

Is There Light at the End of the Tunnel?

Half the year has almost passed and we are still reeling from the effects of last year's turn of events. There have been indications of the situation improving, but there has been nothing concrete from which we can be assured that the crisis has passed. In fact, as far as the regional refining and petrochemical industries go, the situation seems very bleak indeed. These sectors have been hit very hard and are fighting tooth and nail to find some sort of stability.

I, for one, am an optimist and I firmly believe that the present situation calls for a lot of optimism and faith. I am also a firm believer that grit and determination will always pay off, even if it sometimes takes awhile. Before one goes into a state of panic it is critical to analyse the situation and rationally judge if the situation is indeed as bad as it seems.

It would be unrealistic to attempt to analyse every aspect of the downstream industry within this page. Let's instead look at the contents of this issue and try to see if there is a link between the content and the state of the downstream sector. Firstly, the regional focus is on Malaysia. Malaysia's Oil and Gas industry is more insulated than most of the other Malaysian industries. As such, it was not as badly affected as the rest of the country's economy. In terms of the downstream sector, the Kertih Plastics Park, a multi-million dollar project, was officially launched at the end of 2008. Since then investors have been coming in steadily. The downstream sector is also undergoing expansion with a number of projects, like Gulf Petroleum's Manjung Refinery, underway. These indicate that the downstream sector is poised for growth. Although detractors will argue that these are projects that were implemented prior to the economic downturn, it is important to note that investors' decision to go ahead with the plans, rather than to scrap them, shows their faith in the projects' feasibility.

Still on the topic of Malaysia, the 12th installment of Oil & Gas Asia (OGA) is set to take place in Kuala Lumpur from 10 – 12 June. OGA 2009 is being billed as the "Biggest Ever" by the organizers. This might very well be a

marketing gimmick but, to date, all indications are that it is indeed going to be the biggest one ever. Does this then seem like companies are expecting the recession to take a turn for the worse? No doubt many of the companies have been hit by the economic downturn, and we can expect some mergers and acquisitions, but the fact remains that the very presence of the companies at the exhibition shows that they expect the good times to come sooner rather than later. Some might view the companies' presence as a face-saving measure, but that would be extremely cynical.

In these economically difficult times, it was very refreshing to see an industry powerhouse like ABB submit a paper on safety. At a time when most people, and companies, are looking at the bottom dollar ABB has come forth to point out the importance of safety. It is very positive to see that even in these tough times human life has greater value than the almighty dollar. For the less altruistic, just keep in mind that a nail in time saves nine. Better to invest some in safety than to suffer an accident and end up paying much more.

The lead story in the issue is on turbomachinery control systems and how to integrate them. This well crafted paper by Invensys Process Systems outlines its 'Dynamic Simulation' technology, which is used to integrate control systems. The paper outlines the various simulation systems as well their uses and the methods to choose a suitable system. You will also find inside article contributed by Shell Global Solutions and InterTech on their respective technologies.

In closing I would like to summarise my take on the current situation of the downstream and petrochemicals industries. No doubt times are tough and measures have to be taken to keep costs low in order to weather the storm, but there is a promising future not too far away. There are signs that this is also the industry's opinion and as such we can look forward to a brighter future. Adieu till the next quarter!

HA

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