Green Technology Financing in Malaysia: Success Factors and Challenges

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Abstract

Green economy is an important pathway to achieving sustainable development goals (SDGs) while simultaneously helps drive economic growth as well as fosters innovation for new low-carbon production technologies and products. It has been widely recognized that one of the non-technical barriers to the wider participation of businesses, project developers, and innovators in the green growth is lack of financial supports and investments. As green economy is a relatively new concept in Malaysia, the government has played a major role in the policy agenda-setting process of green growth in Malaysia. Despite these policy initiatives, the uptake of green growth remains low due to a number of barriers. This paper highlights several enabling conditions for the development and growth of green economy in Malaysia, with a focus on the current financing policies and initiatives such as Green Technology Financing Scheme (GTFS). An overview of issues and challenges in financing the green industry are also highlighted in the study. The overview of enablers and barriers of green growth will provide a perspective from which green industry’s viability can be evaluated. Furthermore, it will help industry participants such as project developers, technology and product innovators, financiers, and policy makers to better understand enabling factors and challenges affecting the green growth and promote collaborative efforts among these participants as well as improve existing policies or structure new policy frameworks to support the green growth in Malaysia.