



30 MAY, 2026

RAM Ratings keeps positive outlook on power sector

New Straits Times, Malaysia



RENEWABLE INVESTMENTS GAIN TRACTION

RAM Ratings keeps positive outlook on power sector

KUALA LUMPUR: RAM Rating Services Bhd (RAM Rating) maintained a positive outlook on the power sector, citing growing momentum in Malaysia's energy transition agenda and increasing investment in renewable energy infrastructure.

The agency said the country's progress towards its net-zero ambitions was gaining traction, backed by national- and state-level energy transition frameworks such as the National Energy Transition Roadmap.

As of end-December 2025, renewable energy accounted for 12 gigawatts (GW) or 31 per cent of Malaysia's total installed power generation capacity, placing the country on track towards its interim targets of 40 per cent by 2035 and 70 per cent by 2050.

RAM Ratings senior vice-president of infrastructure and utilities ratings Chong Van Nee said continued progress would depend on policy consistency, effective execution and access to long-term financing.

The renewable energy sector is being driven mainly by utility-scale solar photovoltaic developments and the gradual rollout of grid-scale battery energy storage systems aimed at improving grid stability and managing intermittency.

Concurrently, new gas-fired plants are expected to provide stable generation capacity as coal-fired plants are

phased out gradually.

RAM Ratings said feasibility studies involving emerging low-carbon technologies, including nuclear energy, could further diversify Malaysia's future energy mix.

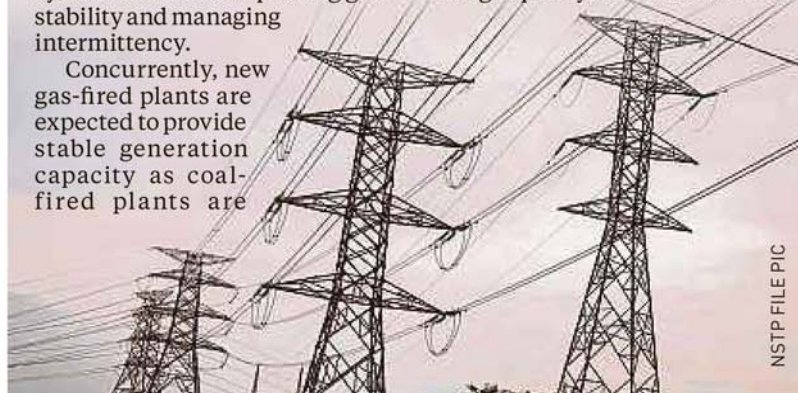
Against this backdrop, about 20GW of new power generation capacity is expected to be commissioned nationwide by 2030.

The rating agency highlighted the growing roles of Malaysia's debt capital market in financing the sector's expansion and grid modernisation efforts.

In 2025, the power sector raised RM9.2 billion through green, social, sustainability and sustainability-linked bonds and sukuk, bringing total outstanding issuances to RM20.9 billion as at end-December 2025.

Chong said the bond market was well-positioned to support the long-term financing needs of renewable energy and infrastructure projects due to its depth and established yield curves.

RAM Ratings said its rater power portfolio had remained broadly stable, with 87 per cent of outstanding ratings as at early May 2026 carrying ratings of "AA3" or higher, indicating strong debt-servicing capacity across the sector.



NSTP FILE PIC