

Malaysia unveils plan to build 'green economy'

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A truck carries timber from the heavily-forested region of Baram in Malaysia's eastern Sarawak state. Malaysia says it is launching an ambitious plan to build a "green economy".

Malaysia is launching an ambitious plan to build a "green economy" with the help of an advisory council that includes economist Jeffrey Sachs and the UN climate change chief.

The initiative is part of economic reforms instituted by Prime Minister Najib Razak since taking power two years ago, aimed at pushing the Southeast Asian country towards developed-nation status by 2020.

His administration has already promised major infrastructure projects and financial market liberalisation to attract foreign investment and boost growth, but critics say the results have been limited.

Najib on Tuesday convened the first meeting of an eminent 42-member Global Science and Innovation Advisory Council in New York to help the nation achieve ambitions of becoming a science and technology innovation destination.

Malaysia's vision of a "green economy" would see it moving beyond its status as a manufacturing hub, and establish "low [carbon emissions](#), highly efficient use of resources, and a healthy, well-educated populace."

"Malaysia's ambitious goal is to simultaneously reduce poverty and achieve a green economy," Najib said in a statement from New York.

"We see science and [technology innovation](#) as key to achieving that goal, guided by the advice and active support of some of the world's most distinguished entrepreneurial, scientific and economic experts."

"These experts will liaise and work actively with key Malaysian agencies and institutions to develop 'quick wins' in the [palm oil industry](#), in the creation of a smart city and smart village, and in education."

As well as Sachs and Rajendra Pachauri, the chairman of the UN's [Intergovernmental Panel on Climate Change](#), the panel also includes media tycoon Steve Forbes and two Nobel laureates.

Najib said the council would aim to "raise the number of scientifically and technically-trained individuals, entrepreneurs and innovators in our country."

Malaysia also hopes to develop smart cities and villages, where the Internet is available and resources, such as water and electricity, are managed efficiently through information technology.

Currently, the middle-income nation of 27 million people suffers from

urban sprawl and traffic congestion in its capital Kuala Lumpur, and a lack of basic services in rural areas.

Citigroup economist Kit Wei Zheng said Najib's administration had achieved some successes including boosting foreign direct investment, but was under pressure to deliver ahead of elections tipped to be called within a year.

"At least on some fronts, there seem to be some results coming in... There are some steps forward but it's slow and probably not as big as the announcements that are being made," said the Singapore-based economist.

The export-dependent Southeast Asian nation saw a sharp decline in foreign direct investment (FDI) in 2009, tumbling 81 percent to \$1.4 billion from \$7.3 billion in 2008.

However, FDI jumped 141 percent to 17.1 billion ringgit (\$5.5 billion) in the first nine months of 2010, in a rebound partly attributed to the reforms.

Malaysia has previously sought out high-profile international advisers like Microsoft's Bill Gates when it launched its Multimedia Super Corridor project to build up its information technology industry in the 1990s.

"It's a very fuzzy thing; we don't know what it is... The word 'green' is used very broadly," Gurmit Singh, chairman of the Centre For Environment, Technology and Development [Malaysia](#), said of the latest scheme.

"There seems to be a lot of hot air. In terms of what happens sometimes at the ground level, it's a repackaging of projects," he told AFP.

Najib has said he expects the economy to expand by 5.0-6.0 percent this year despite the challenges of slower global growth and rising crude oil prices.

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