

KERATAN AKHBAR

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by S BIRRUNTHA

THE government hopes to announce the details of its 2050 net-zero emissions target this year.

Minister in the Prime Minister's Department (Economy) Datuk Seri Mustapa Mohamed said the government is still in the process of developing the framework which includes exploring the introduction of a voluntary carbon market, carbon pricing mechanisms such as carbon tax, and the expansion of green technology tax incentives.

According to him, the Environment and Water Ministry (Kasa) is in discussions with Bursa Malaysia Bhd on matters related to carbon trading.

"It is hoped that more details on this can be announced this year which can give us a clearer picture," he said while addressing the MIDF Green Conference themed "Beyond the Blah Blah Blah" virtually yesterday.

Mustapa noted that the government had set a target of 30% renewable energy installed capacity for the power sector by 2025.



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He also said the government is committed to fulfilling its promise during the 1992 Rio Earth Summit to keep 50% of the nation's land area under forest cover.

At the same time, the government also envisages Malaysia to be the regional sustainable and responsible investment (SRI) hub,

as it expects to reap the benefits of increasing demand for SRI products.

Commenting further, Mustapa emphasised that Malaysia is aware of the challenges that lie ahead in terms of its transition towards a lower-carbon footprint.

He added that the world is

changing and over the past few years, the global economy has been going through a major shift towards a low carbon landscape.

"A number of developed nations are transitioning towards greener sources of energy at a fairly rapid pace while many developing nations still rely on carbon heavy industries.

"To embrace the benefits of a low carbon path, developing nations such as Malaysia must accelerate its transition to a greener future," he said.

The minister added that the government had implemented the Renewable Energy Act a decade ago as an initiative to encourage the development of the renewable energy sector.

In December 2021, Bank Negara Malaysia released the Exposure Draft on Climate Risk Management and Scenario Analysis, which sets out expectations to enhance financial sector resilience against climate-related risks.

The Securities Commission Malaysia has also released a consultation paper on SRI taxonomy for the local capital market to identify economic activities that are aligned with environmental, social and corporate governance (ESG) objectives.

"There have been some positive

developments in terms of our ESG compliance as companies have started to realise its importance.

"This can be seen from the rise in the number of companies listed in the FTSE4Good Bursa Malaysia Index, which only includes companies that meet certain ESG criteria.

"The number had increased from just 24 companies at its inception in 2014 to 80 companies as of December 2021," Mustapa said.

In 2021, global investments in ESG/sustainable mutual funds and exchange traded funds rose by 53% to US\$2.7 trillion (RM11.31 trillion).

Previously, Prime Minister Datuk Seri Ismail Sabri Yaakob had noted that Malaysia is committed to its target of becoming a carbon-neutral nation by as early as 2050.

He said efforts to accelerate the growth of the green economy, boost energy sustainability and transform the water sector must remain at the core of the country's socio-economic development.

"The government will take into account ESG principles in its decision-making process.

"Economic instruments such as carbon pricing and the carbon tax will be introduced to support this effort," he said when tabling the 12th Malaysia Plan 2021-2025 in September last year.