

PLEASE CHECK AGAINST DELIVERY



**MINISTRY OF NATURAL RESOURCES,
ENVIRONMENT AND CLIMATE CHANGE**

KEYNOTE ADDRESS

**NIK NAZMI NIK AHMAD
MINISTER OF NATURAL RESOURCES, ENVIRONMENT & CLIMATE
CHANGE (NRECC)**

**GAS MALAYSIA'S BUSINESS SUSTAINABILITY PLAN LAUNCH:
A GREENER HORIZON**

7th NOVEMBER 2023, 8.30 AM

BALLROOM 1 & 2, SETIA CITY CONVENTION CENTRE (SCCC)

Assalamualaikum Warahmatullahi Wabarakatuh.

[SALUTATIONS]

Deputy Chief Secretary-General from different ministries,

Senior government officials,

Yang Berbahagia Tan Sri Wan Zulkiflee

Chairman of Gas Malaysia,

Gas Malaysia Senior Management Team,

Members of the media,

Ladies and gentlemen.

1. What an esteemed privilege it is to gather here today for the launch of **Gas Malaysia's Business Sustainability Plan**. This momentous occasion stands as a testament to the joint endeavours of our government and the industry, all in pursuit of a future imbued with sustainability.

SUSTAINABLE DEVELOPMENT GOALS

2. In September 2015, Malaysia embraced the **2030 Agenda for Sustainable Development**, a global commitment forged at the **United Nations General Assembly**. This commitment charts a

course toward a more sustainable, resilient, and inclusive model of development.

3. Spanning five dimensions – People, Planet, Prosperity, Peace, and Partnership – the **Sustainable Development Goals (SDGs)** catalyse action in areas of paramount significance for both humanity and our planet.
4. Recognising that the comprehensive realisation of SDGs necessitates the mobilisation of various resources, encompassing human capital, capacity enhancement, infrastructure, and funding.

Natural Gas as the Transitional Fuel Towards a Low Carbon Energy System

Ladies and gentlemen,

5. Malaysia has been blessed with abundant natural gas reserves, making it a significant player in the global energy landscape. For decades, natural gas has been a reliable source of energy for our country, powering industries, generating electricity, and even fueling our homes. However, we find ourselves today at a critical juncture in the global energy landscape, where we face mounting challenges related to climate change and the need for sustainable energy sources.
6. As countries around the world embark on respective energy transition pathways, natural gas is poised to remain as a vital transitional fuel, holding a crucial role in supporting this global pursuit. Natural gas, which emits between **45%** and **55%** lower greenhouse gas emissions than coal when used to generate electricity, is cleaner and less carbon-intensive than coal or oil, making it a valuable tool for reducing our carbon footprint and mitigating climate change.

7. In Malaysia, our quest to decarbonise and transition our energy sector provides for natural gas as a transitional bridge from our existing energy infrastructure, to one in the future which is powered by renewables and low-carbon technologies. The government believes that the transitional pathway that we embarked on must leave no Malaysians behind, and make any members of the society worse off. Therefore natural gas which can provide a firm and reliable supply, with substantially lower greenhouse gas emissions will continue assuming its role in ensuring both our energy security and affordability.

ENERGY TRANSITION AS MALAYSIA'S DEDICATION TOWARDS SUSTAINABLE DEVELOPMENT

8. Furthermore, building upon Malaysia's unwavering dedication to sustainable development, our government has also embarked on a resolute journey towards a greener and more sustainable future. This is encapsulated within the various green and sustainable development-related frameworks that were launched by the Government, such as the **National Energy Transition Roadmap (NETR)**, the **ESG Framework** and the **Hydrogen Economy Transition Roadmap**.
9. These various subject-specific roadmaps and frameworks serve as the guiding beacons, outlining the measures and strategies that Malaysia steadfastly commits to undertake in its pursuit of achieving an economic-wide net-zero emissions climate aspiration earliest by **2050**. This reflects our nation's unequivocal resolve to combat the urgent issue of climate change and wield a positive global influence.
10. Yet, we are acutely aware that setting targets is merely the initial step; the true litmus test lies in our capacity to translate these commitments into tangible actions.

11. With unwavering determination, the Government has, through the tabling of Budget 2024, identified a set of key actions to be implemented in the coming year.
12. Upon the bill's enactment, the Government shall allocate **RM2 billion** to bolster the implementation of various energy transition initiatives, in addition to securing financing funds totalling **RM200 billion** from financial institutions to stimulate the transition to a low-carbon economy, primarily through the integration of renewable energy.

RENEWABLE ENERGY AS AN OPPORTUNITY FOR GROWTH AND INNOVATION

Ladies and gentlemen,

13. The transition away from fossil fuels is not just a response to global pressures; it represents an opportunity for growth and innovation.
14. Hence, addressing grid limitations to accommodate greater variable renewable energy (RE) integration and developing an appropriate regulatory framework to rectify supply-demand imbalances for clean power such as through the **Corporate Green Power Programme** which is a form of Third Party access is essential. Effectively tackling these multiple challenges is pivotal to fostering the broader adoption of RE.
15. We remain committed to exploring suitable implementation methods to attract investment in renewable energy capacity. The shift towards renewable energy sources unlocks myriad economic prospects. It not only aligns with our sustainability aspirations but also fosters economic diversification and job creation.

16. Successful execution of the **National Energy Transition Roadmap (NETR)** is forecasted to elevate GDP value from RM25 billion in 2023 to RM220 billion by 2050, generating employment opportunities for 310,000 individuals. This transition positions Malaysia as a nucleus for clean and green technologies, signifying not a burden, but a pathway to a more robust and prosperous future.
17. In a broader context, the energy sector has historically contributed approximately **28%** of GDP and employed **25%** of our nation's workforce. Moreover, it stands as a fundamental source of national income, with petroleum-related products contributing **31%** of fiscal revenue and energy exports representing **13%** of total export value.
18. Anticipated economic and population growth, coupled with rapid urbanisation, will fuel an escalation in energy demand, projected to rise by **2%** annually until 2050.

COLLABORATIVE EFFORTS WITH GAS MALAYSIA

Ladies and gentlemen,

19. It brings me immense delight to acknowledge that Gas Malaysia has embarked on the journey to align its business strategy and sustainability initiatives with our national agenda and commitment to a sustainable future.
20. The government ardently encourages continuous engagement from the industrial sector in bolstering our pursuit of a sustainable economy. Gas Malaysia's strategic intent to forge a substantial presence in the renewable energy sector via Bio-Methane stands as a noteworthy illustration of the synergy between the public and private sectors that merits further cultivation. I am both optimistic and enthusiastic about the potential inherent in this collaboration, and I eagerly anticipate continued progress.

21. Together, we have the power to craft a greener, more sustainable Malaysia and, in doing so, set a shining example for our industry peers.
22. In conclusion, this gathering signifies a pivotal milestone in the trajectory of the Malaysian industry, as we make steadfast progress towards a more sustainable future for our beloved nation.
23. Thank you, and let us move forward in unity and unwavering resolve toward a better Malaysia.