ESG

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ESG Country Updates

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

Singapore

- Electric vehicle (EV) adoption in Singapore hit a new high in the first quarter of 2025 with 4,383 EV units, making up 40.2% of total car registrations. In 2024, EVs made up 33.6% of total car registrations, which was up from 18.1% in 2023. BYD dominated both the EV market and total carbon market, representing one in five new car registrations. The share of EV adoption is expected to continue increasing as incentives spur adoption, alongside the development of a more robust EV ecosystem in Singapore.

China

- China's wind and solar power generation capacity surpassed fossil fuel-based thermal power capacity for the first time in history. In 1Q 2025, China's newly installed wind and photovoltaic power capacity totalled 74.33 mn kW, bringing the cumulative installed capacity to 1.482 bn kW and surpassing the installed thermal capacity of 1.451 bn kW. China plans to announce its 2035 Nationally Determined Contributions before COP30 in November, expected to detail more ambitious climate targets and cover all greenhouse gases.

Malaysia

- HYCO1, Inc. and Malaysia LNG Sdn. Bhd. signed a memorandum of understanding to collaborate on the potential utilisation and conversion of 1mtpa of CO2, with plans to transform the captured CO2 into usable downstream products. The project will be located in Bintulu, Sarawak, one of the oil and gas regions of Malaysia that has been recognised as the emerging global low-carbon industrial hub. This is part of plans to establish three carbon capture, utilisation and storage hubs by 2030, in efforts to achieve net-zero emissions by 2050.

Indonesia

- Since Indonesia opened its domestic carbon market to global participants, IDXCarbon has seen a rise in service users reaching 111 entities as of 17 Apr, up from 16 participants at its launch in 2023. It aims to reach 150 IDXCarbon users, both domestic and international, by the end of 2025. IDXCarbon has recorded a trading volume of 1,598,703 tCO_2e and a transaction value of 77.91bn rupiah as of 17 Apr, since its inception. Outreach efforts are underway, particularly targeting South Korea that is seen as a potential market for carbon trading.

Rest of the world

- Vietnam aims to significantly increase its power generation capacity by 2030, focusing on renewable energy and adding nuclear power to the mix, according to the country's new national power plan. The government is considering small modular reactors, with plans to hold talks with foreign partners on nuclear power projects, including Russia, Japan, South Korea, France and the US. It also plans to cut its use of coal, which is currently its main source of energy. Vietnam would need a total investment of US$136.3bn by 2030 to meet these targets, highlighting the importance of climate finance from developed countries.

- President Trump signed an executive order aimed at boosting deep-sea mining, in efforts to boost US access to nickel, copper and other critical minerals. The executive order directs authorities to expedite mining permits under the Deep Seabed Hard Minerals Resource Act of 1980 and establish a process for issuing permits along the US Outer Continental Shelf, including expediting the review of seabed mining permits in international waters. This is likely to face opposition from the international community, as well as from the environmental community because of the impacts of deep-sea mining on biodiversity, climate and local communities.

Special Coverage: Navigating US tariff shocks on ASEAN's solar industry

- High US tariffs can exacerbate ASEAN's existing energy transition challenges, potentially reducing the region's prominence in the global solar supply chain if the trade war persists.

- Solar components are among the largest exports from ASEAN to the US within the clean energy sector, with solar manufacturers and exporters likely to bear the brunt of impact from high tariffs. The majority of US solar equipment is supplied by Southeast Asia, home to several Chinese-owned solar manufacturers in recent years. Specifically, Cambodia, Malaysia, Thailand and Vietnam supplied over 80% of US solar PV imports in 1H2024.

- There have been longstanding concerns among US solar manufacturers regarding cheap solar imports from Chinese-owned manufacturers in ASEAN, in attempts to circumvent US tariffs imposed on Chinese-made solar components. In response to this, the US has finalised new antidumping duty (AD) and countervailing duty (CVD) rates in Apr 2025 on most solar imports from Cambodia, Malaysia, Thailand and Vietnam. For instance, the US Department of Commerce set AD rates of 125.37% and CVD rates as high as 3,403.96% for solar imports from Cambodia. These are in addition to President Trump's widespread tariffs.

