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SPEECH BY THE PRIME MINISTER  
YAB DATO SERI DR ~~MAHATHIR BIN MOHAMAD~~  
AT THE FIFTH BIENNIAL INTERNATIONAL ASSOCIATION  
FOR NATURAL GAS VEHICLES CONFERENCE (NGV '96)  
AT PUTRA WORLD TRADE CENTRE, KUALA LUMPUR  
ON TUESDAY, 1 OCTOBER 1996  
AT 9.30 A.M.

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I would like to thank the NGV '96 National organising Committee for inviting me to officiate at this Fifth Biennial International Association for Natural Gas Vehicles Conference and Exhibition. It is indeed a great pleasure for me to be here this morning to address such a distinguished gathering of experts and representatives of both the business and Government sectors in the NGV industry from all over the world. I am happy that Malaysia has been chosen to be the host for this conference and exhibition, the first to be held in this region. I would like to take this opportunity to wish all our foreign visitors, especially those who are here for the first time, a warm 'Selamat Datang' to Malaysia.

2. It is indeed timely and appropriate that NGV '96 is held here in Kuala Lumpur, at the very heart of the fastest growing region in the world. The Asian region has been experiencing continuous rapid economic growth over the past decade where the need to balance growth with environmental protection has become a key factor in ensuring sustainable development. Recognising this need, Malaysia places considerable emphasis on environmental conservation in all its national development plans and policies and is committed to play an active role in international and regional cooperation efforts to combat environmental degradation. This is reflected in the country's participation in various international environmental conventions. Malaysia has also played an active part in promoting partnership between the North

and the South in combating global environmental deterioration, particularly through the transfer of financial resources and environmentally sound technologies from the North as well as adequate responses on the part of the South.

3. At the national level, the Government of Malaysia continues to adopt the concept of balanced growth as the basic thrust of the country's national development policy, as outlined in our recently launched Seventh Malaysia Plan for the 1996 - 2000 period to bring us nearer to our goal of Vision 2020. Under the Plan, environmental considerations will increasingly be integrated in the formulation of sectoral policies that provide for the acquisition of the requisite technical, policy and planning capability to deal with environmental problems. Early preventive measures and the use of more efficient and cost effective pollution control measures through research and development efforts as well as the acquisition of clean technology will be encouraged to achieve the desired level of pollution abatement. The usage of natural gas will also be promoted more aggressively in the transport and manufacturing sectors, including the utilisation of gas by fleet owners and industries in the place of less environmentally friendly fuels. All these Government efforts will be complemented and supported by the private sector through their investment in environmental and natural resource management programmes.

4. This public-private sector linkage is essential for ensuring balanced growth and is very much in line with the main thrust of the Strategic Plan of Action on the Environment currently being implemented under the ASEAN environmental cooperation framework within the ambit of the United Nations Conference on Environment and Development. In encouraging the integration of environmental factors in all developmental processes at the national and regional levels, the Strategic Plan calls for the promotion of Government-Private sector interactions towards the development of policies that mutually support the thrust of each sector.

5. Such interactions should be encouraged at both the regional as well as the international levels. As trade liberalisation in the present World Trade Organisation era intensifies, leading to increased economic and transportation activities in the global market, transboundary movement of hazardous wastes and even polluted air particles need to be controlled and other environmental management issues addressed through close international cooperation. International forums like this Conference can, I believe, offer an effective platform for fostering such close interactions and cooperation towards forging a clean global environment.

6. One of the key issues that needs to be seriously considered in the efforts to establish and preserve a clean global environment is air pollution. Air pollution is fast becoming a major environmental concern of most Governments, with the rapid deterioration of air quality especially in urban areas. Increasing transportation activities arising from rapid industrial growth and urbanisation are the main contributing factors to the persistently prevailing problem of air pollution in the world today. The transportation sector in most countries consumes a large portion of their final supply of energy mainly in the form of petrol and diesel which need to be continuously improved to reduce the pollutants being emitted into the atmosphere. In Malaysia, for instance, the transportation sector consumed some 40 per cent of the country's total commercial energy demand in 1995 and is anticipated to continue to grow at about 8.1 per cent per annum. I believe this same situation is also faced by most other countries.

7. With the transportation sector remaining as a major source of air pollution, efforts must be taken to overcome this problem. The seriousness and the long term negative impact of air pollution cannot be overemphasised. If left to persist, it can bring harmful effects to our health and economy which will result in increasing health and social costs being incurred. It is therefore vital that concerted and coordinated efforts be made

to reduce the impact of polluting fuel emissions from vehicles. To overcome this problem, there is no one single solution. It involves a combination of efforts which include improving public transport, traffic zoning and management, car pooling, use of low emission vehicles and technologies, and promoting the use of cleaner fuel such as natural gas.

8. In this regard, I am pleased to say that the Government of Malaysia is committed to continue to carry out every measure possible to improve the air quality in the country, particularly in the urban areas. On-going measures being taken to mitigate the decline in air quality include the strengthening of enforcement efforts and control by the Department of Environment, Police and the Road Transport Department to reduce black smoke emission from vehicles through the use of cleaner engine and efficient exhaust system as well as the reduction of lead content in petrol from 0.84 to 0.15 grammes per litre as required under the Environmental Quality Act Regulations. As a result of these measures, we have managed to maintain a generally good level of air quality in the country except for the most industrialised and urbanised areas. The Government is currently implementing programmes to ensure a clean environment in these areas.

