

ESG

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ESG Country Updates

Singapore

- A survey by EY showed that 58% of CEOs in Singapore have deprioritised their focus on sustainability, compared with a year ago, partly owing to challenging economic or financial circumstances. Corporate leaders are also found to be green hushing for fear of being accused of greenwashing. This trend is also observed across other countries where sustainability becomes less of a priority in some organisations than it was a year ago, but this could be because sustainability has already been incorporated into existing frameworks and processes so organisations can focus on other priorities.

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China

- China has launched the Kunming Biodiversity Fund that will make contributions to global biodiversity conservation, with its first projects to be launched this year ahead of the COP16 United Nations biodiversity conference starting on 21 Oct in Colombia. The fund will provide assistance in the form of financial, technical and capacity support for developing countries to implement the Kunming-Montreal Global Biodiversity Framework.
- China aims to reduce the carbon dioxide emissions of key industries by an amount equivalent to about 1% of the 2023 national total through efficiency gains in all sectors from steel production to transportation, according to a government action plan that was recently released. China aims to control coal consumption and petroleum consumption, as well as promote the use of biofuel and sustainable aviation fuel to achieve this.

Malaysia

- Abnormal weather has been disruptive to Malaysia's durian harvests this year. The fruits have yet to ripen and fall, delaying the peak durian season that typically lasts from May till August. This can affect the quality and quantity of Malaysia's supply for the export market amid rising demand from countries like China.

Indonesia

- The Indonesian government aims to collaborate with several private companies to use and procure electric vehicles in Nusantara, the new capital city. For example, PT Blue Bird Group aims to provide environmentally friendly public transportation services in the area. EV trials will begin starting Aug 2024, after which EV facilities and services will be gradually expanded to the city.

Rest of the world

- EU governments formally cleared a new law called the Net Zero Industry Act

(NZIA) designed to ensure the EU produces 40% of its solar panels, wind turbines, heat pumps and other clean tech equipment and to help the European industry compete with the US and China on this front. The NZIA proposes streamlining the granting of permits for projects that boost EU manufacturing, ensuring most are issued within six to nine months, with the aim to reach 15% of global production of these green technologies by 2040.

- South Korea plans to generate 70% of its electric power from carbon-free energy sources such as renewables and nuclear power by 2038, up from less than 40% in 2023. Coal and natural gas are expected to decline sharply based on the plans. It plans to increase solar and wind power output to 72 GW by 2030 from 23 GW in 2022, and add four nuclear plants to bring the total to 30 by 2038.

Special Coverage: Singapore signed its second implementation agreement on carbon credits cooperation

