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I REFER to Datuk Halim Man's article "Energy solution is right here" (The Star, Dec 25).

Achieving "grid parity" will take Malaysia perhaps another 10 to 15 years. This is the estimation if foreign technologies are used as generating input into current development of renewable energy in the Malaysian context.

Local research and development (R&D) in this area remains fragmented if not uncoordinated, due to several constraints where the lack of financial support remains a stumbling block.

In enhancing local involvement in the R&D of sustainable green energy-related technologies, Malaysia may need to learn from global leaders such as Denmark, Germany, Japan and Korea, depending on the specific niche area of green energy specialisation.

The recent establishment of the Green Technology Policy with the accompanying Renewable Energy Policy & Action Plan Roadmap is a move in the right direction, showing that the Government is serious in taking renewable energy policy to the next level (where grid parity will be the prime objective).

The proposed Renewable Energy Act (REA) may help drive national policies on renewable energies.

But it will not be effective in facilitating such a drive unless due attention is also given to the tax matrix as an effective tool, apart from other related legal instruments.

As for the imminent enforcement of the GST, it can be seen that no attention has been given to tax consideration as an effective tool in facilitating the pick-up rate and public acceptance of green energy and related green technologies.

Usage of green technologies will still be subject to the same tax liabilities and subsequent tax treatment (notwithstanding certain tax exemptions granted for specified R&D subject matter).

Until now, there is no indication at all from the Government that the usage, promotion and implementation of green technologies and energy will be treated any differently in respect of tax liability.

Hence, for an integrated approach to finding a viable energy solution with green technology and renewable energy, matters relating to taxation must be taken into serious account.

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