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**MINISTRY OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY**

MINISTERIAL ADDRESS

**NIK NAZMI NIK AHMAD
MINISTER OF NATURAL RESOURCES AND
ENVIRONMENTAL SUSTAINABILITY**

FOR

ASIA ARGUS CARBON CONFERENCE 2024

14 MAY 2024 (TUESDAY)

**SHANGRI-LA HOTEL,
KUALA LUMPUR**

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh and Salam Malaysia Madani

His Excellency Mr. Albert Dela Cruz

Commissioner, Climate Change Commission of the Philippines

YBhg Datuk Dr. Ching Thoo a/l Kim

Secretary General, Ministry of Natural Resources and Environmental Sustainability (NRES)

YBhg Datuk Nor Yahati Awang

Deputy Secretary General, Ministry of Natural Resources and Environmental Sustainability (NRES)

Mr. Umarani Muniandy, Puan Masni Muhammad and Puan Zuaida Abdullah,

Executive Directors at the Malaysian Investment Development Authority (MIDA)

Esteemed moderators and panellists;

Representatives from the public and the private sectors,

Ladies and gentlemen,

INTRODUCTION

1. It is an honour for me to be delivering the Opening Keynote for the **Argus Asia Carbon Conference** today.
2. Congratulations to Argus Media as well as host sponsor Petronas and co-host sponsor SaraCarbon for organising this timely gathering. This conference brings together a remarkable slate of speakers as well as participants, not only from Malaysia but also the wider Asia and beyond.

3. I was informed that the attendees have come from all over the world, including Australia, China, Germany, India, Indonesia, Japan, South Korea, the Netherlands, Philippines, Saudi Arabia, Singapore, Spain, Taiwan, Thailand, United Arab Emirates, United Kingdom, and the United States of America. To all of you, *Selamat Datang*, welcome to Kuala Lumpur, the capital city of Malaysia.
4. We're likewise grateful to our distinguished panellists who will take the stage over the next two days as well as to everyone who took the time to join us here.
5. The conference will explore the developments as well as the importance of carbon initiatives in Asia, covering carbon market mechanisms, carbon pricing instruments, and low carbon solutions.
6. We are very grateful and eager for the outcomes of this conference, where we can share our views and experiences on this question of utmost importance.

STATE OF CLIMATE CHANGE AT GLOBAL LEVEL

Ladies and gentlemen,

7. I would like to draw your attention to the latest findings from the *Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)*, which underscores the undeniable impact of human activities on the climate. Greenhouse gas emissions, primarily from human sources, have driven global temperatures up by approximately 1.1°C. This warming is no longer abstract; it is being felt in every corner of the globe, leading to increased vulnerability and significant losses.

8. To prevent further warming and limit the rise in global temperatures to 1.5°C, we must take decisive action. This requires substantial and immediate reductions in global greenhouse gas emissions: a 43% reduction by 2030 and 60% reduction by 2035 compared to 2019 levels. Additionally, achieving net zero carbon dioxide emissions by as early as 2050 is imperative.
9. Efforts to reduce emissions must be integrated into broader development strategies. By aligning climate action with other developmental goals, we can accelerate emission reductions and transition to more sustainable pathways.
10. Fortunately, there are practical and cost-effective solutions available across all sectors to help us achieve our climate targets. Collaboration on technology and support among nations will be crucial in this endeavour. However, it is essential that our policies prioritise sustainable development and align with our broader developmental objectives.
11. The IPCC report also stated that increased financing for both mitigation and adaptation efforts is paramount. Governments, with support from central banks and financial regulators, must provide clear signals to investors to encourage investment in climate-friendly projects.
12. In light of the latest scientific evidence, the recent COP28 in Dubai adopted the outcomes of the first global stocktake. This process is instrumental in helping countries strengthen their climate action plans, which are due by 2025.
13. The stocktake calls upon nations to triple renewable energy capacity and double energy efficiency improvements globally by 2030.

It also emphasises the urgent need to reduce dependence on coal power, phase out inefficient fossil fuel subsidies, and transition to cleaner energy sources in a just and orderly manner.

CLIMATE CHANGE POLICIES IN MALAYSIA

Ladies and gentlemen,

14. Despite Malaysia's relatively modest contribution to global carbon dioxide emissions, standing at approximately 0.69%, our nation is steadfast in its commitment to combat climate change and pursue sustainable development.
15. Aligned with the goals of the **Paris Agreement**, Malaysia has set forth ambitious strategies to reduce the intensity of greenhouse gas emissions across our economy. By 2030, we aim to achieve a 45% reduction in emissions intensity based on GDP compared to 2005 levels, as outlined in our Nationally Determined Contributions (NDC).
16. Looking ahead, our vision extends to achieving net-zero greenhouse gas emissions as early as 2050 through our **Long-Term Low Emissions Development Strategy (LT-LEDS)**, which we are in the midst of finalising.
17. Integral to this strategy is our **National Energy Transition Roadmap (NETR)**, which charts a course toward decarbonising our energy and industrial sectors. By 2050, we envision a substantial increase in the share of renewable energy in our power installed capacity, from 25% to an impressive 70%.