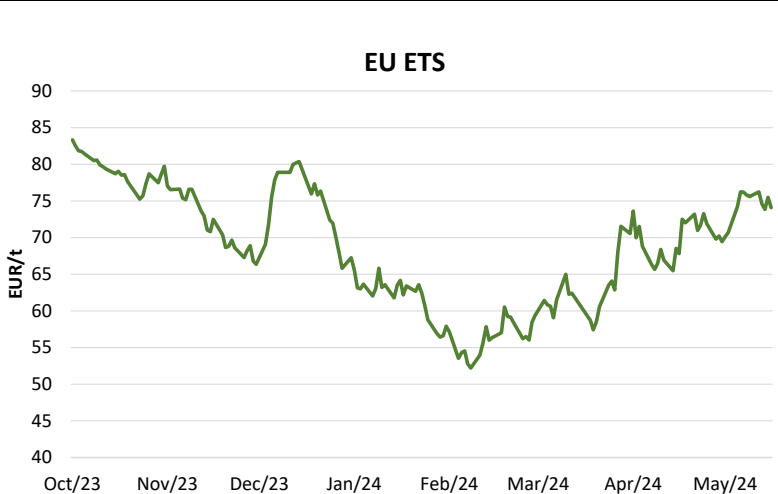

- Singapore and Ghana signed an Implementation Agreement on carbon credits cooperation under Article 6 of the Paris Agreement on 27 May, which sets out a legally binding framework and processes for the generation and international transfer of carbon credits between Singapore and Ghana. Ghana is the second country after Papua New Guinea to sign an implementation agreement with Singapore on carbon credits cooperation.
- This comes as GenZero has already been investing in a forest restoration project in the Kwahu region of Ghana, which involves replanting degraded forest reserves. More than 20 million seedlings of native species are to be planted over seven years. Like the agreement with Papua New Guinea, the deal with Ghana requires project developers to contribute 5% of their share of proceeds from authorised carbon credits towards climate adaptation in Ghana. These funds will go towards helping Ghana prepare for and adapt to climate change impacts e.g. heat resilience and coastal protection. Singapore has also committed to having 2% of authorised carbon credits cancelled at first issuance to ensure additional contribution to overall mitigation of global emissions.
- The verification of carbon credits from the Ghana project will begin in 2028. If deemed eligible, these carbon credits can be used by carbon tax-liable companies in Singapore to offset up to 5% of their taxable emissions.
- Singapore has concluded substantive negotiations with Bhutan, Paraguay and Vietnam, and signed MoUs/Letters of Intent on carbon credits collaboration with Cambodia, Chile, Colombia, Dominican Republic, Fiji, Kenya, Mongolia, Morocco, Peru, Rwanda, Senegal, and Sri Lanka, with the aim of inking similar Implementation Agreements. This can enable carbon tax-liable companies in Singapore to tap a greater pool of carbon credits when eligible carbon credits become available.


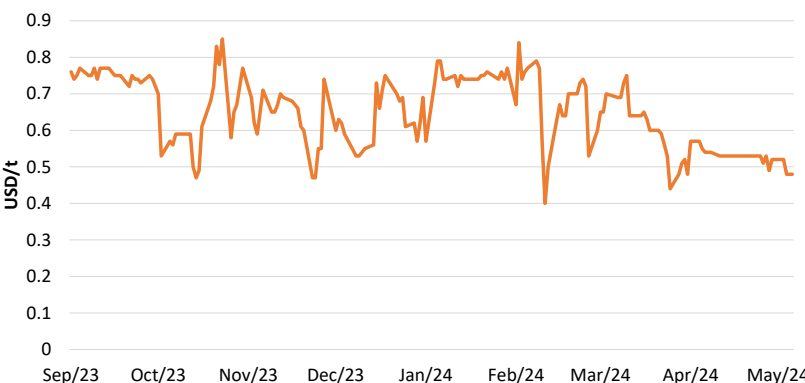
Carbon Markets Analysis

Global Carbon Market Prices

ETS Markets	Price	Weekly Change	Week High	Week Low
EU (EUR/ton)	74.10	-2.0%	76.25	73.86
China (CNY/ton)	93.23	-5.8%	98.97	93.23

Voluntary Carbon Markets	Price	Weekly Change	Week High	Week Low
Nature-based	0.44	-2.2%	0.46	0.44
CORSIA	0.48	-2.0%	0.52	0.48

Market	Description	Trend
EU ETS	The EU ETS price fell 2% while maintaining a strong correlation with TTF gas. The 2023 total number of allowances circulation (TNAC) was released and the number stood at 1,111,736,535. A total of 266,816,768 allowances will be withdrawn and inserted into the Market Stability Reserve over a 12-month period, to avoid having a structural surplus of allowances in the EU ETS.	<p>EU ETS</p> 
China ETS	China ETS prices fell by 5.8% to 93.23 CNY/t last week, which is a one-month low, owing to a continued lack of policy clarity. The price trajectory remains unclear and there are no updates on when the ETS expansion will happen.	<p>China ETS</p> 

Market	Description	Trend
Voluntary Carbon Markets (VCM)	The sentiment in the VCM remains bearish throughout various segments, including the cookstove and renewables segments. It was reported that the market is seeing an oversupply of renewable energy credits, leading to lower prices.	<p style="text-align: center;">Nature-based credits</p>  <p style="text-align: center;">CORSIA credits</p> 

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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