

Speech by Yang Berhormat Pehin Datu Singamanteri Kolonel (R) Dato  
Seri Setia (Dr.) Awang Haji Mohammad Yasmin bin Haji Umar  
Minister of Energy at the Prime Minister's Office

**MOU Signing between Brunei Shell Petroleum AND Nippon Steel &  
Sumitomo Metal Corporation AND Sumitomo Corporation**

4 December 2013 | The Empire Hotel & Country Club

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Yang Mulia Dato Paduka Haji Ali bin Apong, Deputy Minister at the  
Prime Minister's Office, and Chairman of the Brunei Economic  
Development Board,

His Excellency Kenichi Suganama, Ambassador of Japan to Brunei  
Darussalam,

Mr Ken Marnoch, Managing Director, Brunei Shell Petroleum Company,

Mr Toshihiko Kunishi, Executive Officer, Vice Head of Unit, Pipe & Tube  
unit Nippon Steel & Sumitomo Metals Corporation,

Mr Shuichi Suzuki, Deputy General Manager Tubular Products Division  
and General Manager, OCTG Business Department, Sumitomo  
Corporation,

Ambassador of Japan to Brunei Darussalam,

Permanent Secretaries, Senior Government Officials, Ladies and  
Gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh and a very Good  
afternoon,

1. First of all, I thank you for inviting me here today to witness the signing of the Memorandum of Understanding (MOU) between Brunei Shell Petroleum Company AND Nippon Steel & Sumitomo Metal Corporation (NSSMC) AND Sumitomo Corporation (SC) for the establishment of an integrated Oil Country Tubular Goods (OCTG) supply, including the setting up of a threading plant in Brunei Darussalam.

Ladies and Gentlemen,

2. Allow me to reiterate what has been continuously emphasised by His Majesty the Sultan and Yang Di-Pertuan of Brunei Darussalam on the importance of having more Foreign Direct Investments (FDI) into Brunei Darussalam. The most recent was in his Titah for New Year 2013 where His Majesty highlighted that FDI in the oil and gas sector has shown to be encouraging not just in the upstream, but also in the downstream where it has seen to be more promising now. Besides LNG and methanol, the Government is currently considering other opportunities in the downstream oil and gas industry. And more importantly, His Majesty has touched upon the need to increase the percentage of jobs held by locals in this industry.

3. The Integrated OCTG Supply and Threading Plant Project is such an initiative that will complement the Government's effort on increasing FDI activities in the oil and gas sector, and in the country. I am also pleased to note that this project will satisfy the Government's Local

Business Development policies in the oil and gas sector for an increased in local content and local employments.

4. Sumitomo Corporation (SC) began supplying BSP with OCTG in 1972 which made it as the company's first international sales. I am delighted that BSP and SC have initiated a discussion two years ago with an intention to move away from this 40 years status-quo and add more value to this contract. As a result, the two parties have agreed to set up an integrated OCTG supply, including a local threading plant.

5. Today's MOU confirms the commitments between BSP, Nippon Steel & Sumitomo Metal Corporation (NSSMC), and Sumitomo Corporation (SC) to work together and enter into a long-term contract. I was informed that the first phase of the supply and management contract for OCTG will commence its operation in 2014 while the local threading plant will come into operation in 2016. I look forward to seeing the operations materialised.

Ladies and Gentlemen,

6. This project will require an investment in the range of USD 30 million where our local banks should also be engaged and given the opportunity to participate in providing financing. This would in itself add to the local content component of the project.

7. This project will create up to 150 direct job opportunities to the locals and also potentially additional 100 indirect jobs through sub-contractors supporting this project. As the project would mainly involve skilled jobs, proper planning for timely recruitment and trainings are of the utmost importance as to ensure the availability of a right and

competent local workforce. At the recent Oil and Gas Sector Job Fair 2013, over 3,600 job seekers have registered within one and a half-day period. This alarming figure urgently calls for more creation of jobs and more job opportunities for the local. I am glad that this project will be able to address even though a small part of this.

8. Before I conclude my statement this afternoon, I would like to stress on the importance of transparency in the selection and awarding process of any sub-contractors for this project and for all parties to take full responsibility in ensuring business integrity throughout the whole process of the supply chain.

9. I am very grateful to all the parties who have come together and worked hard to realise today's milestone – thank you. I am confident that with continued cooperation between relevant stakeholders including our Brunei Economic Development Board, Department of Economic Development and Planning, and the Ministry of Industry and Primary Resources, we will be able to deliver on this project. With that, I wish you all the best.

Wabillahhi taufik walhidayah wassalamualaikum warahmatullahi wabarakatuh.