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Sustainability Weekly

Country Updates

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Indonesia

- The Indonesian Ministry of Forestry is strengthening its partnership with the Japan International Cooperation Agency (JICA) to foster more innovative and impactful forestry initiatives. Both parties agreed to strengthen strategic cooperation in the forestry sector, particularly in supporting climate change mitigation agendas, land degradation rehabilitation and the management of world-class conservation areas. The hope is for this initiative to become an international benchmark for nature-based climate change mitigation and adaptation.

- Indonesia plans to accelerate the decarbonisation of its cement industry by implementing a decarbonisation strategy based on five key pillars, which include energy and material efficiency, electrification and the use of renewable energy by replacing fossil-fuel-based machinery with electric-based systems, as well as the implementation of carbon capture technologies. In the 2010 baseline, the cement industry had a clinker factor of 81%, a thermal substitution rate (TSR) of 3%, and specific emissions of 724 kg of CO2 per ton of cement equivalent. With various efficiency and innovative measures, clinker factor has been reduced to 68.1%, TSR increased to 12.58%, while specific emissions dropped to 566.3 kg of CO2 per ton of cement equivalent. Like many industries, the global cement industry is navigating a complex business environment shaped by urbanisation, decarbonisation and digitalisation, amid heightened geopolitical uncertainty.

China

- China's National Energy Administration (NEA) has pledged to accelerate the development of its hydrogen industry as a lever to strengthen national energy resilience, signalling a shift from 'pilot demos' to 'scale-up development'. A recent meeting, which was convened to review the progress of hydrogen pilots and outline future tasks, emphasised that hydrogen development must be tailored to local conditions, while urging a push for institutional reforms and specifically calling for innovations in hydrogen-trading mechanisms and green certifications. In December 2025, the NEA designated 41 projects and nine regions as hydrogen-industry pilots, covering the value chain from production and transport to storage and application. Global low-carbon hydrogen advancement has stalled, with many recent project delays and cancellations due to high costs and sluggish demand. With China's expansive scale and lower costs of renewable energy, particularly in solar and wind, China is expected to hold a competitive advantage in hydrogen production. Nonetheless, infrastructure for hydrogen transport must be further developed to address the challenge of geographical imbalances, as current renewable-to-hydrogen projects concentrated in the northern and northwestern regions need to supply industrial hubs in the east and south.

- China plans to significantly increase the supply of non-fossil energy by 2030 and double it by 2035 compared with 2025 levels. A massive hydropower project in Tibet and desert-based renewable hubs can help propel clean-energy generation. Doubling clean energy consumption over a decade is likely a more ambitious target than China's previous goals of having non-fossil energy comprise 25% of total consumption by 2025 and 30% by 2035. Nonetheless, grid infrastructure investment needs to keep pace with the expansion of clean energy to ensure robust connectivity between regions with renewable energy projects and industrial hubs.

Rest of the world

- Renewable power made up almost 50% of the world's electricity capacity in 2025 after a record increase in solar installations, according to data from the International Renewable Energy Agency. Global solar capacity grew by 511 GW in 2025 to 2,392 GW. Countries at COP28 in 2023 committed to collaborate to triple global renewable energy generation capacity to at least 11,000 GW by 2030. Meeting this target by 2030 would require an annual growth in renewable capacity of 16.6% from 2025 to 2030. However, geopolitical tensions could affect the growth in renewable capacity as countries prioritise addressing energy security concerns.

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Weekly Commentary: EU and China continue push for clean energy amid Middle East conflict

- The EU plans to reduce electricity taxes and accelerate the expansion of clean technologies to reduce consumers' exposure to rising oil and gas prices, as part of its plan to manage the impact of the Middle East conflict. There are also plans to propose an electrification target to push industries to switch from fossil fuels to electricity, and wean off fossil fuels faster to protect the EU from future oil and gas supply disruptions.

