

Mesiniaga eyes insurance, O&G

Company shifts focus to meet growing competition, changing markets

By ALFEAN HARDY

INFORMATION and communications technology (ICT) services provider Mesiniaga Bhd is eyeing the insurance and oil and gas services sectors as new revenue streams while it continues with its five-year transformation plan, its sales division director Zuraida Datuk Jamaluddin said.

The plans were put into place in 2005 to meet growing competition in the ICT sector and the need for the company to revitalise and refocus itself in a changing market place.

"While we are already providing IT services to the financial sector, we want to deliver our innovations to the insurance sector.

"This is one area where we are developing services and to expand what we already have. We want to continue to do what we do best but also move up the value chain and provide premium services," she told reporters after Mesiniaga's AGM in Subang Jaya, Selangor, yesterday.

"Oil and gas services is another sector that we want to expand into. We already provide IT services to the oil and gas companies but this time we want to expand into the local oil and gas services sector, where there are over a hundred companies," she added.

Zuraida said that Mesinia-

ga was already in talks with "a large number" of local insurance companies on providing its services and had joined the Malaysian Oil and Gas Services Council to better network with the oil and gas companies that were part of the council.

One thing that Mesiniaga would not do, she said, was to shy away from its traditional hardware business. "We want to provide total solutions and applications and sometimes these services will have a need for hardware. We want to grow this," she added.

Aside from services, Mesiniaga's office of strategic initiatives head Effendi Azmi Hashim said the Iskandar Development Region (IDR) was also a place where the company saw a lot of growth

potential. "We've done our assessment on Johor and there's going to be a lot of infrastructure work needed and such infrastructure work usually means more ICT business. We also want to look at working to promote our ICT services there. It's an area that we are looking at."

For its financial year ended Dec 31, 2006, the public sector contributed about 50% to group revenue. Services to the telecommunications and resources — which included the oil and gas sector — contributed 25% while the industrial and distribution, and financial institutions sectors contributed 15% and 10% respectively to group revenue.

Mesiniaga's newly appointed chairman and executive director Wan Mohamed Fusil

Wan Mahmood — he was previously the company's chief executive officer — said the company stood to benefit from the Ninth Malaysia Plan (9MP), both as a contract winner as well as on a sub-contract basis.

"At least 50% of our group revenue and bottom line will come from the 9MP and from government projects. We will also leverage on our three major offices in the Klang Valley, Penang and Johor as well as our nationwide network of 32 branches," he said.

To a question about expanding overseas, Wan Mohamed said: "Not for the time being. Yes, we are looking at plans and proposals but we do not plan to expand overseas at this point in time."