

THE EUROPEAN ROLE IN RENEWABLE ENERGY IN SOUTHEAST ASIA IN RECENT YEARS

EUROCHAM POSITION PAPER 2025



European Chamber of Commerce (Singapore)



EXECUTIVE SUMMARY

Historically, Europe has been a key enabler and leader in renewable energy technologies, such as solar PV and wind, boasting one of the world's largest installed capacities of both technologies. As part of its broad energy transition targets, Europe has taken a vocal leadership in climate change mitigation initiatives, which includes the energy transition space. With ambitious government policies introduced over the last decade, the deployment of renewable energy technologies across Europe paved the way for improved technology and levelized cost of electricity ("LCOE") reduction which have allowed both solar PV and wind power generation to be installed across Europe and, thereafter, globally.

Through the deployment of European technology, alongside debt and equity financing, Europe's renewable energy firms have also held a considerable role in the energy transition of Southeast Asia. In effect, European technology firms, such as solar PV module manufacturers, inverter producers, as well as turbine manufacturers, have historically played a role in Southeast Asia's energy transition.

However, over the recent years, Europe's participation in the deployment of additional renewable energy capacity within Southeast Asia has been substantially declining. Since the 2010s, solar PV technology manufacturing has almost entirely been taken by Chinese-based original equipment manufacturers ("OEMs"). European wind technology, on the other hand, whose birth-bed has been in Germany and Denmark, managed to sustain its competitive advantage. Up until 2022, the market share of European OEMs in the wind space in Southeast Asia was strong, with a predominant market share in Philippines, Vietnam, Thailand, and Indonesia. However, this trend is rapidly reversing, as Chinese-based OEMs now start to, by and large, lead new order intakes for wind farms in the region.

On the investment side, both with regards to debt and equity, the amount of European capital deployment on renewable energy initiatives has also seen a declining trend. European capital is not playing a key role in the Philippines, whose current renewable energy growth is the highest in Southeast Asia, and its importance in Vietnam, Thailand and Indonesia over the last years has been declining as well.

This report seeks to highlight these declining trends and raise awareness to key European stakeholders that, if no appropriate action is taken, Europe's role as a key energy transition leader in Southeast Asia risks becoming progressively more irrelevant.



TABLE OF CONTENTS	3	1. Introduction
	5	2. Technological & Financial Landscape of Southeast Asia
	5	2.1 Vietnam
	7	2.2 Philippines
	9	2.3 Indonesia
	10	2.4 Malaysia
	11	2.5 Thailand
	12	3. Recommendations
		<ul style="list-style-type: none"> • Image Revamping • Regulatory Alignment • Coordination with Industrial Partners • Sustainability-focused foreign policy
	13	4. Singapore
14	5. Acknowledgements	

1. INTRODUCTION

Despite its longstanding reputation in global climate governance, supported by the ambitious European Green Deal, European influence on the green transition in Southeast Asia is waning. As energy demand and the need for green infrastructure in the region continue to rise, Southeast Asia faces an estimated \$1.5 trillion funding gap for green investment by 2030, with only \$45 billion committed as of 2023¹. This gap presents a significant opportunity for European stakeholders to expand their sustainable leadership and technical expertise. However, European climate investments and political engagement on renewable energy initiatives in the region continue to lag behind. It is therefore essential to examine the factors behind Europe's declining role and to identify the key challenges facing green transition efforts in Southeast Asian countries.

According to the Southeast Asia Climate Outlook 2024, survey conducted by the ISEAS-Yusof Ishak Institute, among Southeast Asian citizens, trust in the European ability to lead global climate action and help achieve Paris-aligned goals has declined significantly².

From the above, it indicates that Europe is now perceived as the third leader, behind Japan and the US, with a minority of respondents supporting its leadership in 2024 (20.8%), in contrast with its favourability in the 2021 survey (31.5%). Similarly, its image as a provider of climate expertise, practical ability, and technical know-how has declined sharply. In 2024, the EU ranked fourth, behind Japan, the US, and China, with only 15.5% of survey respondents believing it can fill the expertise gaps in the region, down from its first position with 26.6% share of votes in 2021.

¹ <https://www.bain.com/insights/southeast-asias-green-economy-2024/>

² <https://www.iseas.edu.sg/category/articles-commentaries/southeast-asia-climate-outlook/>

DECLINING TRUST IN GREEN LEADERSHIP

Three factors are identified as contributors to the decline of trust in green leadership, namely:

1. Slow capital mobilisation

European development finance to Southeast Asia remains modest compared to other partners. To put this into perspective, between 2015 and 2021, China disbursed approximately US\$5 billion annually in development finance to Southeast Asia³. In contrast, the EU has proposed only €10 billion in investments for Southeast Asia between 2021-2027 as part of the Global Gateway initiative⁴, suggesting that the EU's capital mobilization still lacks sufficient scale.

2. Shifting geopolitical priorities

The Russia-Ukrainian war exposed vulnerabilities in Europe's energy supply chains, particularly in terms of its dependence on Russian gas, prompting urgent efforts to diversify energy sources and bolster domestic energy resilience. As a result, Europe has had to prioritise securing energy supplies and stabilising prices, which, while still aligning with some long-term sustainability goals, has temporarily overshadowed the Green Deal's ambitious climate targets.

