are in place to make improvements and chairing regular Stocktake meetings with various Ministries to review progress and help solve problems as they arise.
19. The early signs of progress are encouraging. For example, starting a business used to take about **100** days but since the start of the year it can be done in just **one** day as part of our drive to help businesses get up and running quickly.

Ladies and Gentlemen,

20. The feedback we hear from businesses is that such reforms are giving confidence for people to take risks on starting a business - or giving them greater confidence to grow. This is the environment we want to create for our people, but as His Royal Highness keeps reminding us, it is still early days and there are a lot more to be done. To keep it short, I'm sure with the pro-active involvement of His Royal Highness, we will continue this momentum of change, to make way for the landscape of pro-business in Brunei.
21. Our most sincere message to future foreign investors is very simple.

You are most welcome to come and have a close look at what Brunei Darussalam has to offer, in terms of facilities and opportunities - not only in activities that relate directly to oil and gas, but also in other economic sectors. On this, we shall always welcome constructive input – not just kind and pleasant words, from you all as our friends and responsible corporate citizens, but also as to how we could further improve these facilities and incentives and to make them more attractive to other future investors.

Ladies and Gentlemen.

22. Before I conclude, please allow me to again express my appreciation to the management of both the SCTSB and VAM BRN for this invitation to this very important milestone. A special mention goes to Mr. Shuji Miyata, Department General Manager at SCAO, whose tireless efforts, dedication and unwavering support in realizing this project from the very beginning is recognized and highly appreciated by His Majesty's Government.

Once again, let us all pray to Allah Subhanahu Wataala for the safe and timely implementation of the Project. I would also like to remind all parties involved in the construction and commissioning phase, for the activities to be conducted with due regard to all the legal requirements, including maintaining business integrity, zero tolerance on corruption and the observation of the best Health, Safety, Security and Environment standards.

Wabillahi Taufik Walhidayah. Assalamualaikum Warahmatullahi and thank you.