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Imagine Malaysia as a green economy powerhouse

FUTURE GROWTH

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IT has been 51 years since John Lennon penned the iconic song *Imagine*. In a soothing voice, he pleaded for peace and tolerance in a turbulent time of the raging Vietnam War, soaring inflation and the oil embargo.

Is history — the 1970s — repeating itself? Today the Russia-Ukraine conflict comes with grave economic repercussions.

Just like in the 1970s, inflation, too, is surging globally today. But the energy crisis is worse now, with a combined scarcity of oil, gas and electricity.

Together with the pandemic and climate change, these forces overlap and reinforce each other. The Global Challenges Foundation has designated 2022 as the year of “polycrises”.

Malaysia will face global headwinds in 2023, compounded by many domestic challenges. Adding to the global risks mentioned above, post-election radicalism threatens the fabric of Malaysian society.

While Lennon sang *Imagine* to uplift a sombre mood, then US president Jimmy Carter envisioned a different future for his country. The first architect of a



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green economy, Carter imagined a world powered by solar energy.

Today, environmental improvements drive economic growth in a big way. The advisory firm Oxford Economics predicts the green economy in 2050 to make up 5.2 per cent of global gross domestic product, or US\$10.3 trillion.

This is an understatement, as the projection relates mainly to energy transition efforts.

The market size is several trillion larger if we include the potential of the bioeconomy and the circular economy. This is likely because the next era of the industry will combine the physical, digital and biological worlds.

From tin and fossil fuels to rubber and palm oil, Malaysia's economic history and wealth have

always been intertwined with the global demand for commodities.

As the world economy turns green, Malaysia can be one of the powerhouses. Imagine Perak as a green industrial state powered by hydrogen.

If Singapore can turn its water scarcity into an industrial strategy and crown itself the Silicon Valley of water, what is stopping us from attracting the leading hydrogen investors to Perak?

With new jobs for young people, Ipoh could regain its glory as a city of millionaires.

Sabah is known worldwide as a prime ecotourism destination. Imagine if we could entice tourists to visit large agrivoltaic farms as part of agrotourism.

Agrivoltaic is a technology where we produce solar energy and grow food on the same land. Sabah is perfect for solar energy as it is located in a sun-drenched region with a potential of 1,500 kWh/kWp.

One megawatt of solar brings approximately four direct and 28 indirect jobs. Imagine how many new jobs there will be in rural areas if the government makes significant investments in agrivoltaic technology.

Other states can also green their economies based on their strengths.

Kedah and Kelantan — the rice bowls — have unused, unmonetised rice husks from vast padi fields.

Each harvest season, padi fields release six million kg of CO2 into the atmosphere, which has the same environmental impact as cutting down 6,800 trees.

Rice husks have high cellulose content and are suitable feedstock for making biodegradable plastic, contributing to Malaysia's drive for a circular economy.

Alternatively, states can build biomass power plants and create direct employment, for example, by collecting and transporting rice husks to the plants.

No more short-term profits at the expense of people. A decade ago, Indonesia banned the export of metals to China so they could build processing factories at home.

We remember how the same miners came to Kuantan and painted the town red with bauxite.

Financing the green transition is no longer a pipe dream. The

size of sustainable investment mechanisms is rising to trillions of dollars.

But environmental, social and governance (ESG) investing, the new corporate North Star, is being developed from a financial compliance mindset. ESG funds must also align with strategic economic policy and flow where it matters: into fledgling green businesses and small and medium enterprises.

Can we not imagine Malaysia leading the green race if it can muster its resources? Because, Malaysia is one of the world's most open economies, ready to implement economic reforms when needed.

Now is the season to dream big again, walk the green talk, and go beyond mere slogans.

It is time for a “brotherhood of man”, sings Lennon.

That is when we put aside our differences and march together to regain our standing in the world.

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