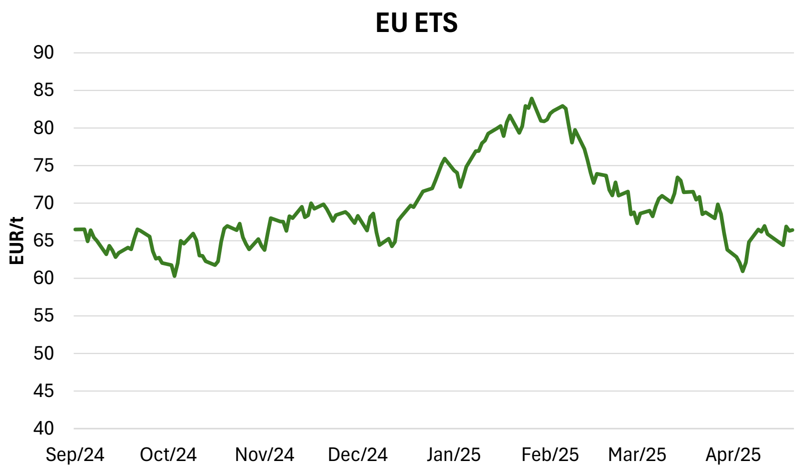
- To navigate trade uncertainty, Chinese-owned solar manufacturers may increase the relocation of facilities to countries not currently subject to the duties, including Indonesia and Laos, for export to the US. However, this approach may not be a long-term solution as trade barriers may arise for these markets if high US tariffs are implemented in the future.

- Solar manufacturers may also be encouraged to diversify their export markets outside the US, especially with the threat of escalating reciprocal tariffs. However, solar manufacturers in the region may face the challenge of not being as cost-effective as their Chinese counterparts, which could hinder their ability to capture market share outside of the US.

- The silver lining is that a glut of solar components, coupled with stronger China-ASEAN ties and ASEAN integration, could lower costs for regional projects and accelerate the region's low-carbon transition. Trade restrictions on Chinese solar panels may also result in a pivot of China's exports to high-growth markets for renewable energy components such as Malaysia and Thailand, which can help China retain its growing solar module export trajectory. This shift can also strengthen China-Southeast Asia ties in clean energy partnerships, potentially increasing emerging markets' access to more affordable clean energy technologies that can accelerate the region's low-carbon transition.

Carbon Markets Analysis

ETS Markets	Price	Weekly Change	Week High	Week Low
EU ETS (EUR/ton)	66.43	-0.8%	66.97	64.39
China ETS (CNY/ton)	75.76	-5.7%	80.38	75.76

Market	Commentary	
EU ETS	The EU ETS prices declined by 0.8% last week, following a strong rally on Wednesday. There was a moderate rise in speculative net long positions last week, likely spurred by signs last week that the US may ease its trade dispute with China.	
China ETS	China ETS prices saw a 5.7% weekly decrease and fell below the 80 CNY/t mark for the first time since Feb 2024 amid bearish sentiment. China's voluntary carbon credit market continued to trade at relatively high levels.	

Source: Refinitiv Workspace, Carbon Pulse

Macro Research

Selena Ling
Head of Research & Strategy
lingssselena@ocbc.com

Tommy Xie Dongming
Head of Asia Macro Research
xied@ocbc.com

Keung Ching (Cindy)
Hong Kong & Macau Economist
cindyckeung@ocbc.com

Herbert Wong
Hong Kong & Taiwan Economist
herberthtwong@ocbc.com

Lavanya Venkateswaran
Senior ASEAN Economist
lavanyavenkateswaran@ocbc.com

Ahmad A Enver
ASEAN Economist
ahmad.enver@ocbc.com

Jonathan Ng
ASEAN Economist
jonathanng4@ocbc.com

Ong Shu Yi
ESG Analyst
shuyiong1@ocbc.com

FX/Rates Strategy

Frances Cheung, CFA
Head of FX & Rates Strategy
francescheung@ocbc.com

Christopher Wong
FX Strategist
christopherwong@ocbc.com

Credit Research

Andrew Wong
Head of Credit Research
wongvkam@ocbc.com

Ezien Hoo, CFA
Credit Research Analyst
ezienhoo@ocbc.com

Wong Hong Wei, CFA
Credit Research Analyst
wonghongwei@ocbc.com

Chin Meng Tee, CFA
Credit Research Analyst
mengteechin@ocbc.com

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