

ESG

3 September 2024

ESG Country Updates

Singapore

- Singapore and Japan aim to deepen collaboration opportunities on carbon capture and storage (CCS), through knowledge exchange on best practices for cross-border CCS and insights on CCS technologies. It also aims to bring together expertise and resources from Singapore and Japan to accelerate CCS adoption in the region, as both countries have plans to export CO₂ to other ASEAN economies for storage. In particular, agreements around measurement, monitoring and verification protocols for exported CO₂ would need to be established, alongside cost-sharing and liabilities, to scale cross-border CO₂ transport and storage.

China

- China plans to promote green finance along the Yangtze River Economic Belt to support the region's low-carbon economic transformation. Financial institutions and businesses along the belt will be guided to issue green bonds in line with both domestic and international standards, to facilitate investments in China's low-carbon transition. They are also encouraged to support key environmental projects in the zone, particularly urban waste treatment, pollution control, soil and water protection, climate change mitigation and biodiversity conservation.
- China's wind and solar target has exceeded a target set by President Xi Jinping nearly six years ahead of schedule, which was to have at least 1,200GW of clean energy sources by 2030. The nation added 25GW of turbines and panels in July, expanding total capacity to exceed the target at 1,206GW, according to the National Energy Administration. However, solar and wind have generated about 14% of electricity in China so far in 2024, and further growth in renewables can support declining coal power generation. Grid operators are investing in power lines and energy storage facilities to facilitate the integration of intermittent generation sources into the power grid.

Malaysia

- Sarawak targets to have solar energy make up 12% of its energy mix in electricity generation by 2030, to contribute to its ambitious goal of achieving 10 GW renewable energy mix by 2030. Sarawak is exploring innovative methods to harness energy from hydropower, solar, biomass, sustainable fuels and hydrogen to achieve the target. There are also ongoing discussions to import 1GW of renewable energy from Sarawak to Singapore by 2032 via subsea cables, that can contribute to Singapore's target to import 4GW of low-carbon electricity by 2035.

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Indonesia

- President-elect Prabowo Subianto aims to speed up the mandatory 50% palm-oil based biodiesel blending (B50), aiming for implementation in 2025 with the goal of cutting fuel imports by USD20bn annually, as reported by Reuters. Note that Indonesia already plans to raise the blending to B40 in January 2025 from the current B35 blend, and tests have already begun for the higher blending preparation.
- The Indonesian government updated that it is still in the process of devising rules and regulations that govern the carbon tax policy, and has not provided further details on the timeline of its roll out. The carbon tax will be implemented in two phases, with the first phase to regulate the carbon tax for power plants and the second for the transport sector that uses fossil fuels. This is expected to cover around 71% of emissions in the energy sector and around 39% of Indonesia's total emissions, as part of the country's decarbonisation strategy.

Rest of the world

- With COP29 approaching, countries are negotiating a new funding target to support developing countries in coping with climate change. However, countries remain far from agreement for a COP29 deal as this remains to be a contentious topic every year.

Special Coverage: Carbon capture and storage (CCS) collaboration between Singapore and Japan

- Countries planning to export CO₂, including Japan and Singapore, and importers like Indonesia signed a series CCUS agreements at the Asia Zero Emissions Community Ministerial Meeting in Jakarta.
- Singapore and Japan aim to pursue collaboration opportunities on carbon capture and storage (CCS), through knowledge exchange on best practices for cross-border CCS and insights on CCS technologies. The collaboration also aims to bring together expertise and resources from Singapore and Japan to accelerate CCS adoption in the region, as both countries lack domestic storage capacity and have plans to export CO₂ to other ASEAN economies for storage.
- The Singapore government is working with S Hub, a consortium comprising Shell and ExxonMobil, to evaluate the technical feasibility of aggregating CO₂ emissions in Singapore and collaborating with international partners to study potential CO₂ storage sites.
- Agreements around measurement, monitoring and verification protocols for exported CO₂ would need to be established, alongside cost-sharing and liabilities, to scale cross-border CO₂ transport and storage. There are also legal aspects of shipping CO₂ across international borders that require intergovernmental negotiations.

Carbon Markets Analysis

ETS Markets	Price	Weekly Change	Week High	Week Low
EU ETS (EUR/ton)	70.30	-1.2%	71.49	70.30
China ETS (CNY/ton)	92.27	3.0%	92.34	89.04

Market	Commentary
EU ETS	<p>The EU ETS prices fell to a three-week low as selling interest continued last week. Correlation between carbon and gas has been strong recently. The weather forecast is sending a slightly bullish signal to carbon prices due to cooler temperatures forecast for European countries, in addition to reduced wind and solar output in central Europe.</p>
China ETS	<p>China ETS prices saw a 3.0% weekly gain to 92.27CNY/t with stable liquidity. However, the CCER saw low trading volumes as supply remains tight. New credits could be issued by the end of the year.</p>
Voluntary Carbon Market (VCM)	<ul style="list-style-type: none"> • There continues to be subdued buying activity and stagnant market prices in the cookstoves and renewable energy segments, particularly during the summer holiday season. • According to experts, Article 6 carbon credits may face the same scrutiny that existing voluntary carbon credits are facing surrounding integrity and effectiveness in reducing emissions. This is despite them being backed by the UN and governments. There are also double counting concerns and ambiguity around how VCM credits will be treated if they are used to make Nationally Determined Contributions (NDC) claims.

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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Co.Reg.no.: 193200032W