

**SUMATEC'S SURVIVAL STRATEGY
IN THE CONSTRUCTION SECTOR
OF OIL AND GAS INDUSTRY**

PHOON KIN WAH

**Bachelor of Mechanical Engineering
University of Technology Malaysia
Skudai
Malaysia
1993**

**Submitted to the Faculty of Business and Accountancy,
University of Malaya, in partial fulfillment
of the requirements for the Degree of
Master of Business Administration**

February 2001



ACKNOWLEDGEMENTS

My sincere gratitude to Professor Dr. Abdul Latif Salleh, whose approval, guidance and assistance encouraged me to undertake this research project and helped me throughout the time the study was in progress.

The helps of my fellow working colleagues in Sumatec Corporation Sdn. Bhd. are gratefully acknowledged. Special heartfelt thanks to Encik Wan Karmaruddin (Managing Director), Mr. James Chan Yok Peng (Executive Director), Mr. Go Poi Hong (General Manager - Project), Mr. Yap Choon Huat (Financial Controller) and Mr. Khoo Kok Khee (Procurement Manager) for providing me the necessary data and information. My work will not have been completed without these helps.

Special thanks to my beloved Beh Yen Sun, my parents, brother and sisters, for their continuous encouragement, understanding and strong supports during the course of the research was being done.

Among the many supportive friends who deserve special mention are Nick Wong W.C., Choo H.S. and Chee F.S.. Thanks for your valuable comments and suggestions.

This research paper is specially dedicated to my beloved Beh Yen Sun, my parents, brother and sisters.

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EXECUTIVE SUMMARY

The oil and gas industry worldwide is experiencing a rapid growth of demand in its petroleum products. In line with this, the growth in construction sector of oil and gas industry is relatively high too. It demands for high quality and safety standards of works and it offers premium price to its contractors. Due to the higher profitability as offered by the construction sector of oil and gas industry as compared to other general industries, many firms are striving to become one of its contractors.

In Malaysia, its demand for high quality and safety standards to be performed by the construction expertise is among the most stringent requirement in the world. Due to the internal and external environment forces, Sumatec Corporation Sdn. Bhd. has evolved from a small construction firm established in 1985 to become one of the biggest and fastest growth oil and gas contractors in Malaysia. It has successfully implemented the strategic actions planned to become a total integrated multi-disciplinary contractor within 16 years since its establishment.

In view of the rapid growth of demand anticipated for construction sector of oil and gas industry in future, it is considered timely and important to evaluate the survival strategy of Sumatec. The research findings would serve as the yardstick for Sumatec's achievement thus far and it also could be a good reference to others that are interested in joining the Malaysia's thriving construction sector of oil and gas industry.

My research findings suggest that Sumatec has been on its right track of business strategy in the construction sector of oil and gas industry. However, several weaknesses and potential threats found require that Sumatec to implement more strategic actions such as backward and forward integration activities, deverticalization of structure and ventures into international market in order to gain its sustainable competitive advantage in future.