9. These programmes include the relocation of the federal administrative centre in Kuala Lumpur to Putrajaya to reduce urban congestion and pollution in Kuala Lumpur and the Klang Valley, improvement of the Kuala Lumpur and Klang Valley urban transport system through the implementation of the Light Rail Transit system and the consolidation of the public transport system. Environmentally-friendly transport programmes such as the natural gas for vehicles are also being promoted. /s/

10. Natural gas for vehicles or NGV certainly has a major role to play in alleviating the air pollution problem. As NGV burns much cleaner than petrol or diesel, its use can reduce significantly the amount of harmful air pollutants emitted from vehicles. Although natural gas vehicles still emit some harmful

pollutants, they are at present the most commercially viable clean alternative transportation mode. Countries endowed with an abundant supply of natural gas should tap the gas resources available to provide an alternative fuel that will help lessen the deterioration of air quality. We must not allow the high capital involved in the construction of infrastructure for natural gas projects such as the NGV programme to stand in the way of our developing our gas resources for the benefit and well-being of our people. In the long term, the benefits to be accrued from the implementation of these natural gas programmes will far outweigh the high cost of healthcare and environmental damage to the Government and the people caused by air pollution.

11. Despite the anticipated long term benefits of NGV, statistics show that it is still not as widely used as it should be in most countries. Based on the 1995 estimated worldwide NGV fleets, out of the total of about one million and nineteen thousand natural gas vehicles in the world, almost ninety nine per cent are concentrated in only six countries, namely Argentina, the Central Independent States, Italy, Canada, New Zealand and the United States of America. This means that there is a vast potential for the future expansion of the NGV industry and I believe Government related authorities, suppliers, vendors and gas organisations such as the International Association for Natural Gas Vehicles can play a leading role in facilitating the rapid development of the industry. In Malaysia, NGV was introduced in May 1992 with 450 vehicles converted to run on dual fuel by the end of the year. Today, the number of vehicles using NGV has increased to about 990. We are currently taking positive steps to reduce the cost of the NGV facility to make the NGV programmes more viable and affordable.

12. Presently, we are already implementing gas development programmes to tap the abundant gas resources in the country to spearhead the expansion of the NGV industry together with other gas related projects. The development of our NGV industry largely depends on the phased completion of the Peninsular Gas

Utilisation Project, commonly known as PGU which was launched by PETRONAS in the early eighties. The PGU and Malaysian Gas Distribution projects are expected to provide the pipeline infrastructure to supply gas to the NGV refuelling outlets in urban areas where there is a large number of vehicles. When the PGU project is completed as scheduled by 1998, we would expect the number of vehicles using NGV to increase even further. W

13. The Government is committed to increase efforts to encourage the wider utilisation of NGV and is actively promoting the fuel in suitable areas such as the Kuala Lumpur International Airport in Sepang, in New urban areas such as the new federal capital of Putrajaya and wherever it is possible for the Government to encourage the use of natural gas, particularly in areas where air quality is fast deteriorating. In addition, the Government also provides incentives to make the use of NGV viable. W

14. However, for the implementation of the NGV programme to succeed, it needs more than just the Government's efforts and commitment to effect any measures to keep the air clean. It needs the commitment and cooperation of the whole community, from the public sector to the private commercial, industrial and individual consumers as it affects their personal health and well-being. It is therefore everyone's responsibility to preserve the air quality around us. The Government, for its part, will continue to provide the policy support and incentives for assuring good environmental management practices. On the other hand, the private sector, particularly those directly involved in the transportation sector such as the oil companies, fleet vehicles operators, companies that own vehicles and the individual vehicle owners must play a more prominent and complementary role in helping to reduce air pollution by investing in better environmentally-friendly technologies, using cleaner fuels and helping to educate and create greater awareness of the importance of maintaining a clean air environment.

15. In this regard, I am pleased to note that PETRONAS and Proton, the National car manufacturer, are jointly taking a step forward to develop a monogas vehicle. This augurs well for the development of the NGV industry not only in Malaysia but also in the region. I hope that the monogas vehicle can be adopted as part of an ASEAN programme to overcome the air pollution problem in the region. To this end, closer cooperation must be fostered at all levels-local, regional and international, as air pollution is borderless. Together, we should all work towards a clean air environment for our cities. In this context, the theme for this Conference - "Driving To Cleaner Cities" is most appropriate. I hope that through the close interaction and networking among Conference participants, greater cooperation can be fostered as well as joint programmes and new ideas formulated to expedite the development and wider utilisation of NGV globally. Cooperation programmes such as the Clean Cities and Healthy Cities Programmes are good examples of efforts that can be initiated between cities in sharing and pooling resources towards tackling air pollution problems in the cities. In this way, we can bring about a better and healthier environment that will be appreciated by our children, grandchildren and the generations to come.

16. Finally, I wish all of you an interesting and fruitful Conference and to our foreign guests, I wish you all an enjoyable and pleasant stay in Malaysia.

17. On this note, I now have the pleasure to declare open the Fifth Biennial International Association For Natural Gas Vehicles Conference and Exhibition.

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Prime Minister's Office  
Kuala Lumpur