

Putrajaya, Cyberjaya aim low

In an area next to the Abu Dhabi International Airport, construction is under way on the world's first carbon-neutral city. Not all countries have the financial means of the United Arab Emirates to launch such a massive project. Masdar City costs US\$15 billion. But planners say countries like Malaysia can start small by earmarking several locations as low-carbon areas to reduce carbon emissions, KOI KYE LEE reports

MALAYSIA is said to be considering the building of its first carbon-neutral city as one of the projects to be undertaken by a joint venture between Abu Dhabi's Masdar and 1Malaysia Development Bhd (1MDB).

1MDB is a state-owned sovereign wealth fund manager mandated to drive strategic initiatives for the long-term sustainable economic development of Malaysia.

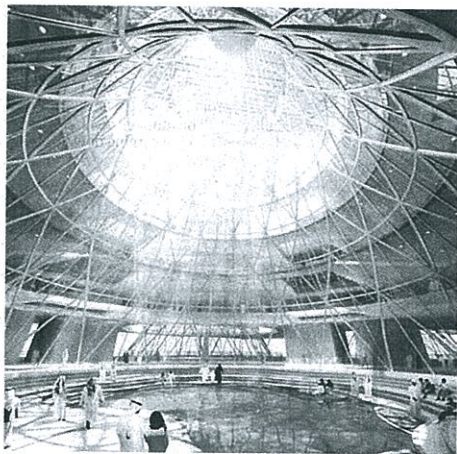
Masdar, on the other hand, is a wholly-owned subsidiary of Abu Dhabi's Mubadala Development Company.

Under the joint venture, Masdar and 1MDB will jointly explore clean technology projects and investments.

Both companies will also cooperate and invest in carbon reduction projects and clean technology venture capital.

At the signing ceremony in Abu Dhabi last week, 1MDB chief executive Shahrol Halmi said it was their "intention to explore business opportunities relating to the development of an environment-friendly carbon-neutral city in Malaysia".

It may take a while before such a plan takes off, depending on the government's means and constraints.



An impression of the inside of a building in Masdar City.

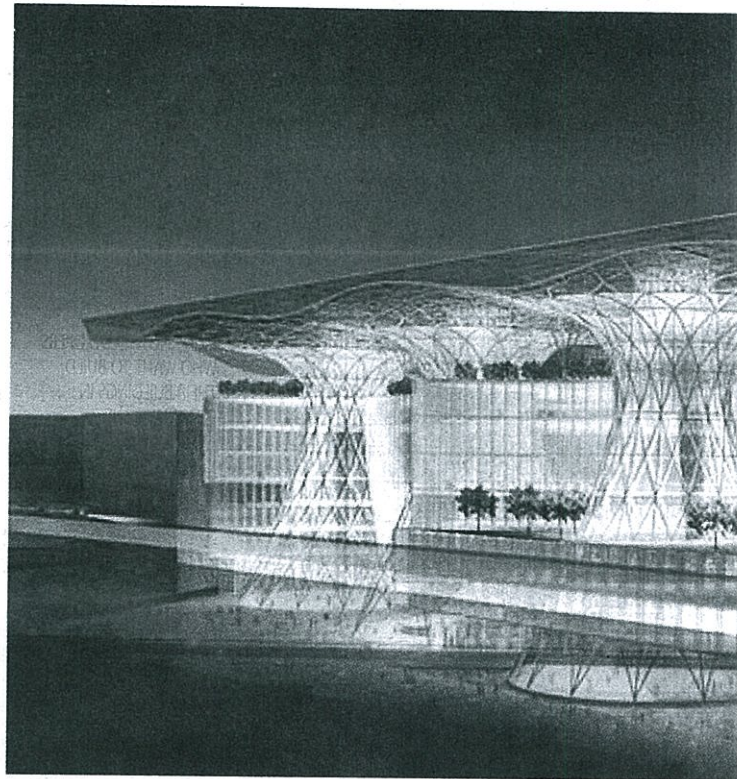
But the country can already start the ball rolling by earmarking certain locations as low-carbon emission areas.

As a start, Energy, Green Technology and Water Minister Datuk Seri Peter Chin says the government has earmarked Putrajaya and Cyber-

jaya as low-carbon areas.

This will mean that the operation of industries in the areas will have minimum emission of greenhouse gases.

These two areas can be pioneer townships in green technology and be the showcase for the development of other sim-



ilar townships.

Chin says the government is already working towards drawing up incentives for low-carbon emission projects.

"Right now, developers who want to build their buildings in Putrajaya and Cyberjaya need to be certified by the Green Building Index (GBI). Once this is done, they can claim tax rebates as indicated in the 2010 Budget."

Under the 2010 Budget, building owners obtaining the GBI certificates from now until the end of 2014 will be given income tax exemption equivalent to the additional capital expenditure in obtaining such certificates.

Buyers purchasing buildings with GBI certificates from developers will also 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.

The exemption is given to buyers who execute sale and purchase agreements from now until Dec 31, 2014.

Chin also says his ministry is developing a carbon measurement footprint as a carbon emission indicator.

This is to enable the carbon emission in both Putrajaya and Cyberjaya to be recorded.

Currently, there is no recorded data for both areas.

Despite not having a carbon measurement footprint yet, Chin says the easiest way to achieve low emissions is through energy efficiency, renewable energy and water saving.

Among the plans the ministry has for reducing carbon footprints in Malaysia is through the promotion of

green technology which comprises energy efficiency, renewable energy, transportation, waste and water management, recycling and building. He also says the ministry will be promoting the development of green technology among manufacturers and end users.

"The Green Technology Funding Scheme is one of the actions taken by the ministry to achieve the goals of promoting the development of green technology in terms of the manufacturing industries and also end users."

It is also learnt that the ministry has proposed a 10 per cent decrease in energy and water consumption in the first year. Water and waste recycling will be included.

Slowly, it will be expanded to public transport and green buildings.