

KERATAN AKHBAR

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NETR to uplift economy by 10-15 pct



National Energy Transition Roadmap (NETR) is expected to uplift the gross domestic product by 10-15 per cent, besides creating 350,000 jobs whereby 70 per cent of the income gains will flow to the low- and medium-income households, said Economy Minister Rafizi Ramli. NSTP/ASYRAF HAMZAH

KUALA LUMPUR: National Energy Transition Roadmap (NETR) is expected to uplift the gross domestic product by 10-15 per cent, besides creating 350,000 jobs whereby 70 per cent of the income gains will flow to the low- and medium-income households, said Economy Minister Rafizi Ramli.

"For the economy, we are expecting a 10-15 per cent uplift in GDP value from market-creating products that are high-growth and high-value (HGHV).

There will also be a 32 per cent reduction in emissions in the energy sector, besides bringing in a higher volume of green FDIs into the country, he said.

For the businesses, infrastructure and technology would become the impetus for investments to flow through, said Rafizi.

Cleaner energy mix and energy efficiency would also future-proof our industries so that we are prepared for a world where money responds to the greenest products.

"For the people, 350,000 jobs will be created in the HGHV sectors across the country.

"Importantly, 70 per cent of income gains will flow to low- and medium-income households," he said this in his keynote address at the launch of the NETR and the Energy Transition Conference here today.

Rafizi said the upskilling opportunities that are created could also give Malaysian workers the chance to work on something fulfilling and fully utilise their skills.

He said in order to realise these economic gains for the country, there are three critical structures that will become the bedrock to the NETR ambitions.

"We need strong governance, substantial financing, and a credible and transparent exchange system.

"These cornerstone structures carry with them critical multipliers that could accelerate growth," he added.

On governance, the establishment of the National Energy Council is the strongest signal yet of the government's intention of moving beyond blueprints and into the nitty gritty of implementation.

The National Energy Council, chaired by the Prime Minister, which the Ministry of Economy is secretariat, would set forth high-level strategic directions and policies, allowing for the working committees to coordinate and report the progress in turn.

Secondly on the financing part, the National Energy Transition Facility is not just another facility that houses government investments.

Instead, the facility will adopt an innovative blended finance instrument that combines the funding from public, private, and philanthropic channels, said Rafizi.

At the heart of it, the blended finance instrument is meant for the government's seed investment to mobilise additional private capital that triple or quadruple the initial seed amount.

The first step was to set stretched targets so that the slight discomfort could drive creativity and innovation in reaching them, he said.

"By 2050, we are stretching the RE installed capacity target to 70 per cent; Energy efficiency savings target to 22 per cent; an EV penetration to 80 per cent.

"We are introducing the Responsible Transition 2050, a low carbon pathway for the energy sector from now till 2050, more ambitious than the Low Carbon Nation Aspiration 2040 set forth previously," said Rafizi.

The government does this by co-investing in key projects as concessional capital or through development financial institutions, or to actively develop bankable project pipelines through technical assistance.

"Our goal is to unlock local and international green funds that have reached record highs in the past year, and are predicted to continue enjoying investor confidence if we pursue them effectively.

Although Malaysia only contributes 0.8 per cent of the global greenhouse gas emissions, we are ready and willing to participate in the global effort to climate action," said Rafizi.