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Wasco navigates near-term pressures

► Company looks to capture long-term opportunities from shifts in energy market

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KUALA LUMPUR: With its operations in Qatar and Dubai disrupted by the Middle East conflict and supply chain challenges, Wasco Bhd is navigating near-term pressures while positioning itself to capture longer-term opportunities from shifts in the global energy market.

Managing director and group CEO Gian Carlo Maccagno (*pic*) said the group is focused on building a resilient business to navigate the oil and gas industry's cyclical nature.

"We have been in this business for about 35 to 40 years, our business is definitely cyclical. So, there will always be a time when it goes up and it comes down. But we have now built a resilient company that can basically do well during good time, but sustain during a difficult time," he told *SunBiz* in an interview recently.

The Middle East, a key operating region for Wasco, has emerged as a major source of uncertainty across industries.

"Middle East is now a potential problem for everyone. Every industry

in the world may or probably will be affected by this situation," he said.

For Wasco, the impact is already visible, with its operations in Qatar and Dubai effectively shut down and running with minimal staffing, weighing on short-term performance.

"The biggest problem right now is not operations, we can operate, but getting the supply of materials from outside the Middle East. Shipping routes are disrupted, and that will

be an issue if the situation does not improve soon."

However, Maccagno views the disruption through a longer-term lens with structural shifts in global energy supply that could benefit the group.

"If we look at the longer term, this disruption in the Middle East is going to create tremendous opportunity for both our traditional oil and gas business as well as our renewable energy business," he said.

Wasco, through its 61%-owned Wasco Greenergy unit, is positioned to tap into alternative energy opportunities beyond the region.

Drawing parallels with Europe's earlier pivot away from Russian gas, he said countries are rethinking reliance on concentrated supply sources, which is expected to drive investment into new geographies and renewable energy to strengthen supply security across Asia and Europe.

"While additional supply from the United States is emerging, it may not be sufficient to offset expected volumes from the Middle East over the next two to three years," he said.

Wasco is involved in pipeline coating, line pipe services, offshore gas developments and LNG-related infrastructure, including fabrication, modular systems and engineering works supporting global energy projects.

Maccagno said LNG will face short-term challenges due to the Middle East situation which will prompt additional investment as regions previously considered too far or too expensive are reconsidered.

"For example, Australia has large gas reserves that were not

economically viable before, but now they are being revisited. I think final investment decisions are going to be accelerated, not purely from an economic point of view, but because of the need for alternative sources of supply."

Wasco, which has a global footprint spanning Southeast Asia, the Middle East, Africa, Europe and Australia, said it will assess how the situation develops before deciding on expansion beyond the Middle East.

"Hopefully, the war ends soon. But it is not just about the end of the war. It is also about what kind of arrangements will be made in that region."

"From there, we will decide where and how to invest. But we are definitely in a very good position in the longer term, being in the energy industry and supplying infrastructure and services to it."

Maccagno said the problem with the service industry is that during good times companies tend to forget downturns and take on excessive leverage, which has driven many corporate failures.

"If you look at some of the failures we have seen, both in Malaysia and internationally, they are mostly driven by high levels of debt."

During good times, he said companies invest and increase their debt, and when a downturn hits, that is when they get into trouble.

"What we have worked on, especially in recent years, is building a resilient company that can perform well in good times and withstand difficult periods as well. That is what we are doing."

Competitiveness remains central, he said, with a focus on delivering on time, ensuring reliability and safety, while improving efficiency, adopting

technology and managing costs. Wasco's strong track record means clients rely on its ability to deliver projects safely and on time, enabling it to secure large-scale pipeline projects globally.

As at Dec 31, 2025, Wasco is executing a portfolio across Southeast Asia, the Middle East, Africa, Europe and Australia, covering offshore oil and gas infrastructure, modular fabrication, substations, pipeline services, power generation and energy storage systems.

Key works include offshore gas developments in Indonesia incorporating enhanced gas recovery (EGR) and carbon capture, utilisation and storage (CCUS); FPSO topside module engineering in the North Sea; substation EPCC and fabrication projects across the Middle East and Europe supporting industrial and green steel developments; and modular E-House EPCC for a cross-border crude oil pipeline in East Africa.

The group is also undertaking pipeline coating, line pipe services, fusion bonded epoxy (FBE) coating, thermal insulation, concrete weight coating and anode installation for LNG production and offshore developments in Qatar and Malaysia, as well as supplying pressure vessels, heat exchangers and process modules for global energy and industrial facilities.

In addition, Wasco is involved in EPCC works supporting power generation assets and balance-of-plant for a 10MWh battery energy storage system (BESS) in Australia.

The group said its order book stands at RM2.8 billion, with a RM12 billion tender book providing earnings visibility into FY26 and beyond.

