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## Solar sector still shining

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### Projects and new demand offset impact of Chinese firm exits

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**KUALA LUMPUR:** The exit of Chinese solar module makers from Malaysia has triggered significant job losses with more than 5,000 positions estimated to be affected.

However, industry players say the local engineering, procurement and construction operators are seeing minimal immediate impact with operations continuing smoothly.

Malaysian Photovoltaic Sustainable Energy Association (MPSEA) secretary Lionel Yap said despite the disruption, projects under self-consumption, Net Energy Metering (NEM) and Large Scale Solar schemes are still progressing as planned.

"The added influx of hyperscale data centres – each with growing demands for clean renewable energy to meet ESG (Environmental, Social and Governance) commitments – has also been a key driver in sustaining demand," he said when contacted.

Yap also noted that most of the solar supply chain in Malaysia continues to rely heavily on China with little to no dependence on the United States, providing some immediate stability.

Despite these assurances, Yap



**Looking ahead:** (From left) Yap and Loo emphasise the importance of government-backed programmes to sustain the solar industry.

cautioned that the departure of major manufacturers remains a "near-term disruption" for the sector.

"Nevertheless, Malaysia is well-positioned to absorb the displaced workforce into the country's expanding semiconductor sector," he said.

Separately, an industry player, Edmund Loo, said with the NEM3.0 scheme scheduled to conclude by June 30, the government should consider the continuation of NEM Rakyat, NEM GoMen (Government Ministries and Entities) and the Net Offset Virtual Aggregation (Nova) programmes, specifically for solar PV capacities below 72kWp.

"The residential solar photovoltaic (PV) market is likely to experi-



ence a significant decline in adoption if NEM Rakyat is discontinued.

"Without this mechanism, the financial viability of PV systems for homeowners is severely reduced unless a substantial incentive is introduced to support battery energy storage which remains prohibitively expensive for most households," he said.

Loo, who is a former association elected committee member, suggests that the NEM GoMen programme be extended to include not-for-profit organisations.

He said solar adoption in schools not only helps reduce electricity bills but also serves as a real-world educational tool to promote renewable energy

awareness among students.

"However, without an NEM mechanism, schools – given their long holiday periods and fluctuating consumption – will find PV systems economically unfeasible due to limited self-consumption.

"We also proposed that the Nova programme be revised to cater specifically to installations up to 72kWp.

"Many SMEs operate only five days a week, resulting in underutilised solar generation during weekends.

"In the absence of affordable battery storage, the ability to export excess energy becomes essential to justify the investment," Loo.

He also said as a rapidly growing industry that contributes to national sustainability goals, the successor framework to NEM3.0 should be made known as early as possible, ideally with a minimum of six months' lead time.

"This mirrors the approach taken for other major policy roll-outs such as the e-invoicing and SST implementation schedules to allow businesses and consumers to plan investments and resources accordingly.

"We remain committed to supporting the government's vision for a greener Malaysia to ensure the sustained growth of the solar PV industry," he said.