

Issued by: Malaysian Gas Association (MGA)

Date: 14 February 2023

Title: MGA: Government Should Maintain Energy & Climate Policies in Budget 2023



## **For Immediate Release**

### **MGA: Government Should Maintain Energy & Climate Policies in Budget 2023**

Kuala Lumpur, 14 February 2022 – As the nation's lead advocate for the Malaysian gas industry, Malaysian Gas Association (MGA) applauds the initiative taken by the Ministry of Finance Malaysia for providing the opportunity for the industry players to share views on Budget 2023 at a Dialogue session held in Putrajaya.

The Low Carbon Nation Aspiration (LCNA) 2040 embedded in National Energy Policy (NEP) 2022-2040 launched in September 2022 demonstrates that Malaysia is on the right path with pragmatic policies in place to partly address the climate change agenda at the National level. Representing industry players across the Malaysian gas industry value chain, MGA urges the Government to maintain the country's climate commitments especially the aspiration to achieve Net Zero Emissions as early as 2050.

As the cleanest fossil fuel, natural gas plays an important role in balancing the energy trilemma, providing clean, secure, reliable, and flexible energy, and is a key fuel in ensuring that the nation meets its improved greenhouse gas emissions reduction target of 45% of GDP by 2030 without jeopardising energy security. With multiple sources and an extensive network of gas delivery infrastructures with reliability exceeding 99%, natural gas plays a significant role in fuelling the economy by providing uninterrupted supply of energy, particularly in the power generation sector, thus ensuring energy security and wide energy access for the country. Natural gas combined with other low carbon and renewables gases is set to play an important role in realising the aspirations under the NEP 2022-2040 and Malaysia's pathway to achieving carbon neutrality.

MGA urges the Government to maintain current policies and roadmaps related to energy including the National Energy Policy (NEP) 2022-2040, Gas Masterplans for Sabah & Sarawak, full gas market liberalisation and the upcoming roadmaps such as the Natural Gas Roadmap and Regional Gas Market hub. MGA expresses appreciation to the Government for including MGA in drafting the policies and roadmaps that are crucial in the advancement of a sustainable Malaysian gas industry. Today, natural gas remains the single largest energy source in Malaysia, supplying around 42% of its total primary energy supply in 2019. More importantly, the Malaysian gas industry brings in over 135 billion per annum and creates over 80,000 jobs for the wider economy.

Fostering the development and expansion of the industry capability and capacity is therefore crucial in policy planning and initiatives, hence, in supporting the country's sustainability agenda, MGA urges the Government to maintain parts of Budget 2023 that will encourage the industry to invest in technologies and innovations that will decarbonise the energy sector including incentives for Carbon Capture and Storage (CCS).

MGA believes that this synergy between policymaker and industry is important for our country as we address the energy trilemma and embark on a pragmatic and orderly energy transition towards achieving

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Net Zero Emissions. Moving forward, as the bridge between policymaker and industry players, MGA offers to participate in the development of policies and pathway towards achieving Net Zero emissions.

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**About MGA:**

Founded in 1986, the Malaysian Gas Association (MGA) is the nation's lead advocate for the natural gas industry, playing a prominent role in promoting engagement, discourse and dialogue with key stakeholders to develop a vibrant and sustainable gas industry, to fuel Malaysia's socio-economic growth. With 130 corporate members, MGA champions natural gas as a clean and efficient source of energy, to drive demand and increase industry participation.

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*MGA logo*