

Media Title : Daily Express  
Headline : Mida-Alliance Bank carbon tax workshop explores green industrial practices  
Date : 19 September 2024  
Section : Business  
Page : 16



## Mida-Alliance Bank carbon tax workshop explores green industrial practices

KUALA LUMPUR: The Malaysian Investment Development Authority (Mida) and Alliance Bank Malaysia Bhd hosted the inaugural Carbon Border Adjustment Mechanism (CBAM) workshop to explore the potential of CBAM in revolutionising sustainable industrial practices.

CBAM is a carbon border tax aimed at

preventing carbon leakage by charging a fair price for carbon emissions from goods entering the European Union (EU) countries.

It said in a joint statement that about 75 per cent of Malaysia's exports to the EU will be affected, albeit collectively accounting for about eight per cent of the

country's total exports from 2021 to 2023.

Malaysian exporters, especially those dependent on EU sales and those producing carbon-intensive products like cement, iron and steel, aluminium, fertilisers, electricity and hydrogen would be affected in the initial phase.

Ministry of Investment, Trade and Industry (Miti) deputy secretary general (investment and management) Datuk Bahria Mohd Tamil said the ministry is actively engaging with international partners to promote a low-carbon economy, ensuring Malaysia's interests are represented in global climate negotiations and to facilitate trade for exporters affected by CBAM.

"The transition to a low-carbon economy presents both challenges and opportunities for Malaysia. While it is a new regulatory challenge, CBAM also incentivises sustainable practices and can enhance the long-term competitiveness of our businesses.

"With strategic planning and government support, we can navigate this transition successfully and drive innovation, improve our environmental credentials and secure a leading position in the global market," she said.

Meanwhile, Mida chief executive officer Datuk Sikh Shamsul Ibrahim Sikh Abdul

Majid said it is crucial for everyone in the supply chain of European importers to understand the CBAM requirements thoroughly and be prepared to meet these new regulations.

"The shift towards greener practices is not just a regulatory hurdle, but a chance to innovate, to enhance efficiency and to position Malaysian businesses at the forefront of sustainable trade," he said.

Alliance Bank Group chief strategy, marketing and business development officer Dr Aaron Sum said the bank has developed a long-term relationship with the small and medium enterprises (SME) community, which benefited both financial and non-financial solutions to enable the growth of businesses.

"This partnership will help us reach out to more businesses, particularly local manufacturers and exporters who are most impacted by the CBAM policy, and aide them in preparing their business roadmap for it," he said.

The workshop that gathered industry leaders and an environmental expert from Riverstone Environmental Sdn Bhd was divided into three parts, focusing on CBAM's impact on businesses, implementation timelines, compliance processes and strategies to navigate them. -Bernama