18. Malaysia is also advancing towards enacting the **Energy Efficiency and Conservation Act**, while concurrently developing a **Climate Change Bill** and **National Adaptation Plan** to further strengthen our climate resilience and response capabilities.
19. In line with our commitment to transparency and accountability, Malaysia has submitted its **Fourth Biennial Update Report (BUR4) to the UNFCCC**, providing comprehensive insights into our greenhouse gas inventory and emissions trends.
20. Recently, on 2nd May 2024, Malaysia submitted **the Fourth National Communications (NC4) to the UNFCCC**, further underscoring our commitment to international climate action and reporting.
21. Moving forward, Malaysia is poised to fulfil its obligations under the **Enhanced Transparency Framework of the Paris Agreement** by submitting our first **Biennial Transparency Report (BTR)** in 2024, reaffirming our dedication to transparency, collaboration, and meaningful climate action on the global stage.
22. And starting from this year, Malaysia will begin the process of revising its NDC targets, which will take into account the latest climate change related policies. The process is expected to be completed in 2025 and aims to set another inclusive and ambitious national target aligned with the long-term temperature goals of the Paris Agreement.

CARBON PRICING AND CARBON MARKET DEVELOPMENT IN MALAYSIA

Ladies and gentlemen,

23. Another important measure to address GHG emissions is the implementation of **carbon pricing instruments**. Carbon pricing will create financial incentives for businesses to reduce their carbon footprint and encourage the adoption of cleaner technologies and practices and move us towards a more sustainable future. Many countries such as the European Union are already developing their own measures to address the risk of carbon leakage by establishing the **Carbon Border Adjustment Mechanism**.
24. In Malaysia, carbon pricing has been identified as a key economic measure to support green economy and sustainable development, as outlined in the 12th Malaysian Plan. The government believes that implementing economic instruments like carbon pricing will not only help in reducing greenhouse gas emissions but also foster a greener business sector and stimulate sustainable investments.
25. To explore the feasibility of carbon tax and emissions trading system implementation in Malaysia, the Ministry of Finance is conducting a study under the World Bank's Partnership for Market Implementation initiative.
26. On the carbon market mechanism, Malaysia views that a robust and transparent carbon market ecosystem is important to support Malaysia's climate ambitions. Currently, Malaysia is in the process of formulating the **National Carbon Market Policy**, which will provide strategic guidance on carbon market initiatives, aligning with international conventions like UNFCCC and ICAO, as well as voluntary carbon markets.

27. To facilitate participation in voluntary carbon markets, Malaysia has introduced guidance documents and established platforms like the **Bursa Carbon Exchange**, the world's first Shariah-compliant voluntary carbon market trading platform. Furthermore, to support the implementation of Article 6 of the Paris Agreement, the **Malaysian Climate Change Action Council** has designated the **Ministry of Natural Resources and Environmental Sustainability** as the national focal point and authority for carbon market implementation.
28. Malaysia recognises that the success of carbon markets hinges on the generation and issuance of high-quality carbon credits. These credits ensure environmental integrity by guaranteeing that emissions reductions are real, additional, verifiable, and permanent, with safeguards to protect communities, biodiversity, and ecosystems. Malaysia actively promotes and welcomes the development of carbon projects that meet these criteria. In alignment with our objectives, Malaysia also extends a warm welcome to all nations and entities interested in forging partnerships with the Malaysian government pursuant to Article 6 of the Paris Agreement.

CARBON CAPTURE, UTILISATION AND STORAGE DEVELOPMENT IN MALAYSIA

Ladies and gentlemen,

29. Malaysia is uniquely positioned with abundant geological reservoirs like depleted oil fields and saline aquifers, making it ideal for storing carbon dioxide permanently.

This situation puts Malaysia as a strong candidate to implement the **Carbon Capture, Utilisation, and Storage (CCUS)** initiative.

30. In 2023, Malaysia's Cabinet agreed on the role of CCUS to support decarbonisation efforts of the hard-to-abate industries and as a new source of economic growth. CCUS will bring economic benefits beyond its direct impact. It will spur the growth of related industries, such as low-carbon energy production like blue hydrogen, blue ammonia, and bioenergy. This will not only boost our economic growth but also nurture small and medium enterprises (SMEs) along the CCUS value chain.
31. Moreover, Malaysia is also looking at other benefits in implementing CCUS, such as just transition setting opportunities to establish new jobs and developing talent and skills in green economies.
32. To support this initiative, our country is actively developing the necessary policies and regulations. By creating a conducive environment, we aim to harness the full potential of CCUS, driving economic growth, creating jobs, and leading the way towards a sustainable future.

CONCLUSION

Ladies and gentlemen,

33. I would like to emphasise that the journey towards sustainability is a collective responsibility that requires collaboration, innovation, and strategic investments.

34. Successful government and private sector collaboration in navigating the complexities of climate change, and environmental conservation, will not only shape the future of Malaysia for the better but also serve as a model for the entire ASEAN region.
35. May we be able to work together to leave behind both a lasting positive impact on our environment and communities, as well as a better world for our children and their children.
36. I hope the conference sessions and networking opportunities will be fruitful. I wish all the best to all of you as well as a productive conference ahead. Thank you.

Wabillahi Taufik Walhidayah, Wassalamualaikum Warahmatullahi Wabarakatuh.