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Global integration under strain amid geopolitical tensions

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PM Anwar (centre) officiates the Energy Asia 2025 at the Kuala Lumpur Convention Center (KLCC) on Monday. — Bernama photo

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KUALA LUMPUR: Global interconnectedness is under strain due to rising uncertainties, eroding the predictability, reliability and stability of existing global trade and economic systems, said Prime Minister Datuk Seri Anwar Ibrahim.

Speaking at the Energy Asia 2025 yesterday, he said geopolitical tensions, retaliatory tariffs and disrupted supply chains have shaken the foundations of these systems, with the fragility most evident in the energy and climate sectors.

"Rather than fostering collaboration, we are witnessing polarising policy shifts driven by strategic competition, even as energy security remains out of reach for many," he said in his keynote address at the Energy Asia 2025 opening ceremony yesterday.

Elaborating on the equitable energy transition for Asia, he said the region must determine and articulate a clear and coherent financial architecture that inspires investor confidence and mobilises greater capital flows into renewable energy projects.

"This is critical, given that in 2023, Southeast Asia attracted only two per cent of global clean energy spending, a stark contrast for a region endowed with immense potential in renewable energy," he added.

Zooming in on Malaysia, Anwar said that Malaysia is working to address the gap in the renewable

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Datuk Seri Anwar Ibrahim

sector through policies such as the Corporate Renewable Energy Supply Scheme (CRESS), which allows companies to procure clean energy via the national grid under a third-party access model.

"Efforts are also underway to incentivise green investment through mechanisms such as the Green Technology Financing Scheme, he added.

Touching on the critical pillar that advancing energy transition lies in upgrading electricity grids, Anwar affirmed that Asean has taken a significant step by accelerating the Asean Power Grid (APG) initiative through an enhanced memorandum of agreement and the establishment of a dedicated APG financing facility network.

"This will enhance cross-border funding flows and bring us closer to a truly integrated regional energy market," he said.

Anwar also stressed that improving efficiency and reducing emissions in existing energy systems must remain a key focus, despite the challenges posed by the continued dominance of fossil fuels, which

still account for nearly 80 per cent of global energy supply.

He said the global energy transition must be rooted in equity, cautioning that decarbonisation strategies that ignore the needs of the poor and vulnerable could risk deepening inequality.

"Ensuring universal access to affordable, reliable energy is not just a moral imperative; it is foundational to a just energy transition.

"Energy security, therefore, must go beyond supply stability to include social justice and inclusive access," he said.

Anwar highlighted that this approach is particularly critical for Asia, where energy security remains a prerequisite for progress.

"As the region prepares for its economic renaissance, the path to net zero must recognise that renewable energy can be complemented by emissions-abated oil and gas.

"This balanced approach ensures affordable access to energy, which is essential for raising living standards," he said.

— Bernama