

Headline	'Financing still an issue for new energy'		
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'Financing still an issue for new energy'

PUTRAJAYA: Financing is still an issue for firms intending to venture into new energy, thus creating a stumbling block for green transition efforts.

Petroleum Nasional Bhd (Petronas) president and group chief executive officer Tan Sri Tengku Muhammad Taufik Tengku Aziz said there were many quarters who still believed that renewable energy could not be as profitable as non-renewable resources.

He said there was an opinion that the technology surrounding renewable energy was not as reliable, and that "there is intermittency and no constant buy" from many sectors when it came to financing renewable energy initiatives.

However, Tengku Muhammad Taufik said more had to be done to ensure the adoption of green technology across all sectors.

Petronas, he said, has been given a very large allocation to go big on sustainable energy.

"This might sound weird coming from Petronas; some of you

might ask, doesn't Petronas have the funds (to fund renewable energy initiatives)?

"The figure (to invest in renewable energy) is not small.

"RM1.2 to 1.3 trillion is a huge financial burden," he said at a discussion titled "Creating Opportunities for Bumiputera in Energy Transition" at the Bumiputera Economic Congress (KEB 2024) yesterday.

To address the problem of financing for renewable energy businesses, he said a new contract structure was needed so that all efforts in these endeavours could be made bankable and for financial institutions to shoulder this responsibility.

He said such concerted efforts were vital in ensuring Malaysia's preparedness in facing the huge



Tan Sri Tengku Muhammad Taufik Tengku Aziz

challenges to come.

All sectors needed to adapt to these changes by boosting capacity building through the related undergraduate programmes and skills training, he added.

On Nov 14 last year, Economy Minister Rafizi Ramli said the government was planning to collaborate with the financial sector to create an energy

transition financing mechanism for companies to participate in green projects.

This is to complement the National Energy Transition Roadmap initiatives.

He had said there was a need to create an overall ecosystem where the industry could contribute towards realising green projects, not necessarily only related to solar or hydrogen projects.