ESG

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ESG Country Updates

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Singapore

- Singapore has launched a 15-month plan to assess the impact of the 14 June oil spill on marine biodiversity. This will be done through retrieving sediment samples from affected and unaffected areas to assess the impact on organisms in the sediment. While there has been no observable significant impact on marine biodiversity, the 15-month study will better inform what mitigation and restoration measures are required to conserve important biodiversity areas in Singapore.

- Singapore will be submitting its updated Nationally Determined Contribution in early 2025, to meet the UN's 25 Feb deadline. Ahead of that, the National Climate Change Secretariat (NCCS) has launched a public consultation exercise on Singapore's decarbonisation journey that will be open till 5 Nov. The views from the public will be taken into consideration as Singapore develops its next bound of climate targets, measures and policies through 2035. NCCS is focusing on three transitions to enable Singapore to achieve its climate targets i.e. (i) a carbon transition to reduce emissions across all sectors, (ii) an energy transition to achieve a resilient net zero electricity grid, and (iii) an economic transition to remain competitive in a low-carbon future and to capture new green growth opportunities.

China

- ASEAN member states and China have concluded negotiations to upgrade their free-trade area in relation to the digital and green economies, to boost trade and support international supply chains. The upgrade covers new and enhanced rules on customs procedures, non-tariff barriers including standards and technical regulations covering food, agriculture and industrial products, the digital and green economies, and supply chain connectivity. They are now working towards the full conclusion of negotiations targeted for 2025. China's expertise in clean energy can help to advance ASEAN's low-carbon transition and advance plans for a regional power grid.

Malaysia

- Following the EU's proposal for a one-year delay in the enforcement of its EU regulation on deforestation-free products (EUDR), Malaysia has expressed support for the delay to provide more time for affected small-scale producers to comply with the rules. Similar to Indonesia, Malaysia has concerns over being subject to more stringent compliance rules if classified as high-risk under the EU classification. The government aims to assist small holders with meeting the costs and standards of compliance through the process.

Indonesia

- The Energy and Mineral Resources Ministry anticipates that Indonesia will miss its 2025 target for renewable power generating capacity by a wide margin. This can be attributed to uncompetitive prices and policies that support coal power. Indonesia already reduced its renewable energy target from 23% to 17%-19% in 2025. The Ministry estimates that PLN, according to its electricity procurement plan, would need to build renewable power plants with a total capacity of 8.2GW by the end of 2025 to meet the target. Projects in the pipeline include solar, hydroelectric, micro-hydro and wind power plants with a total capacity of 2.83GW, 1.7GW, 787MW and 527MW respectively. The investment required for those plants was estimated at US$14bn, which if secured, can enable renewable energy to reach around 21.2% of the national energy mix. This highlights the need for climate finance for developing countries to accelerate the transition away from coal and enhance renewable energy capacity.

Rest of the world

- A UN trade agency known as International Trade Centre is launching an online platform this month to help small farmers in developing countries maintain access to Europe once the EU regulation on deforestation-free products (EUDR) kicks in. The platform, called the Deforestation-Free Trade Gateway, aims to reduce repetitive and costly data collection and sharing, as well as have a platform where farmers, exporters and importers can confirm compliance. A pilot will launch in Latin America before it expands globally in November, that can help Asian economies like Malaysia and Indonesia whose small-scale farmers in the covered sectors will be impacted by the rules.

Special Coverage: Enhancing ASEAN low-carbon energy connectivity

- ASEAN and China have substantially concluded the ASEAN-China Free Trade Area (ACFTA) 3.0 Upgrade negotiations at the ASEAN-China Summit on 10 Oct, and are working towards the full conclusion of negotiations targeted for next year. The upgrade covers new and enhanced rules in areas such as digital and green economies, agriculture and industrial products, as well as supply chain connectivity.

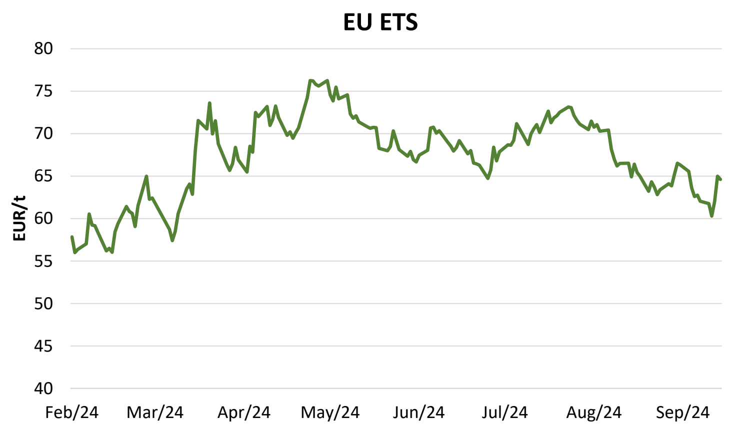
- China's capabilities in clean energy deployment can help advance ASEAN's plans for the regional power grid as well. ASEAN works towards creating a framework for subsea power cable development by the end of this year – this can support efforts in developing the regional power grid and contribute to the transfer of low-carbon electricity across ASEAN. There should be clear regulatory and commercial frameworks for cross-border energy trade to achieve the planned ASEAN grid, to help meet climate change goals. This can support the projects that Singapore has already granted conditional approvals to import low-carbon electricity from neighbouring countries.

- As Singapore plans to submit its next Nationally Determined Contribution (NDC) in early 2025, the National Climate Change Secretariat (NCCS) has launched a public consultation exercise till 5 Nov. The views will be taken into consideration for Singapore's next round of climate targets, measures and policies through 2035. Singapore aims to focus on three transitions to achieve its climate targets:

1. A carbon transition to reduce emissions across all sectors;
2. An energy transition to achieve a resilient net zero electricity grid;
3. An economic transition to remain competitive in a low-carbon future and to capture new green growth opportunities

Carbon Markets Analysis

ETS Markets	Price	Weekly Change	Week High	Week Low
EU ETS (EUR/ton)	64.62	4.1%	65.00	60.29
China ETS (CNY/ton)	100.95	1.8%	102.90	99.16

Market	Commentary
EU ETS	The EU ETS prices saw a 4.1% weekly increase to €64.62/t with speculative trading and broke through key resistance levels. The strong correlation between gas and carbon has returned, and the markets are expected to follow each other closely. 
China ETS	China ETS prices saw a weekly 1.8% increase and remained above the 100 CNY/t level after the Golden Week holidays. There was an increase in weekly trading volumes amid growing compliance demand. 
Voluntary Carbon Market (VCM)	• The VCM was stable across all segments last week. Some sources are seeing a demand pick-up in the VCM because of corporate interest, but not for renewable credits. • Stagnant firm buying activity for CORSIA credits was observed. The market is awaiting further clarity toward the end of the trading year once the International Civil Aviation Organisation fully approves standards like Verra and Gold Standard for CORSIA Phase 1-eligibility. Only CORSIA credits issued by Architecture for REDD+ Transactions (ART) and the American Carbon Registry are eligible for use by airlines during the current phase. With few CORSIA-eligible carbon credits available for airlines to purchase currently, there is fear of a looming supply shortage.

Source: Refinitiv Eikon, Carbon Pulse, Platts Connect

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