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Green economy push

The Star, Malaysia



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Corporate Malaysia can play a key role in bolstering growth

ECONOMY

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PETALING JAYA: As corporate Malaysia jumps on to the green economy bandwagon to bolster its economy going forward, there are areas that need to be fine-tuned to boost growth and minimise “greenwashing”.

To minimise “greenwashing” and fuel sustainability practices, experts are urging, among others, to further forge close cooperation between the government and the private sector to ensure only clear and consistent policies are implemented.

Greater awareness on the importance of sustainability should also be embedded through education and upskilling the workforce, and providing incentives for the adoption of green technologies and practices, they said.

The green economy, at the same time, they said would create new jobs and attract

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Wai-Shin Chan

new investments, a boon to the country's growing economy.

According to HSBC global head of environmental, social and governance research and head of the climate change centre of excellence Wai-Shin Chan, there is a lot of policy under discussion in Malaysia on the green economy.

However, it is the implementation of this policy that would drive low carbon and sustainable development, he said.

Wai told *StarBiz* that “more awareness of

sustainability in the country through education, in tandem with upskilling the workforce, would be a boon to overall economic growth, in our view.

“Although Malaysia is quite advanced in its green thinking relative to other Asean members, cooperation and integration with members would also be beneficial as the region moves towards a low-carbon future together.

“The green economy, broadly considered as the goods and services that can help a

country transition towards a lower carbon and sustainable economy, is making a good impact in Malaysia, but there is still more work to do.

“The country has been visibly working towards changing all parts of the economy to be more sustainable, and this positions it well to take advantage of the growing global and regional green economy.”

As the global green supply chain grows, Chan said Malaysia's strong record of higher-tech manufacturing, and the increasing use of lower carbon sources of energy in the electricity mix, should lend itself well to take advantage of future demand for greener goods as more products can be made lower carbon, including goods right across the value chain from finished goods to raw materials.

OCBC Bank (M) Bhd managing director and head of wholesale banking Jeffrey Teoh Nee Teik, meanwhile, said there is room for Malaysia to expand its green economy further.

In terms of policy support and initiatives,

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Supportive government initiatives contribute to country's prosperity

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he said the government is headed in the right direction and can be expected to continue its good work of providing policy support and incentives to encourage the adoption of green technologies and practices.

This includes tax incentives, grants and subsidies for businesses and individuals investing in renewable energy, energy efficiency and sustainable practices.

Clear and consistent policies can provide a stable and conducive environment for the growth of the green economy, he stressed.

"Access to sustainable financing is vital for the growth of the green economy. Malaysia can establish dedicated funds and financial mechanisms to support green projects and businesses.

"Bank Negara has been instrumental in encouraging financial institutions to prioritise green investments and providing incentives and guidelines for sustainable financing.

"The green economy presents a unique opportunity for countries to address environmental challenges while promoting economic growth and social well-being," Teoh noted.

He said the green economy is steadily gaining traction in the country, adding that supportive government policies such as the Green Technology Master Plan and national strategies like the National Energy Transition Roadmap (NETR) and New Industrial Master Plan 2030 spurring wider-scale development of renewable energy (RE) have contributed to this growth.

Along with this, Teoh said consumer demand and growing awareness among Malaysians on environmental issues and sustainable practices are paving the way for more eco-friendly products and services.

"We are confident that early adopters of green practices will thrive further in a green economy," he said.

However, veteran economist Prof Geoffrey Williams said Malaysia is benefiting from the green economy but not in the

way it is often presented.

"The push for electric vehicles and solar panels, for example, makes very little difference in Malaysia but the demand overseas benefits Malaysia because of the rare earth resources here used in these technologies, for batteries for example. Malaysia benefits from the natural resources it has which can be extracted and sold generating huge potential income," he said.

He said the NETR would raise the production of green energy but this exceeds the energy requirements of Malaysia, so this excess would be sold in other markets such as Singapore. So again, Malaysia makes money from the green demand overseas.

Williams said the extra money generated from green technology sales in rare earth metals and RE offers a similar money source as oil and gas and palm oil. This can be used for investment and development to boost economic growth, he noted.

Furthermore, Williams said the adoption of green economy products and services is largely irrelevant to Malaysia, especially to

low-income groups. This is why adoption rates are low, he said, adding that conventional products, services and technologies are better, cheaper and economically more viable.

He felt that the economic case for green technologies, products and services has not been made which is why adoption rates are low everywhere. Malaysia is not so different in this respect, he said.

Concurring with Teoh, UCSI University Malaysia associate professor of finance Liew Chee Yoong said to enhance the effectiveness of the green economy, Malaysia can increase the demand for green products or services and ensure more robust governmental policies and incentives to support green businesses, he said.

"The progress towards the green economy in Malaysia is a promising step towards achieving greater economic sustainability.

"Continuous support and commitment from both the government and the private sector are crucial to maintain momentum and achieve long-term environmental and economic benefits," he said