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KUALA LUMPUR (Feb 13): The Ministry of Economy will launch the Natural Gas Roadmap in the second or third quarter of this year to ramp up investments into the sector, said its minister Datuk Seri Rafizi Ramli on Thursday.

He said the government intends to build on natural gas' RM52 billion contribution to economic growth through the roadmap.

"We want to communicate the government's position on key regulatory issues, demonstrate how these barriers will be addressed, and outline the opportunities in building a robust gas infrastructure that will secure Malaysia's long-term supply," he said in his keynote address at the Malaysian Gas Symposium (MyGAS 2025) here on Thursday.

Rafizi said the roadmap would also focus on access to financing and gas infrastructure.

"By expanding our regasification terminals and pipelines, we want to increase the number of technical jobs and sustain the industry's socioeconomic impact," he added.

According to Rafizi, a clear direction accompanied by strong policy support from the government will boost confidence in the banking and financial sectors that the gas sector will become the backbone of the country's economy.

Rafizi stressed that the push is important when considering the geopolitics of energy and pointed out that the global gas market is more fragmented than crude oil.

"The National Gas Roadmap is an important element from an energy perspective to ensure the country's economy remains competitive in the future in the event of a future gas shortage.

"There are several aspects that need to be strengthened, and these involve the gas market mechanism and infrastructure investment," he said.

He said the government needs to make and refine these decisions so that they can be implemented immediately after the directions are approved and presented.

Gas as destination fuel

Rafizi noted that Malaysia must contend with the broader trends, including growing power needs fuelled by a cleaner alternative, and also to fill the gaps arising from the intermittent nature of renewables.

The country's energy mix projections indicated that natural gas would grow to 56% by 2050 — that is more than tri-

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ple Malaysia's renewables contribution, he added.

"Whilst some say natural gas is just a transitional fuel, the data shows otherwise.

"For much of Malaysia and the developing world, natural gas is, in fact, perhaps, a destination fuel," he added.

Rafizi stated that the government is committed to developing the natural gas industry as a transitional fuel.

He stressed that Malaysia could not delay building its renewable capacity while also being unable to take a haphazard view of gas, as gas infrastructure and market development would require a long-term perspective.

"However, the problem statement lies in reaching this destination as the harsh

reality was that Malaysia has rapidly declining natural gas reserves," he said.

Rafizi said the trend was more acute in Peninsular Malaysia and Sabah, where the compounded annual growth rate has been negative 7.0% and negative 4.0%, and in comparison, Sarawak — which accounts for 59% of total gas reserves — has a high and stable supply.

"This mismatch in demand and supply poses a threat to our gas security.

"With many of Peninsular Malaysia's gas fields reaching maturity and with limited room for new discoveries, we have to shift our strategy (to) one that secures our supply through diversifying our source of natural gas," Rafizi said.

Inevitably, this means preparing Peninsular Malaysia and Sabah to increase liquefied natural gas (LNG) imports.

"Whilst we all know Malaysia is the fifth largest exporter of LNG today, less known is that we have to embrace a future when Malaysia is a net importer within the next 10 years to 20 years.

"This is a function of our demand growing at a faster pace than our domestic supply can cater for, (and) given this context, it makes enhanced gas liberalisation not a mere policy choice, but a policy necessity," he added.

Rafizi noted that if the government were to liberalise gradually, it would have to review regulations, such as price control in the domestic gas market.

He added that the price differential for imported LNG makes participating in the gas-to-power market unattractive, and the government would also have to stress-test the infrastructure to determine whether the country has sufficient capacity for third-party entry.

MyGAS 2025, a one-day symposium organised by the Malaysian Gas Association and themed "Fuelling a Sustainable Gas Industry's Transition", explores issues and critical challenges facing the gas industry.

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