

Sustainability Weekly

Country Updates

Singapore

- Singapore reaffirmed growing bilateral ties with South American countries i.e. Peru, Paraguay and Chile during Minister Fu's two business missions, aimed at advancing carbon credits and agri-food trade partnerships. Singapore has already signed Implementation Agreements with these three countries on carbon markets cooperation, and announced in Sep 2025 the purchase of nature-based carbon credits from projects in Peru and Paraguay to help Singapore meet its 2030 climate targets. Discussions at the business missions also covered deepening economic cooperation through the MERCOSUR-Singapore Free Trade Agreement. These efforts plan to generate tangible business opportunities while advancing global climate action and enhancing resilience and security of Singapore's food systems.
- Early discussions on low-carbon electricity trading between Singapore and India have begun. Pre-feasibility studies conducted have mapped out two possible routes for a Singapore-India connection. The first involves a land corridor spanning 4,000 km that connects the north-eastern part of India to Singapore through Myanmar, Thailand and Malaysia. The second option is via undersea cables of more than 3,000 km starting from the east coast of India through the Andaman and Nicobar islands before it reaches Singapore. Having a Singapore-India power connection is envisioned as a step towards a larger goal of connecting regional grids from Southeast Asia, South Asia and the Middle East. To realise this connection, a detailed study on the commercial viability of the project still has to be conducted. Mobilising the required capital and harmonising standards for subsea cables across different markets are key challenges to be addressed.

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Rest of the world

- A consortium, comprising major industrial and energy players, is advancing efforts to scale carbon capture infrastructure, identifying five potential cross-border storage hubs as part of a carbon capture, utilisation and storage development study. The five candidate hubs are in India, Indonesia, Malaysia and Australia, highlighting emerging regional opportunities for integrated CCUS networks spanning capture, aggregation, transport and storage. The initiative targets hard-to-abate sectors such as steel, cement and chemicals, where deep emissions reductions remain challenging, and seeks to establish shared infrastructure for capturing, transporting and storage CO₂ at scale. Phase 1 of the study focused on identifying commercially and technically viable storage hubs, while Phase 2 will assess engineering design, infrastructure requirements and business models needed to enable deployment. Aligned policy frameworks, investment incentives and regulatory clarity will be essential to unlock commercial-scale adoption across the region.

Weekly Commentary: Malaysia published carbon market policy, with carbon tax under review

- Malaysia has unveiled a National Carbon Market Policy (NCMP) designed to regulate carbon trading and support the country's transition to a low-carbon economy. The framework covers both voluntary and compliance carbon markets, aiming to position Malaysia as a credible participant in international carbon trading.
- To assess which types of projects are suitable for international agreements, the NCMP introduces a National Marginal Abatement Cost Curve, which ranks decarbonisation solutions based on how affordable it is to abate one tonne of emissions. The policy said that low-cost abatement options are prioritised for domestic mitigation, while higher-cost and hard-to-abate measures are most suitable for international cooperation under Article 6. The NCMP also mentions that Malaysia will focus on operationalising Article 6.4, which facilitates international cooperation to achieve countries' climate targets.
- It was announced last October in Malaysia's 2026 Budget speech that the country will introduce a carbon tax for the energy, iron and steel sectors as a start. However, the planned carbon tax remains under review as the government assesses current economic and geopolitical conditions, aiming to avoid imposing additional burdens on industries or consumers at this time. This aims to ensure business competitiveness considering the impacts of the Middle East conflict. The focus will be on establishing the necessary institutional arrangements, MRV systems and registry infrastructure for Article 6.4, while putting the carbon tax on hold in light of current geopolitical circumstances.

