

# PRESS STATEMENT

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## WHILE KEY IN ACHIEVING NET ZERO EMISSIONS, CCUS NOT SOLE DECARBONISATION LEVER

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I welcome the recent statement by the Minister of Economy Rafizi Ramli that the Federal Government has identified the states of Terengganu, Pahang, Sabah and Sarawak as potential leaders in the carbon capture, utilisation and storage (CCUS) industry.

CCUS is a key lever in the National Energy Transition Roadmap (NETR) and hence, aligns with the country's aspirations to achieve net zero emissions in 2050. The Long-Term Low Emission Development Strategy (LT-LEDS) study for Malaysia also highlighted CCUS as one of the important initiatives that will support our nation's aspiration to achieve net zero emissions in 2050.

A successfully realised CCUS industry is a potential means for the states of Malaysia to take part in the green economy, climb the value chain and raise their level of development as well as the welfare of the people. As has been stated, the four abovementioned states are promising due to the presence of decommissioned oil wells and other infrastructure suitable for CCUS activities in their areas.

A comprehensive analysis from the Intergovernmental Panel on Climate Change's (IPCC's) Sixth Assessment Report (AR6) has described CCUS as an essential technology for reducing GHG emissions, particularly in sectors that are difficult to decarbonise, such as heavy industry (cement and steel) as well as some chemical processes.

Moreover, UNFCCC COP28 in Dubai emphasised the importance of low-carbon technologies and engineering-based GHG removal technologies such as CCUS to support global efforts to limit global warming to 1.5 degrees Celsius, in accordance with the goals of the Paris Agreement.

It must be stressed that CCUS is just one part of a wide range of strategies and activities that Malaysia is pursuing to address climate change as well as to carve a space for us in the green economy. While not a new technology, its widespread deployment is still limited mainly due to its high costs.

It must also be acknowledged that there has been extensive debate over CCUS' limitations, considering it requires a large amount of energy to operate. Furthermore, there is a risk of potential environmental damage from the leakage of the carbon dioxide being stored.

These challenges can be addressed through technological advancements, establishing strong regulatory frameworks, and providing suitable incentives to the industry and implementing carbon pricing initiatives to make it financially viable.

Overall, CCUS should not be seen as the sole or even main decarbonisation lever, but rather as complimenting existing efforts. Indeed, it is a lever that must be present in Malaysia's race to net zero. The Ministry of Natural Resources and Environmental Sustainability is working tirelessly to support the government's work in these and other initiatives to boost Malaysia's climate action.

**NIK NAZMI NIK AHMAD**

**MINISTER OF NATURAL RESOURCES AND ENVIRONMENTAL SUSTAINABILITY**

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