

**KEYNOTE ADDRESS BY
Y.B. DATO' SRI PETER CHIN FAH KUI
MINISTER OF ENERGY, GREEN TECHNOLOGY AND WATER
AT THE
LAUNCH OF THE GREEN BUILDING INDEX
INDUSTRIAL NEW CONSTRUCTION TOOL AND
INDUSTRIAL EXISTING BUILDING TOOL
TUESDAY, 7 JUNE 2011, 2.00 PM
HILTON KUALA LUMPUR**

Y.Bhg. Datuk Loo Took Gee
Secretary General,
Ministry of Energy, Green Technology & Water, Malaysia

Yang Berusaha Ar. Boon Che Wee
President, Pertubuhan Akitek Malaysia
Chairman, Green Building Index Accreditation Panel

Yang Berusaha Puan Badriyah binti Abd. Malek
Under Secretary, Regulatory and Industry Development Division
Ministry of Energy, Green Technology & Water, Malaysia

Distinguished Guests

Ladies and Gentlemen

Salam Sejahtera, Good Afternoon & Salam 1Malaysia.

1. I would like to first thank the organizers, Pertubuhan Akitek Malaysia (PAM) and the Association of Consulting Engineers Malaysia (ACEM), for inviting me to officially launch the Green Building Index Industrial New Construction Tool and Industrial Existing Building Tool this afternoon. This initiative by PAM is in line with the Government's strong advocacy in promoting green buildings and sustainably built environment in line with the our national green agenda.

2. The Malaysian Government has carried out many efforts in promoting green buildings. The Low Energy Office (LEO) which houses my Ministry was the first energy-efficient building by the Government which won the ASEAN Energy Award in 2006. Subsequently, the Green Energy Office (GEO) that currently houses the Malaysia Green Technology Corporation became the first building to receive the GBI certification followed by The Energy Commission's Diamond Building that received the platinum certificate under the GBI on 31 May 2011. The Government hopes that the construction of these demonstration buildings will lead the way for the construction industry to follow suit.

Ladies and Gentlemen,

3. As we are all aware, The Honourable Prime Minister unveiled The National Green Technology Policy on 24 July 2009. Subsequent to that, the Green Technology and Climate Change Council, which is also chaired by him was established. This shows the commitment and seriousness of the Malaysian Government in the effort to promote Green Energy as well as "Green Living" as we move towards a low-carbon economy.

4. Also, to kick start the effort, the Government has established a RM1.5 billion fund to provide soft loans with the interest subsidy of 2 per cent to companies that supply, utilise and promote green energy or technology. Suppliers will be able to obtain loans of up to RM50 million and for consumer companies up to RM10 million. The scheme commenced on 1st January 2010 and is called the Green Technology Financing Scheme or more commonly the GTFS.

5. Twelve National Key Economic Areas (NKEAs) had been introduced to boost the country's economy in order for us to achieve a high income status by 2020. These 12 NKEAs are the core of the Economic Transformation Programme (ETP) which was unveiled last year and will receive prioritised Government support. In addition, policy reforms such as the removal of barriers to competition and market liberalisation will be targeted at these NKEAs. These programmes will be the drivers to stimulate economic activity that will contribute towards attaining high income, sustainability and inclusiveness to the nation.

6. The Government had also drawn a new economic model under the 10th Malaysian Plan. It charts the development of the nation for the next five years, anchored on delivering the desired outcomes for all Malaysians. The Plan sets the stage for a major structural transformation that a high-income economy requires. The Plan contains new policy directions, strategies and programmes that enable the country to emerge as a high income nation.

Ladies and Gentlemen,

7. The Government introduced several fiscal incentives for green technology development in the country. In the building sector, there are incentives for buildings awarded with GBI in the 2010 National Budget announcement. Building owners obtaining GBI Certificates from 24 October 2009 until 31 December 2014 are entitled to income tax exemption equivalent to the additional capital expenditure in obtaining such Certificates. Buyers purchasing buildings with GBI Certificates from developers will be given stamp duty exemption on instruments of transfer of ownership. The exemption amount is equivalent to the additional cost incurred in obtaining the GBI Certificates. Apart from this, incentives in the form of Pioneer Status, Investment Tax Allowance, Import Duty Exemption and Sales Tax Exemption are available for initiatives on energy efficiency and renewable energy. I hope these incentives will spur green technology initiatives in all sectors of the economy.