- China has also called for the accelerated planning and construction of a new energy system to safeguard China's energy security with emphasis on hydropower development and ecological protection, as well as the safe and orderly expansion of nuclear energy. Several ASEAN countries are also exploring nuclear energy as part of their energy mix. For example, the Philippines is targeting up to 4,800MW of nuclear capacity by 2050, while Vietnam has reintroduced nuclear power into its national energy plan. Indonesia is exploring small modular reactors, including floating reactors, with a target timeline around 2030. Singapore has also commissioned studies on nuclear safety and environmental impact, in efforts to assess the potential deployment of advanced nuclear energy technologies to meet the country's energy needs.

- Nonetheless, coal-fired power remains the foundation of China's energy system and will continue to play its supporting role. China continues to position coal power as a flexible backup system, even as it accelerates renewables, to ensure long-term energy security. A diversified energy mix with clean energy sources can bolster energy security and reduce future shocks to oil and gas supply chain disruptions.

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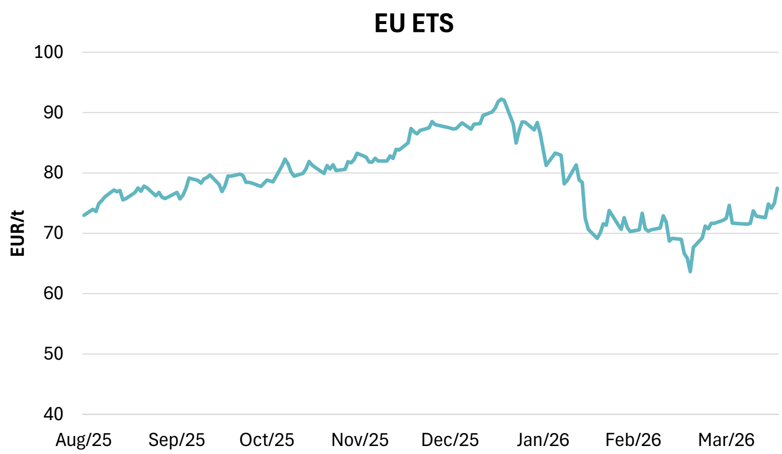
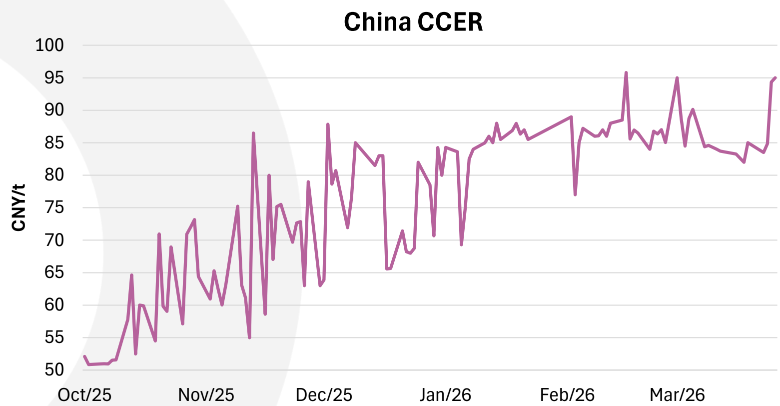
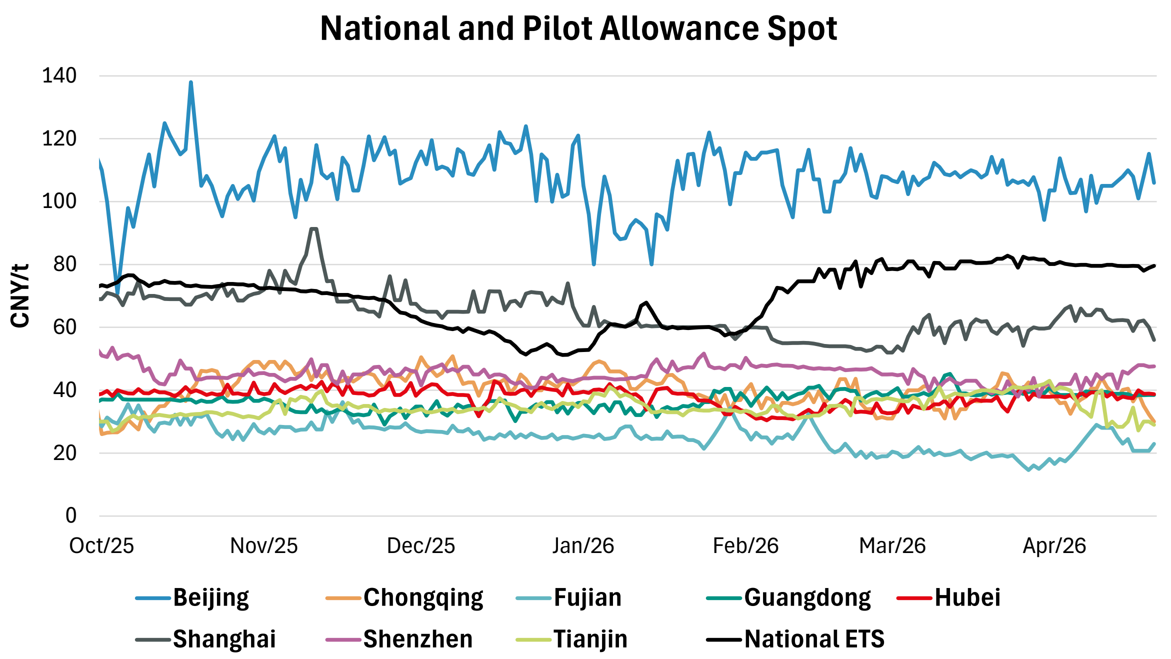
Carbon Markets: Weekly Overview

