

ESG

28 May 2024

ESG Country Updates

Singapore

- The MAS and the People's Bank of China discussed initiatives to advance cooperation in green and transition finance between China and Singapore at the 2nd China-Singapore Green Finance Taskforce (GFTF) meeting. Initiatives discussed covered the alignment of taxonomies, facilitation of green finance flows and the development of a decarbonisation rating platform.

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China

- Tesla broke ground on its new US\$200 mn battery factory in Shanghai to produce its Megapack energy-storage batteries, that are meant to be used to stabilise energy grids. The factory aims to begin production in 1Q 2025 and will be able to make 10,000 Megapacks annually, which comes at a time of increased tension between the US and China.

Malaysia

- REDEX will support TNBX, a wholly owned subsidiary of Tenaga Nasional Berhad, to enable more renewable electricity certification in Malaysia, by transforming the Malaysia Green Attribute Trading System (mGATS) into a digital marketplace for Malaysia Renewable Energy Certificates (mREC). This initiative is in line with the National Energy Transition Roadmap to promote renewable energy and bolster the country's goal to achieve net-zero emissions by 2050.

Indonesia

- The Global Blended Finance Alliance (GBFA) secretariat was launched in Nusa Dua, Bali, and aims to tackle the financing gap to realise climate projects and achieve the sustainable development goals. The GBFA will support countries in designing and implementing appropriate policies and developing institutional structures, technology, data and financing solutions for the low-carbon transition.

Rest of the world

- The US Commodity Futures Trading Commission (CFTC) is investigating greenwashing as part of its crackdown on fraud and misconduct in the voluntary carbon markets. Taking guidance from the Integrity Council for Voluntary Carbon Market's (ICVCM) Core Carbon Principles, regulators are looking to introduce standards to tackle fraud and misrepresentation in voluntary carbon markets.
- As electric vehicle (EV) adoption increases in the US market, US electricity consumption from electric vehicles (EVs) over the first two months of 2024

(1.58 mil MWh) jumped by over 50% from the same months in 2023 (1.04 mil MWh). California was the top state for electricity use by EVs in 2023, followed by Florida and Texas. States with the lowest electricity demand for EVs in 2023 were North Dakota, Wyoming and South Dakota, owing to limited public charging infrastructure and concerns about the impact of harsh winters on battery life.

- Google has signed corporate power purchase agreements with Clean Energy Connect and Shizen Energy for solar projects dedicated to providing electricity to Google's data centers in Japan, aligned with Google's ambition to operate on 24/7 carbon-free energy across all the grids where Google operates by 2030.

Special Coverage: Collaboration between MAS and PBOC in green and transition finance

- Malaysia's MAS and PBOC discussed cooperation in green and transition finance activities between China and Singapore, at the 2nd China-Singapore Green Finance Taskforce (GFTF) meeting held on 20 May:
 1. Taxonomies: MAS and PBOC will complete the mapping of the Singapore Asia Taxonomy to the International Platform on Sustainable Finance (IPSF)'s Common Ground Taxonomy (CGT) by end 2024, to facilitate cross-border issuance by Singapore and Chinese corporates of CGT-aligned green financing bonds and loans originated by Singapore and Chinese financial institutions.
 2. Products and Instruments: Singapore Exchange and China International Capital Corporation are collaborating on a Green Corridor to facilitate green financing flows between Singapore and China. As a start, the workstream will focus on encouraging green panda bond issuances, given the demand from Singapore issuers to raise capital in the Chinese onshore bond market. MAS will provide support to encourage such financing flows through grant schemes such as the Sustainable Bond Grant Scheme.
 3. Technology: Metaverse Green Exchange and Beijing Green Exchange are developing a carbon accounting and decarbonisation rating platform, to aggregate Chinese corporates' carbon emissions data to support Singapore and Chinese financial institutions in structuring green financing solutions for these corporates.
 4. Emerging areas: Nature and biodiversity, ESG data model interoperability, and the use of artificial intelligence and data analytics to facilitate the collecting, accessing and harnessing of high-quality ESG data to drive green and transition efforts.
- While there are no further details on the timeline for these initiatives, these initiatives can scale up green and transition financing flows between Singapore, China and the region towards countries' climate goals.


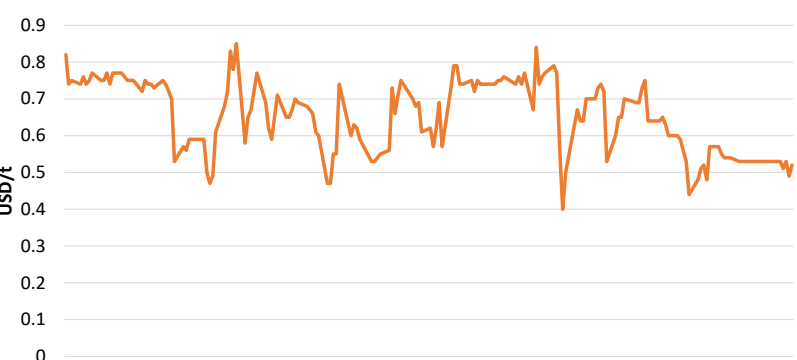
Carbon Markets Analysis

Global Carbon Market Prices

ETS Markets	Price	Weekly Change	Week High	Week Low
EU (EUR/ton)	75.61	7.0%	76.25	70.69
China (CNY/ton)	98.97	-0.6%	100.26	97.32

Voluntary Carbon Markets	Price	Weekly Change	Week High	Week Low
Nature-based	0.45	0.0%	0.46	0.45
CORSIA	0.52	-1.9%	0.53	0.49

Market	Description	Trend
EU ETS	The EU ETS price saw a 7% weekly gain last week, maintaining a strong correlation with TTF gas. The strong relationship may continue as gas continues to act as a strong short term price driver and volatility driver. However, the weather forecast is sending a slightly bearish signal from increased wind power production in central Europe.	<p>EU ETS</p>
China ETS	China ETS prices remained stable last week with healthier trading volumes, but the absence of policy updates may restrict further price growth.	<p>China ETS</p>

Market	Description	Trend
Voluntary Carbon Markets (VCM)	<p>There has been low demand and trading activity for the cookstove and renewable energy segments, despite high offers. A rebound in demand may take some time, as investors are now scrutinising project origination and becoming more selective about the activities they finance.</p>	<div style="text-align: center;"> <p>Nature-based credits</p>  </div> <div style="text-align: center;"> <p>CORSIA credits</p>  </div>

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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