



More developers being wooed by govt's 'green' incentives

Nur Khairah Alegria Suner | Monday, July 3, 2017

Savings on operating costs through measures like reduced energy consumption and water wastage are gains for many businesses.



PETALING JAYA: There has been a substantial rise in green development projects in Malaysia as more developers and investors are drawn to the government's "green" tax incentives and cost-saving initiatives.

Eco-tourism hotelier Anthony Wong said project developers are attracted to the Green Technology Financing Scheme (GTFS) offered by the government and which has spurred more companies to bid for green project certification.

"Developers and investors are aiming to get 'green' building status as they know that they can then benefit from the tax incentives given," Wong told FMT.

The GTFS was introduced in 2010 to offer subsidies and financing for firms that practise green technology and development.

Besides the building sector, the scheme also caters to industries in the energy, transport, and water and waste management sectors.

Wong said developers are wooed by the cost-saving mechanisms which green developments offer.

"The operating cost-savings mechanisms, such as reduced energy consumption and reduced water wastage, offer gains for many businesses," he said.

"Who wouldn't want such a benefit?" said Wong, who runs the Frangipani Langkawi Resort and Spa.

He said the scheme was one of the ways to attract more developers to consider eco-friendly developments in Malaysia.

"As selfish as it may sound, that is the best way to get developers to invest in nature," he added.

According to a Green Building Index (GBI) report, more developers and investors were planning their projects as "green" developments, as seen by a significant rise in applications for GBI certification.

Chen Thiam Leong, a member of the GBI accreditation panel, said the government's plan to extend the offer of green-tech incentives to 2020 resulted in heightened awareness among developers of environmentally-friendly systems.

"There has certainly been gradual awareness and an increase in owners subscribing to green building (requirements) over the years. The extended incentive by the government till 2020 has helped fuel this growth," he said.

He added that even factories were aiming for green certification.

GBI is Malaysia's recognised green rating tool for buildings to promote sustainability in the building environment and raise awareness among various quarters about environmental issues.

Since its inception in 2008, GBI has recorded a push for "green" buildings in Malaysia as more developers have been applying for GBI recognition and approval.

Its report on June 15 showed a slight increase in GBI applications from 743 in mid-2016 to 832 by the middle of this year.

Meanwhile, states which demonstrated significant efforts in promoting green building initiatives were Selangor with 286 projects, followed by Penang with 72 projects and Johor with 71 projects registered under GBI.

Several buildings in Malaysia also won Asean awards for their green designs and initiatives. They include the Energy, Green Technology and Water Ministry's building, the Energy Commission building in Putrajaya and the Securities Commission Building in Kuala Lumpur.