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Carbon capture tech could attract over US\$10 bil capex into Malaysia by 2030, TA Securities estimates

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KUALA LUMPUR (Dec 31): Carbon capture technologies could draw over US\$10 billion (RM44.58 billion) capital expenditure, or capex, into Malaysia by 2030, catalysing the industry supported by strong policy measures, said TA Securities.

The growth will span various sectors, particularly with the backing of blended financing and public-private partnerships, the research house said in a note. If successful, the investments will accelerate Malaysia's transition to a low-carbon economy and bolster climate resilience, it noted.

The technologies, including storage and utilisation, "are no longer optional for Malaysia's oil and gas sector," TA Securities continued, "they are essential for achieving sustainability and maintaining competitiveness in a rapidly evolving energy landscape."

Carbon capture and storage involves capturing carbon dioxide emissions directly at the source and storing it deep underground. The process could be extended with utilisation of the captured carbon dioxide for industrial applications, such as enhanced oil recovery or as raw material for manufacturing.

Further, partnerships such as those forged by national oil-and-gas company Petronas will boost Malaysia's position in the technology in Southeast Asia, TA Securities said. "Such projects not only mitigate emissions but also establish Malaysia as a hub for carbon management expertise," it said.

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In June 2023, Petronas signed an agreement with Japan's Mitsui & Co and French energy company TotalEnergies to start joint development of a carbon capture storage site. The trio of companies are racing to introduce the first integrated carbon capture and storage for industries in Asia Pacific.

Commitments under the New Industrial Master Plan and National Energy Transition Roadmap, meanwhile, underscore the state support for the technologies, TA Securities said. "By integrating these technologies into national planning, Malaysia creates a conducive environment for investment, innovation, and collaboration," it said.

For strategy, the key beneficiaries from carbon capture initiatives include MISC Bhd (KL:MISC), Pantech Group Holdings Bhd (KL:PANTECH) and Wasco Bhd (KL:WASCO), TA Securities highlighted.

MISC is at the forefront of developing advanced liquefied carbon dioxide shipping carriers that play a critical role in the carbon capture value chain, ensuring efficient and reliable transport of captured carbon, the research house said.

Wasco would benefit from carbon capture projects due to its expertise in pipe coating essential for ensuring the durability and efficiency of pipelines used in carbon dioxide transportation, while Pantech is present in the supply chain for steel pipes, fittings, and related materials, TA Securities added.



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