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GVC allows SMEs to access Bank Negara's RM2bil green fund

THE Greening Value Chain (GVC) programme will enable suppliers to access Bank Negara's RM2bil Low Carbon Transition Facility (LCTF) to fund small and medium enterprise (SME) working capital or capital expenditures related to low-carbon practices at an affordable rate, according to Kossan Rubber Industries Bhd.

Group managing director and chief executive officer Tan Sri Lim Kuang Sia said the programme aimed to assist and incentivise carbon emission management among Kossan SME suppliers, making them the strategic suppliers of Kossan.

"This programme is a win-win relationship for our strategic suppliers and Kossan, which also benefits the environment," he said in his opening speech at the *GVC programme: Pioneering the alliance for sustainable supply*

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Tan Sri Lim Kuang Sia

chains in South-East Asia event recently.

Lim said the manufacturing industry's environmental impact accounted for 13% of national carbon emissions or about 32.5 million tonnes of carbon dioxide produced yearly, *Bernama* reported.

Hence, he said it required the commitment,

cooperation and participation from all entities to achieve the goal of becoming a carbon-neutral nation by 2050.

"With that being said, our GVC programme is a significant step in our continuous efforts to be greener but this is only one step out of many more to come in Kossan's

sustainability journey.

"We are committed to being a carbon-resilient company and we extend our Green DNA investment to our strategic supply chain partners under the GVC programme," he said.

Meanwhile, Bank Negara assistant governor Suhaimi Ali, in his speech at the event, said as an exporting nation, Malaysia must also prepare for the tightening of climate-related regulations that the country's trading partners might impose.

"SMEs, that form 37.4% of Malaysia's economy, are the most susceptible to this development.

"According to the report findings by the Sustainable Finance Institute Asia 2022, SMEs stand to lose RM292bil in revenue due to non-environmental, social and governance or ESG compliance," he said.

-- The Star