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Malaysia needs additional 9GW of gas-fired power capacity by 2030

Minister cites rising demand from data centres and advanced manufacturing, coupled with declining production from mature fields

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KUALA LUMPUR: Malaysia is expected to require an additional 9 gigawatts (GW) of gas-fired power generation capacity by 2030 to meet rising electricity demand, particularly from data centres and advanced manufacturing, as the country faces declining output from its mature domestic gas fields.

Economy Minister Akmal Nasrullah Mohd Nasir said natural gas remained a critical component of Malaysia's energy mix and industrial competitiveness, accounting for about 42% of the country's total primary energy supply, according to the National Energy Balance 2034.

He said the projected additional capacity would be subject to reviews and planning by the Energy Transition and Water Transformation Ministry and the Energy Commission.

"Natural gas remains very important to Malaysia's energy system and industrial competitiveness. To meet rising electricity demand, particularly from data centres and advanced manufacturing, we anticipate the need for approximately 9GW of additional gas-fired generation capacity by 2030," he told delegates at the Clean Energy Transition Asia 2026 (CETA 2026) here yesterday.

Akmal Nasrullah delivered his keynote address, titled "Energy as Economic Strategy: Malaysia's Investment Mandate for the Transition Decade".

He said as production from mature domestic gas fields declined, Malaysia would likely have to rely more heavily on liquefied natural gas imports to meet its growing requirements.

Akmal Nasrullah said the government's approach was not to position natural gas as an alternative to the energy transition, but to manage its role responsibly while gradually shifting to a more diversified, lower-carbon energy system.

Adding on, he said Malaysia's renewable energy installed capacity reached 14,000 megawatts (MW), or about 32% of total installed capacity, as of August 2026, putting the country on track to achieve its longer-term target of a 70% renewable energy mix by 2050.

Akmal Nasrullah said the target, outlined under the National Energy Transition Roadmap (NETR), would need to be supported by stronger domestic supply chains and the capabilities required to sustain the energy transition.

"While renewable energy generation assets were the most visible part of the transition, the broader economic opportunities lay in developing the supporting infrastructure, systems and skilled workforce.

"From an economic perspective, there are four interconnected areas that we need to focus on," he said, identifying the electricity grid as one of the key priorities.

On grid development, Akmal Nasrullah said about RM42.8 billion in capital expenditure had been allocated under the fourth phase of the Regulatory Period Framework for 2025 to 2027.

Moving on, he said Malaysia needed to leverage its existing oil and gas capabilities to support emerging energy industries.

According to data from the Department of Statistics Malaysia, the oil and gas services and equipment (OGSE) sector comprised about 2,894 establishments in 2023, generating RM79.2 billion in gross output and RM39.4 billion in value added.



Akmal Nasrullah (front, left) visiting an exhibition booth at Clean Energy Transition Asia 2026.

The sector employed about 123,000 people, including 109,000 skilled and semi-skilled workers, representing a substantial pool of engineering expertise, fabrication capacity and project delivery experience.

"These capabilities can be adapted to support new areas such as floating solar and carbon capture, utilisation and storage," Akmal Nasrullah said.

Building on this existing industrial base would allow Malaysia to extend its oil and gas expertise into emerging areas of the energy transition, he added.

The minister said the government saw an opportunity to help OGSE companies expand into emerging energy markets, creating new revenue streams as the energy landscape evolves.

Mobilising capital and strengthening public-private partnerships would be critical to delivering Malaysia's energy transition ambitions. he said.

Under the NETR, Malaysia has identified investment opportunities estimated at between RM1.2 trillion and RM1.3 trillion by 2050.

"Public financing alone cannot deliver this. The government must provide clear direction, a predictable regulatory environment and coordinated infrastructure planning, while the private sector contributes capital, expertise and innovation," Akmal Nasrullah said.

"Ultimately, confidence is earned through delivery."

Akmal Nasrullah said investor confidence would depend on timely decisions, transparent regulations, realistic project timelines and accountability in delivering promised outcomes.

He called on investors, developers, financiers and utilities to bring forward credible projects backed by sound governance and a long-term commitment to the communities in which they operate.

"To developers and utilities, we ask that you build with Malaysian suppliers and talent. To our international partners, we invite you to help position Malaysia as a trusted source of energy solutions, industrial capabilities and services for the wider Asean market," he said.

Looking ahead, Akmal Nasrullah said Malaysia needed to move beyond its traditional role as an energy producer and infrastructure developer by building the technologies, services and business models needed to support the energy transition.

He expressed hope that the two-day discussions at CETA 2026 would translate into meaningful outcomes, strengthen Malaysia's energy industry and deliver greater economic returns to the country.

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