8. For a long time, we have relied on conventional methods of construction. Buildings are said to consume over 32% of the world's resources, including 12% of its water, and up to 40% of its energy, and account for 40% of green house gas emissions. Conventional building designs are unsustainable in the long term. It is therefore imperative that wasteful consumption of resources such as energy and water in buildings must be given priority and thus obviously, green or sustainable buildings offer a practical solution for the efficient use of resources in buildings.

9. The Government is supportive of the effort to promote green buildings through the development of GBI Tools by the industry professionals. I am glad that the Malaysian construction industry professionals are supportive of the Government's effort in promoting green buildings through the development of GBI Tools. The first phases of GBI Tools are the GBI Non-Residential New Construction (NRNC) Tool, GBI Residential New Construction (RNC) Tool and the GBI Township Tool that was launched recently.

Ladies and Gentlemen,

10. My Ministry is finalizing our very own **Low Carbon Cities Framework and Assessment System**. The document is divided into two components. One is a Low Carbon Cities Framework that provides guidance to the local councils, developers and other users in the criteria they should focus on in the development of a Low Carbon City. The second component is a comprehensive assessment system that has a carbon calculator attached to it. The assessment tool enables local councils, developers or other users to assess their carbon footprint levels, suggests strategies to be taken and then helps them re-assess their carbon footprint levels once the strategies have been applied. This entire document looks at a measurable and performance based approach and helps us set our own targets that we wish to achieve.

11. Today, the Industrial New Construction Tool and Industrial Existing Building Tool which are new rating tools with flexibility to suit all types of factories in Malaysia have been developed to cater for the demand of industrial players to "green" their factories for both new construction and existing building. These tools are aimed to promote green practices within the industrial environment. This rating tool emphasizes on Energy Efficiency and Indoor Air Quality as these have the greatest impact on energy use and the well-being of occupants and workers of the industrial sector. Thus, this tool will contribute to our efforts to address the effects of climate change and the need to create a green and sustainable environment. I am most encouraged to note that local professional architects and engineers are active in these initiatives to "green" Malaysia and to provide a better quality of life to all.

Ladies and Gentlemen,

12. As Malaysia shifts gears into a high-income economy, I am proud to be ushering a "renaissance" in our building industry with green technology occupying the centre stage that marks another important step toward best practices and benchmarking of standards in the international arena. The Industrial New Construction Tool and Industrial Existing Building Tool is a green rating tool at the industrial level that takes into account resource usage in industrial processes.

13. I was given to understand that to-date, almost 180 building projects have applied for GBI certification and from this; 25 projects have received GBI Provisional Certification and 2 projects have received GBI Certification. From its inception in 2009, GBI had received full support from the Government in our quest to create a construction industry that is green, robust and sustainable. It has been almost 3 years since the project had started and I am glad GBI had been able to induce the active participation of our local building and property players.

14. However, I wish to remind PAM and ACEM, who are advocates of GBI, that there have been reports and comments to me that the fees charged to the building owners wanting to obtain the GBI certification are rather high. I know we are just commencing the green journey, but I would like to advise PAM and ACEM to view this matter seriously. Talk to the players in the market and seek their opinions and comments. It is important that the GBI tools and the fees associated with it are not viewed as a barrier to "green" the construction industry.

15. For the long-term sustainability of our society, we must look beyond the construction of green buildings. The three pillars of sustainability; i.e. the environmental, the social and the economic dimensions must be addressed holistically. To this end, I must congratulate PAM and ACEM for their initiatives in introducing this GBI Industrial Tools to take the green transformation forward in line with plans under the Government's New Economic Model.

16. On that note, I am pleased to officially launch the Green Building Index Industrial New Construction Tool and Industrial Existing Building Tool.

Thank you.

Ministry of Energy, Green Technology and Water
2 June 2011