



PRESS RELEASE

EU-ASEAN BUSINESS COUNCIL FASTER ACTION ON ENERGY TRANSITION IN ASEAN: PROMOTES IMPROVED FINANCING METHODS & POLICIES TO DRIVE TRANSITION

Singapore – 24 August: The EU-ASEAN Business Council (EU-ABC) today published a report on *Powering ASEAN's Energy Transition* in support of one of Brunei's Priority Economic Deliverables. The report calls on ASEAN governments to accelerate energy transition as a means of helping the region deal with climate change challenges and ensure the greening of supply chains whilst meeting its rising energy demands.

The EU-ABC, which represents the interests of the European business community across Southeast Asia, notes in its report that ASEAN's energy demands continue to increase, but also that the region remains heavily dependent on highly polluting fossil fuels, with around 80% of its current energy mix coming from such sources. With rising concerns about climate change impacts, particularly given the vulnerability of Southeast Asia to natural catastrophes, and the recent IPCC report highlighting the alarming rise in global temperatures, there is a clear need now for ASEAN to address its over-reliance on fossil fuels, particularly coal, for its energy needs.

Donald Kanak, Chairman of the EU-ABC and Chairman of Prudential Insurance Growth Markets said: "This month, the Intergovernmental Panel on Climate Change released its sixth assessment report dubbed "code red for humanity" because of the urgent and decisive action needed to decarbonize to avoid climate catastrophe. The EU-ABC believes that progress requires a mix of policies, finance and technology, with special assistance for developing countries. That means coming up with new practical, scalable solutions (such as derisking instruments) that can accelerate the energy transition, phasing out fossil fuel subsidies, and providing a just transition for affected workers and communities."

Kanak continued, "One such solution that could potentially support ASEAN is an Energy Transition Mechanism (ETM) – a way to combine public and private finance to accelerate retirement of coal-fired power plants and significantly increase investment in renewables. The EU-ABC, with its members and other key stakeholders are supportive of the work being led by the Asian Development Bank to explore the feasibility of the ETM in several countries in ASEAN."

Chris Humphrey, Executive Director of the EU-ABC said: "Tackling climate change in a just and affordable way should be the absolute number one priority for all of us. And driving energy transition forward should be at the top of the agenda for all governments in the region. As ASEAN continues to develop economically demand for power will increase, but we need to make sure that that increased demand is being met from less polluting sources, and that producers and manufacturers can continue to grow but do so using greener sources for their power needs. This will require shifts in policy thinking to adopt policies and processes that promote the transition away from high carbon emitting solution to lower carbon ones, and ultimately renewable energy solutions".

Amongst other things the EU-ABC calls for is the development of an ASEAN-wide green finance taxonomy and enhanced derisking instruments to aid the development of sustainable finance mechanisms in the region which could be used to help finance energy transition solutions. It also calls for the phasing out of fossil fuel subsidies across the region with those monies being redirected to support energy transition, as well enhanced involvement of the private sector in dealing with infrastructural issues that presently act as an inhibitor to energy transition.

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About the EU-ASEAN Business Council

The EU-ASEAN Business Council (EU-ABC) is the primary and sole voice for European business covering all of the ASEAN region.

It is recognised by the European Commission and the ASEAN Secretariat and is an accredited entity under Annex 2 of the ASEAN Charter. Independent of both bodies, the Council has been established to help promote the interests of European businesses operating within ASEAN and to advocate for changes in policies and regulations which would help promote trade and investment between Europe and the ASEAN region. The Council works on a sectorial and cross-industry basis to help improve the investment and trading conditions for European Businesses in the ASEAN region through influencing policy and decision makers throughout the region and in the EU, as well as acting as a platform for the exchange of information and ideas amongst its members and regional players within the ASEAN region.

The EU-ABC's membership consists of large European Multi-National Corporations and the nine European Chambers of Commerce from around Southeast Asia. The EU-ABC represents a diverse range of European industries cutting across almost every commercial sphere from car manufacturing through to financial services and including Fast Moving Consumer Goods and high-end electronics and communications. Our members all have a common interest in enhancing trade, commerce and investment between Europe and ASEAN.

The Executive Director of the EU-ASEAN Business Council is Mr Chris Humphrey, and its Chairman is Mr Donald Kanak. The Council is led by an elected Board consisting of corporate leaders representing a range of important industry sectors and representatives of the European Chambers of Commerce.

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