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Govt committed to net zero emissions by 2050, regional integration key, says Amir Hamzah

KUALA LUMPUR

MALAYSIA will continue its transition to renewable energy (RE) while maintaining stable power supply, said Finance Minister II Datuk Seri Amir Hamzah Azizan.

Speaking at the IMF Spring Meetings session themed "The Future of Economic Integration in a Fragmenting World" in Washington, DC, yesterday, Amir Hamzah said Malaysia is fortunate to have domestic energy resources, particularly natural gas.

"From a gas point of view, we are self-reliant. So, in relation to electricity generation, we can en-

sure stability of supply.

"But from a liquid (fuel) point of view, we do depend on importation and how we manage through (it)," he said.

The IMF Spring Meetings session was broadcast live on the International Monetary Fund (IMF) website yesterday.

Amir Hamzah said a key lesson for Malaysia as a developing economy is sending the right market signals, particularly through subsidy reforms.

Historically, Malaysia had heavily used subsidies to keep costs of living low for the people.

He said this approach was very expensive and caused fiscal deficits to balloon, putting a strain on government finances.

"What we need to do now is to reform. We have to reform the structure to make the balance fair.

"So, key groups that need to be supported, we support.

"In terms of assistance to low-income people, the key is inflation, leading to things that we can provide assistance on."



Finance Minister II Datuk Seri Amir Hamzah Azizan (right), with Turkiye Finance Minister Mehmet Simsek (left) and International Monetary Fund first deputy managing director Dan Katz, participating in a session at the IMF Spring Meetings in Washington, DC, yesterday. REUTERS PIC

Amir Hamzah said such discipline has enabled the market to stabilise based on supply and demand.

Moving forward, Malaysia was committed to "Net Zero by 2050" and would accelerate the transition towards RE, he said.

He said regional cooperation through the Asian Power Grid played a crucial role in the transition.

"One of the key projects that we are pushing along the way is the Asian Power Grid. If we can have that redistribution in a better form, everybody will be induced to make sure the system is stable.

"The regional integrated power grids reduce redundancies in the system. At the same time, you also bind the regions to be more co-dependent with each other," he said.

Amir Hamzah added that rising geopolitical uncertainty was pushing countries to move away from efficiency-driven economic

models towards self resilience, which was reshaping global trade and investment strategies.

Amir Hamzah said for decades, global economic expansion had been underpinned by geopolitical stability, enabling businesses to optimise operations and maximise efficiency.

However, he noted, as geopolitical conditions grew increasingly unpredictable and businesses competed to reposition themselves, that approach was no longer sufficient.

"Once the game starts to manoeuvre, more and people compete with nations to position themselves differently, that efficiency to the n-th degree is no longer on the table.

"I think we have moved from a just-in-time era to a just-in-case mechanism.

"So, the roles of countries are actually making sure that you map within your own area."

He said governments were now

focusing on strengthening their core capabilities and domestic capacity to ensure greater resilience against external shocks.

Amir Hamzah said the Covid-19 pandemic also exposed significant vulnerabilities in global supply chains, particularly in critical areas, such as vaccines, medical equipment and healthcare support.

At the same time, he said, countries were expanding their external engagements by building new partnerships and opening additional trade channels to avoid over-dependence on a single source, allowing economies to remain adaptable when disruptions occur.

Despite the shift towards more bilateral arrangements, Amir Hamzah said, the fundamentals supporting economic growth, including clarity, stability and established rules of engagement, must continue to be anchored on international relations. **Bernama**