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But with the government moving to reduce the country's reliance on subsidies for fuel, energy efficiency and sustainability are becoming important elements for businesses to look into as a means of controlling costs. The pump price of fuel was recently raised by 20 sen. As a result of this a hike in the cost of almost everything else is expected to follow. The need for energy efficiency is particularly telling for the small and medium enterprises (SME) given that they don't always have the economies of scale that larger corporations do.

The rising cost of energy will be a new challenge for SMEs in their quest to stay ahead of the curve in increasingly competitive markets. Kenmart: Being energy efficient is not just about cutting your cost of energy. It is also about being more productive in using your energy. " Looking at the current situation, SMEs will need to look at alternatives to differentiate themselves in the market. Energy efficiency is not just hype. It will help them to be more cost-competitive," said Kristo Kenmart, head of industry business for Schneider Electric Industries (M) Sdn Bhd.

The Schneider Electric Group is a French multinational corporation that specialises in energy management. It currently has operations in more than 100 countries. "Wages are rising and the price of petrol has gone up. This means a significant increase in cost for SMEs," Kenmart said. SMEs can reduce one of their main cost components by being energy efficient, he said. Energy has become one of the strategic factors driving business decisions and competitiveness. Businesses and consumers are increasingly considering the energy efficiency of the products and services they buy and use to yield maximum return on investment (ROI).

Governments are also starting to see the importance of supporting the energy- efficiency agenda among SMEs. Schneider Electric offers solutions for companies in a wide range of industries. The Singapore government estimates that energy costs make up about 13% of the operating costs for the countrys manufacturing SMEs and it recently announced a S \$17mil (RM42. 8mil) allocation to help SMEs assess, monitor and improve their energy efficiency. The goal of the initiative is to help some 300 SMEs achieve at least 10% savings in energy costs over the next three years.

Australia has similarly rolled out an energy sustainability programme for SMEs. Malaysia has yet to announce its Energy Efficiency Master Plan and there is currently little effort in addressing energy efficiency in the SME sector. However, the Government has pledged to reduce Malaysia's carbon footprint by 40% by 2020. Kenmart believes that the current economic condition in Malaysia will accelerate the awareness energy efficiency and efforts to educate companies about the need for it. We have seen some clients looking seriously into it. The number of companies doing this is growing daily. But being energy efficient is not just about cutting your cost of energy. It is also about being more productive in using your energy or getting more out of the energy that you are using," he said. Schneider Electric offers various energy-efficiency solutions or clients across all industries to boost the productivity of energy through technology and processes.

The adoption of energy-efficient solutions among SMEs here is in its infancy, which spells plenty of growth opportunities for Schneider Electric to further explore this segment of business. " There is still a lot of opportunity to

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develop the business here. Certainly there are many challenges. But we have also seen many successes as well," he said. He acknowledges that among the main concerns for many companies in implementing energy-efficiency solutions is the cost of implementation and the ROI period, which is understandable given their limited resources.

Notably, there is no one-size-fits-all kind of solution as SMEs vary in size and operations. Schneider Electric has carved out specific solutions for the various types of SME outfits according to the industries they are in, such as data centres, manufacturing and service providers. But Kenmart assured that Schneider Electric has documented the typical benefits and ROI for companies embarking on such solutions. He says the company's solutions also often include proposals on how to fund the adoption of energy efficiency.