

PRESS STATEMENT

NRES LAUDS FIRST OFFERING OF MALAYSIAN RECs AND CARBON CREDITS FROM KUAMUT RAINFOREST CONSERVATION PROJECT FOR AUCTION THROUGH BCX

The Ministry of Natural Resources and Environmental Sustainability (NRES) fully supports the first offering of Malaysian Renewable Energy Certificates (RECs) and Carbon Credits for auction through the Bursa Carbon Exchange (BCX).

Carbon credits and RECs can potentially catalyse the development of low carbon projects to support Malaysia's ambition to achieve a 45% reduction in emissions intensity based on GDP compared to 2005 levels by 2030 as outlined in Malaysia's Nationally Determined Contributions (NDC). As such, this maiden offer of Malaysian carbon credits and RECs will provide opportunities for corporates to demonstrate their climate actions by efficiently allocating capital to support forest conservation and restoration efforts and low carbon technologies.

Thus, it is commendable to see the involvement of Bursa in encouraging local carbon projects to transact through the BCX. NRES is also encouraged by Sarawak and Sabah's exemplary participation in leading the development of carbon projects in their respective regions to generate carbon credits and RECs. NRES also encourages other states in Malaysia to take part to help spur the development of Malaysia's carbon market industry.

To facilitate participation in voluntary carbon markets, Malaysia has already introduced various guidance documents. The Ministry has been designated by the Malaysian Climate Change Action Council as the national focal point and authority for carbon market implementation in Malaysia. As the national focal point, NRES is in the process of formulating the National Carbon Market Policy, which will provide strategic guidance on carbon market initiatives, aligning its implementation with international conventions like UNFCCC and ICAO, as well as voluntary carbon markets.

The National Carbon Market Policy will drive the establishment of a robust and transparent carbon market ecosystem to support Malaysia's climate ambitions.

The Ministry will continue to collaborate with state governments in ensuring alignment and will also include lessons learned from the development of Malaysia's Voluntary Carbon Market ecosystem in developing the National Carbon Market Policy.

NRES looks forward to the continuous and off-market trading for RECs which will be ready by the end of September 2024. NRES also looks forward to the highly anticipated auction of its first Malaysian carbon credits on 25 July 2024 from the Kuamut Rainforest Conservation Project ('Kuamut Project') in Sabah.

NRES hopes that interest among domestic and international business communities to invest in more carbon projects in Malaysia will increase through this auction process. In this regard, NRES welcomes the development of carbon projects that meet the relevant criteria and align with the nation's sustainable objectives. NRES also welcomes interested nations and entities to forge ties with the Malaysian government to invest in carbon projects in Malaysia.

NIK NAZMI NIK AHMAD

**MINISTER OF NATURAL RESOURCES AND ENVIRONMENTAL
SUSTAINABILITY**

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