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KUALA LUMPUR: A temporary closure or restriction of the Strait of Hormuz could significantly disrupt global energy supplies, driving up crude oil and liquefied natural gas (LNG) prices while raising domestic energy costs, Economy Minister Akmal Nasrullah Mohd Nasir said.

He said escalating geopolitical tensions in the Middle East had injected fresh volatility into global oil and gas markets, with prices reacting sharply to potential supply disruptions.

Akmal said the geopolitical landscape carried significant implications not only for Malaysia's broader economy but also for the oil and gas services and equipment (OGSE) sector.

"We've seen oil prices spike as markets factor in possible supply shocks. This matters to Malaysia because LNG imports from Australia and other suppliers are linked to global oil prices.

"Any sudden increase will affect industrial energy costs, electricity generation and household fuel expenditure," he said at the OGSE100 CEO Forum 2026 here yesterday.

Brent crude climbed 8.3 per cent from around US\$72 per barrel on Feb 27 to about US\$78 per barrel on

March 2 and is trending towards the US\$80 to US\$100 range.

While higher prices could lift dividends from Petroliaam Nasional Bhd and boost government revenue, Akmal said the gains would likely be offset by rising costs of imported refined petroleum products.

He said the volatility created uncertainty over fuel costs, electricity tariffs and overall energy security.

He noted that a temporary disruption at the strait could tighten global supply, increase LNG and crude prices, and raise risk premiums on energy imports.

"Energy security is inseparable from economic resilience. It is about building a system capable of maintaining reliable, affordable and stable energy supplies even amid global volatility and high oil price scenarios," he said.

Against this backdrop, Akmal outlined three structural shifts that will define the new horizon for Malaysia's OGSE industry.

First, he said the energy transition must be approached as a growth agenda.

Under the National Energy Transition Roadmap, Malaysia is moving decisively toward a low-

carbon economy, where transition efforts create new investments, jobs and opportunities for innovation.

He said this approach was about upgrading existing strengths to meet new global demand.

Second, he said competition had expanded beyond national borders, with companies now measured against regional champions and global leaders rather than solely domestic peers.

With frameworks, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and initiatives like the Asean Power Grid, Malaysian firms operate in a more integrated and competitive environment, requiring them to continuously raise their standards.

Third, he pointed to a big export gap within the industry.

He described this as a signal of untapped potential.

Akmal said expanding internationally required OGSE firms to evolve from traditional service providers into technology driven, low carbon solution providers that are export-ready and innovation-led.

He said strategic partnerships were also vital.