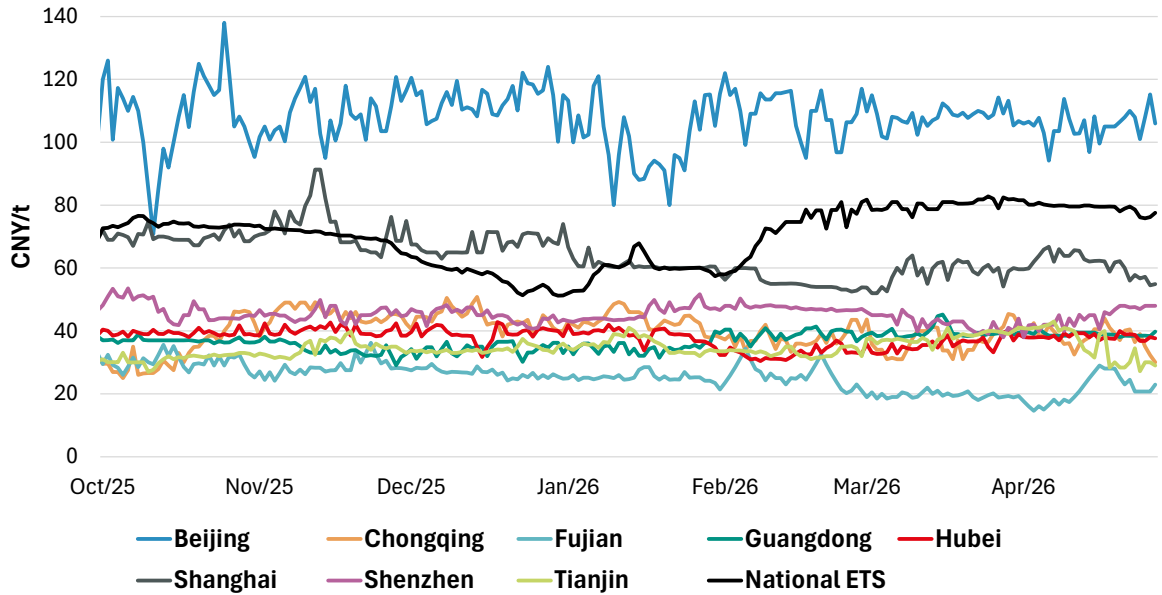
Carbon Markets: Weekly Overview

ETS markets	Price	Weekly change	Week high	Week low
EU ETS (EUR/ton)	74.90	-3.3%	77.46	74.41
China ETS (CNY/ton)	77.59	-2.5%	79.56	75.81

Market	Commentary
EU ETS	<p>EU ETS prices recorded a 3.3% weekly decrease, ending last week at €74.90. The market remains rangebound and will hinge on ETS policy signals and geopolitical energy risk. Recent trading volumes are slightly lower between 14 – 16 mn tonnes.</p>
China	<p>National ETS: Market activity saw a strong rebound but prices moved lower and closed the week at CNY77.59/t. Trading volumes rose to nearly 4.42 mn tonnes, almost 3 times that of the previous week. The rebound in market activity may be driven by the completion of the pre-allocation for industrial participants.</p> <p>CCER: Market activity on the CCER market remained sluggish last week, though the total volume increased slightly. A total of 85,702 tonnes of CCERs were traded, a 9% increase from the previous week. Daily transaction prices fluctuated within the range of CNY 80.27/t to CNY 93.54/t. Approximately 1 mn tonnes of CCERs were issued from an offshore wind power project.</p>

Pilot ETSs: Market activity remained relatively low, with a total traded volume of 89,559 tonnes across all pilot ETS markets, up 75% from the previous week. The Guangdong pilot ETS saw the highest traded volume, accounting for 57% of the total. While the Guangdong and Shenzhen pilot ETSs recorded slight increases in closing prices, the Shanghai and Hubei pilot ETSs recorded a price decrease.

National and Pilot Allowance Spot



China

Pilots	Closing price on listed trade (CNY/t)	Weekly change (%)	Weekly volume on listed trade (t)
Beijing	106.00	0.00	-
Chongqing	30.00	0.00	-
Fujian	22.90	0.00	-
Guangdong	39.79	3.35	50,904
Hubei	37.63	-2.97	1,214
Shanghai	54.89	-1.98	32,421
Shenzhen	48.00	0.84	5,020
Tianjin	29.00	0.00	-

Source: LSEG

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