

**WELCOMING ADDRESS BY THE CHAIRMAN OF THE ENERGY COMMISSION,
TAN SRI DATUK DR. AHMAD TAJUDDIN ALI
AT NATIONAL ENERGY SECURITY CONFERENCE**

**TUESDAY, 28 FEBRUARY 2012
SIME DARBY CONVENTION CENTRE, KUALA LUMPUR**

Salutations

- YB Dato' Sri Peter Chin Fah Kui
Minister Of Energy, Green Technology And Water
- Yang Berusaha Datuk Loo Took Gee,
Ketua Setiausaha,
Kementerian Tenaga, Teknologi Hijau Dan Air
- YBhg. Datuk Ir. Ahmad Fauzi bin Hasan
Chief Executive Officer of the Energy Commission
- Mr. Nobua Tanaka,
Former Executive Director of the International Energy Agency (IEA)
and Global Associate of Energy Security and Sustainability, IEEJ
- YBhg Members of the Energy Commission
- Distinguished guests, Speakers, Participants, Ladies and Gentlemen.

On behalf of the Energy Commission, I would like to express our appreciation and thanks to Y.B. Dato' Sri Peter Chin Fah Kui, Honourable Minister of Energy, Green Technology and Water, Malaysia for your willingness to grace and officiate this National Energy Security Conference 2012. The Energy Commission is deeply honoured to have you here, and as suggested by you, Sir, we are pleased to host this inaugural conference on national energy security.

The conference, with the theme "Closing the Energy Supply-Demand Gap", is aimed to be a platform for key stakeholders in the country's energy sector to share their experiences, knowledge and views on the challenges and prospects in securing energy supply for the country.

Through the sharing of knowledge and views between key government and industry stakeholders, it is hoped that the conference will be able to highlight major industry challenges and prospects as well as broad priorities and strategies related to the energy security of the nation. The outcome of the deliberations of the conference is intended to be used as an input for our government to consider in coming out with future initiatives to further improve the country's energy security situation.

Distinguished guests, ladies and gentlemen,

The global energy demand is forecasted to continue its robust growth over the next two decades, both according to the International Energy Agency or IEA as well as the British Petroleum or BP in their recently published global energy outlook reports. In the developing world, rising incomes and urbanisation are driving demand whilst in the developed world, demand is driven by the expanding role of ICT in the economy.

As the world grapples with efforts to meet this continuous rise in energy demand worldwide, energy security risks at the global, regional and national levels are again becoming a critical issue that needs to be managed effectively by all of us in

government and industry. In this respect, perhaps it is timely to remind ourselves that energy security has two dimensions to it. Long-term energy security is mainly linked to timely investments to supply energy in line with economic developments and environmental needs. On the other hand, short-term energy security is the ability of the energy system to react promptly to sudden changes in supply and demand.

Ladies and Gentlemen,

Malaysia, in mitigating energy security risks, have managed to achieve reasonable diversification in our energy consumption. At the end of 2010, final use of commercial energy was 41.5 million tonnes of oil equivalent, comprising of 58.8 percent petroleum products, 15.1 percent natural gas, 21.7 percent electricity and 4.7 percent coal and coke.

In the power sector, about 53 percent of Malaysia's electricity generation comes from natural gas, 40 percent coal, 5 percent hydro, and the rest from diesel, fuel oil and renewables. Unfortunately, today, renewables still constitute less than one percent of our energy mix although it was launched as our fifth fuel in 2001.

At the same time, Malaysia has recently been importing about 550 million cubic feet per day of natural gas and 20 million tonnes of coal annually to meet rising demand in the power sector. The Malaysian domestic energy landscape, hence, is set to change considerably over the years as Malaysia is projected to be joining other countries that have to rely on imports to meet domestic demand.

In the light of climate change, which is another important issue tied closely with energy security, there is also a need for us to do more in developing renewable energy resources such as solar and biomass. However, such projects have proven to be expensive, and would therefore need government support in making sure that

renewable energy can compete on a level playing field with conventional energy sources.

Hence, in ensuring security of energy supply to the nation against a backdrop of depleting fuel resources and rapid economic growth, Malaysia faces complex choices and challenges in the process of expanding the fuel mix in line with our national energy policy objectives.

Under these circumstances, the reliable and timely monitoring of the supply and use of energy becomes indispensable for sound decision making. However, such monitoring is possible only if high quality energy statistics are systematically compiled and effectively disseminated. The availability of a centralised system for national energy data collection and reporting activity is essential for that purpose.

Therefore, the Energy Commission is honoured that, today, in conjunction with the opening of the conference, Yang Berhormat Minister will also launch the Malaysian Energy Information Hub or MEIH. The MEIH is a portal developed by the Energy Commission as a centralised system for two main groups of users, namely data providers for data submission activity, and the public for accessing the national energy data and information. The hub contains not only the time series of energy supply and demand balance, but also information on the performance and related statistics of our electricity and piped gas supply industries.

Distinguished guests, ladies and gentlemen

Today's National Energy Security Conference will bring together policy makers, regulators, players and experts in the energy sector to present and discuss the country's energy security issues and the possible way forward. As such, I am confident that you will find this conference a rewarding and enriching one. I sincerely hope that the knowledge shared and the views expressed at this conference can contribute towards arriving at a workable long-term energy security solution for our country.

My special thanks to Mr. Nobua Tanaka, Former Executive Director of the International Energy Agency or IEA, who is currently the Global Associate of Energy Security and Sustainability of The Institute of Energy Economics Japan or IEEJ, for kindly accepting our invitation to speak at this conference. We are indeed honoured to have you with us.

I also wish to thank all of you distinguished guests, speakers, moderators, and participants for your attendance and participation at this workshop. A big thank you also to the Institute of Energy Policy and Research of UNITEN, as well as organizing committee members and others, who have supported and worked hard to make this conference a success.

Finally, once again, I would like to express our sincere appreciation and thanks to Yang Berhormat Dato' Sri Peter Chin Fah Kui, Honourable Minister of Energy, Green Technology and Water, for your presence here today to officiate this National Energy Security Conference 2012 and also to launch our Malaysian Energy Information Hub.

Thank you and Wassalam.