



**MINISTRY OF ENERGY TRANSITION  
AND WATER TRANSFORMATION**

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**KEYNOTE SPEECH  
SUSTAINABLE FINANCING FOR ENERGY TRANSITION**

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Bismillahirrahmanirrahim

(Salutations)

Assalamu'alaikum Warahmatullahi Wabarakatuh, and a very good morning.

1. Alhamdulillah, it is both an honour and a privilege to deliver the keynote address at the ASEAN Banking and Finance Summit 2025. I am informed that this Forum serves as a critical platform, bringing together key decision-makers, industry leaders, and financial experts to address one of the most pressing challenges of our time: sustainable financing for the energy transition.

2. This discussion is both timely and significant, particularly as Malaysia holds the ASEAN Chairmanship this year. With this responsibility comes our commitment to ensuring ASEAN remains at the forefront of sustainable economic growth. The energy transition is no longer a matter of choice; it is an urgent necessity. How we finance this transition will determine our success—not only as individual nations but as a region united in purpose.

3. The financial sector holds a pivotal role. Banks, investors, and policymakers must collaborate to ensure capital flows into strategic areas such as renewable energy, clean technologies, and sustainable infrastructure. Malaysia has already taken decisive steps in this direction. We have introduced policies to attract green investments, enhance grid flexibility, and scale up public-private partnerships. However, the pace must accelerate.

4. The reality is clear: financing the energy transition demands more than just government commitment. It requires a robust, coordinated effort from financial institutions and investors alike. Forums such as this provide the ideal platform for these critical conversations.

5. I firmly believe that today's discussions must be practical and results-driven. We need to focus on unlocking capital, structuring effective incentives, and embedding sustainability into financial decision-making—not as an afterthought, but as a core principle that guides our actions.

## **THE CASE FOR SUSTAINABLE FINANCING**

Ladies and Gentlemen,

6. We cannot speak of the energy transition without addressing its foundation—financing. It is the cornerstone that determines whether our commitments materialise into tangible outcomes or remain as aspirations on paper. The figures are stark: ASEAN requires an estimated USD 1.5 trillion in climate investment by 2030 to align with global sustainability goals, according to the International Energy Agency (IEA). Yet, financing gaps persist. If left unaddressed, these gaps will delay the transition, and the cost of inaction will far exceed the cost of investment.

7. For Malaysia, our path is clear. We are committed to achieving net-zero emissions by 2050, with renewable energy comprising 70% of our energy mix by then. This is not merely a target; it is a commitment backed by action. The National Energy Transition Roadmap (NETR) outlines

strategic pathways, including the phasing out of coal, the expansion of solar energy, and the modernisation of our power grids.

8. However, ambition alone is insufficient. We need capital. We need robust private sector participation. We need financial institutions to step forward—not solely with traditional lending models, but with innovative financing mechanisms that make large-scale energy projects feasible and sustainable.

9. Malaysia is proud to lead in mobilising sustainable finance through initiatives such as Green Sukuk, Sustainability Bonds, and the Corporate Renewable Energy Supply Scheme (CRESS). These are not just policy instruments; they are practical financial tools that businesses and investors can leverage to accelerate renewable energy deployment.

10. The critical question we must pose today is this: How do we scale and accelerate the deployment of these financial instruments across ASEAN? How do we ensure that capital flows efficiently to projects that will make the greatest impact?

11. The role of the banking and financial sector has evolved. It is no longer solely about lending—it is about leading. Leading with structured financial solutions, de-risking green projects, and supporting businesses in their transition towards sustainability. This is the crux of today's discourse: not merely discussing what needs to be done, but focusing on how we are going to achieve it.

## **MOBILISING CAPITAL FOR A JUST AND EFFECTIVE TRANSITION**

Ladies and Gentlemen,

12. The energy transition is not just about technology or infrastructure—it is fundamentally about people. It is about ensuring that as we move towards a low-carbon economy, no one is left behind. A transition that benefits only the well-resourced while leaving vulnerable communities and industries struggling cannot be considered just. In ASEAN, where nearly 40% of the population still relies on traditional biomass for energy and energy-intensive industries support millions of livelihoods, we simply cannot afford to get this wrong.

13. Public financing, while essential, will not suffice. Governments can set policies, offer incentives, and provide initial funding, but the scale of investment required demands strong private sector engagement. I believe there are several pathways we can leverage.

14. Firstly, we must strengthen Public-Private Partnerships (PPPs) to share investment risks and accelerate clean energy projects. Collaboration between governments, development finance institutions, and private investors can de-risk large-scale renewable projects, making them more attractive to capital markets.

15. Secondly, blended finance models should be utilised—combining concessional funding with private investment to enhance the bankability of green projects. The Asian Development Bank (ADB) and the World Bank

have already committed substantial resources to support ASEAN's energy transition. These instruments help reduce investment risks and improve access to affordable capital, thereby driving renewable energy growth.

16. Thirdly, we must expand carbon markets and transition bonds to unlock new sources of capital while incentivising companies to decarbonise. The global voluntary carbon market is projected to exceed USD 50 billion by 2030. ASEAN must position itself strategically within this landscape. Companies that fail to adapt will face increased financing costs and restricted market access as sustainability-linked financial instruments become the global norm.

17. Malaysia has already taken bold strides in this direction. We are enhancing green investment incentives, expanding Green Sukuk offerings, and improving corporate access to renewable energy through CRESS. Additionally, through Energy Exchange Malaysia (ENEGEM), we are leading regional integration efforts, facilitating cross-border renewable energy trade—including with Singapore—and ensuring that capital flows efficiently to where it is most needed.

18. This is the direction we must pursue. Sustainable financing is not an option; it is an imperative. The right financial structures, supportive policies, and unwavering commitment from all stakeholders will determine our success. We possess the tools—now, we must deploy them effectively.

## **CALL TO ACTION**

Ladies and Gentlemen,

19. ASEAN's energy transition cannot occur in isolation. No country can achieve its sustainability goals without strong regional cooperation. The depth of our collaboration will determine how swiftly and effectively we decarbonise our economies while safeguarding energy security and affordability.

20. Malaysia is committed to positioning ASEAN as a global leader in sustainable finance. Under our ASEAN Chairmanship, we will advocate for deeper collaboration in green financing, regional energy connectivity, and the expansion of sustainable investment frameworks. While the ASEAN Taxonomy for Sustainable Finance is a commendable step forward, we must strive to go further.

21. Sustainable finance regulations should be harmonised across ASEAN to reduce investor uncertainty and facilitate cross-border capital flows. We must standardise green bond frameworks, align ESG disclosure requirements, and enhance carbon credit mechanisms to make cross-border investments in clean energy seamless and efficient.

22. The financial sector must lead this transformation. From funding large-scale renewable projects to supporting SMEs in adopting green technologies, financing solutions must be innovative, inclusive, and accessible to all.

23. The time for action is now. The decisions we make today will shape the future of our economies, industries, and communities. We have the policies, the mechanisms, and the financial tools to accelerate this transition. What we need is collective will. Let us commit — as policymakers, financiers, and industry leaders — to making sustainable financing the bedrock of ASEAN’s energy future.

With that, I thank you.

Wabillahi Taufiq Wal Hidayah, Wassalamu’alaikum Warahmatullahi Wabarakatuh.