



**A STUDY ON COST REDUCTION FOR OIL AND
GAS INDUSTRY OF MMHE SDN BHD**

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OCTOBER 2010

DECLARATION OF ORIGINAL WORK



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Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

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SUBMISSION OF PROJECT PAPER

October 2010

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Dear Sir,

SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “THE STUDY ON COST REDUCTION FOR OIL AND GAS INDUSTRY OF MMHE SDN BHD” to fulfill the requirement as needed by the Faculty of Business Management, Universiti Teknologi MARA.

Thank you.

Yours sincerely,

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ABSTRACT

This research is about cost reduction implied in the the oil & gas company known as Malaysia Marine and Heavy Engineering Sdn Bhd (MMHE SDN BHD) wholly owned subsidiary of MISC Berhad. Oil and gas industry is one of the most well establish with a rapid growth in the potential market in Malaysia, that can lead and contribute and income to the country. Therefore what is involve in each cost of the production and raw material is calculate accurately. No oil and gas company is currently safe from cost pressures. The financial and economic climate that faces nowadays, forces close scrutiny of the cost bases. However, many oil and gas companies still lack a systematic or structured approach to managing cost.

The quickest and surest way to improve profitability is to effectively reduce costs. Each expenditure removed from expenses reports to the bottom line profit. The most difficult approach is to increase sales. While the best corporate strategic and operating plans focus on both, one cannot deny the power of an effective cost reduction program. Cost Reduction are easy to install and can guarantee the results.