ETS markets	Price	Weekly change	Week high	Week low
EU ETS (EUR/ton)	77.46	6.3%	77.46	72.59
China ETS (CNY/ton)	79.56	0.1%	79.56	78.02

Market	Commentary
EU ETS	EU ETS prices recorded a 6.3% weekly increase, reinforcing bullish sentiment as carbon markets remained resilient amid compliance-driven demand. With carbon increasingly decoupled from gas and more closely linked to equities, higher energy prices are unlikely to provide support. Potential equity weakness points to downside risk for EUAs. 
China	**National ETS**: Prices closed at CNY79.56/t last week, a marginal 0.1% increase from the previous week. Total traded volume reached 1,490,500 tonnes, up 18.38% as market participants demonstrated relatively active engagement after a prolonged lull throughout March. **CCER**: Total CCER traded volume reached 78,301 tonnes, with daily average trading price ranged between CNY83.50/t and CNY95/t. Traded volume declined by 28.84% compared to the previous week, with 89.4% of the volume concentrated on 15 Apr. The limited number of available projects and spot credit availability continues to constrain the growth of CCER traded volume.  

China	**Pilot ETSs**: Total traded volume across all of the pilot ETSs reached 51,258 tonnes, an increase of 33.16% from the previous week. The Shanghai pilot ETS accounted for 52.95% of the total traded volume, but its volume decreased by 13.07% compared to the previous week, with over 99% of the volume highly concentrated on 13 Apr. Only the Guangdong and Hubei pilot ETSs recorded slight increases in closing prices.



Pilots	Closing price on listed trade (CNY/t)	Weekly change (%)	Weekly volume on listed trade (t)
Beijing	106.00	0.00	-
Chongqing	30.00	-7.09	3,213
Fujian	22.90	0.00	-
Guangdong	38.50	1.16	1,190
Hubei	38.78	3.58	3,204
Shanghai	56.00	-9.39	27,141
Shenzhen	47.60	-0.83	6,510
Tianjin	29.00	0.00	-

Source: LSEG

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