3. Ineffective political engagement

EU-ASEAN climate dialogue remains predominantly technocratic and underutilised. There is a lack of sustained, high-level political engagement on energy transition and climate resilience at the higher levels of governments. Moreover, the EU's high standards on environmental, labour, and human rights are often viewed negatively in certain ASEAN⁵ countries. For example, the EU's dispute over palm oil with Malaysia and Indonesia, as well as concerns that the EU's Carbon Border Adjustment Mechanism could harm economies dependent on industries like steel and iron production, have generated considerable tensions⁶.

It should also be noted that investing in the green transition in Southeast Asia, from a European perspective, still carries challenges amongst confidence among investors and donors. According to several players in the region, Southeast Asia faces a shortage of investment-ready and ESG-compliant renewable energy projects⁷. Regulatory frameworks for sustainable development are still evolving and are often viewed as not fully bankable. While there are green policies in place, they are frequently underfunded. Political leaders in the region often face competing priorities, such as rapid industrialisation and poverty alleviation. This can lead to short-term decision-making that overlooks long-term sustainability goals. These challenges may sometimes deter European renewable energy investors to prioritise the region.

3 <https://www.scmp.com/week-asia/economics/article/3222918/china-tops-development-finance-southeast-asia-faces-more-competition-regional-influence-report>

4 <https://www.aljazeera.com/news/2022/12/14/eu-pledges-10bn-investment-in-southeast-asia-during-asean-summit>

5 Association of Southeast Asian Nations

6 <https://www.iseas.edu.sg/articles-commentaries/trends-in-southeast-asia/the-eus-carbon-border-adjustment-mechanism-cbam-implications-for-asean-eu-relationships-by-melinda-martinus-and-kanin-laopirun/>

7 <https://www.eco-business.com/news/funding-is-not-a-barrier-for-indonesias-clean-energy-transition-its-project-viability-jetp-official/>

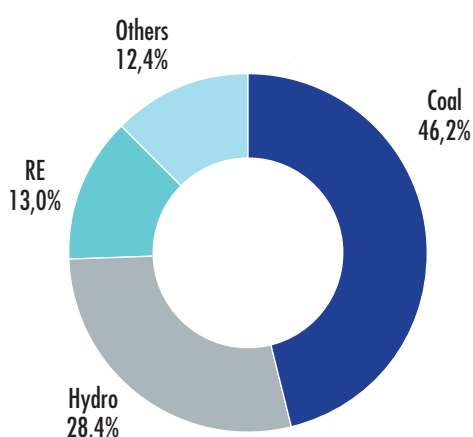
2. TECHNOLOGICAL & FINANCIAL LANDSCAPE OF SOUTHEAST ASIA

This report delves into the past long-term involvement of European OEMs and renewable energy financing in major economies of Southeast Asia, and how it has declined in relevance compared to China in renewable industry and capital influence in the region. Historically, most of nations have been net energy importers given their advancing industrialisation as manufacturing hubs, with energy demand outpacing its energy production capacities.

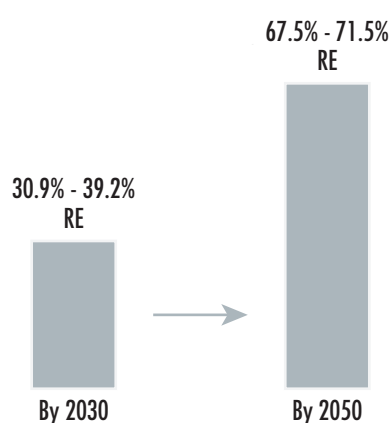
This is set to change with state-led directives laid out in diversifying from conventional energy sources expediting the energy transition agenda in the region. ASEAN has since reflected this impetus⁸, citing energy security and resilience in doing so.

2.1 VIETNAM

As an emerging economy within ASEAN, Vietnam has experienced robust industrialisation which has fuelled a surging demand for energy. With a total installed capacity above 75GW, Vietnam’s energy mix is dominated by coal-fired electricity generation, followed by renewable energy sources, such as hydropower, solar PV and wind. The Government of Vietnam expects power consumption to grow 10 - 12 % annually through 2030⁹, one of the fastest power consumption growth rates in Asia. Where existing conventional energy sources are unable to meet electricity demand growth, Vietnam looks toward bridging this issue with renewable energy sources. Vietnam’s revised national Power Development Plan (“PDP8”) for 2021-2030 outlines a projected rise in share of installed capacity for solar and wind power in 2050¹⁰, a bid to progress into renewable energy sources in the future.



TOTAL ENERGY SUPPLY VIETNAM, 2023



NATIONAL POWER DEVELOPMENT PLAN 8 OF VIETNAM

However, Vietnam lacks substantial indigenous gas and coal reserves, subjecting it to commodity price volatility and energy security vulnerability, which is further compounded by long-lead times to build thermal power plants. As such, the Government of Vietnam has clearly set out that renewable energy will be key to deliver on the country’s increasing energy demand.

Between 2017 and 2021, Vietnam deployed a substantial amount of renewable energy, underpinned by an attractive Feed-in-Tariff (“FIT”)¹¹. This resulted in the construction of over 20GW of installed capacity¹², comprising wind power (~5GW) and solar PV (both rooftop and utility ground-mounted). Whereas solar PV technology has been predominantly Chinese, European turbine manufacturers managed to secure a significant amount of orders, with almost 50% of market share, dominated by Siemens Gamesa and Vestas.

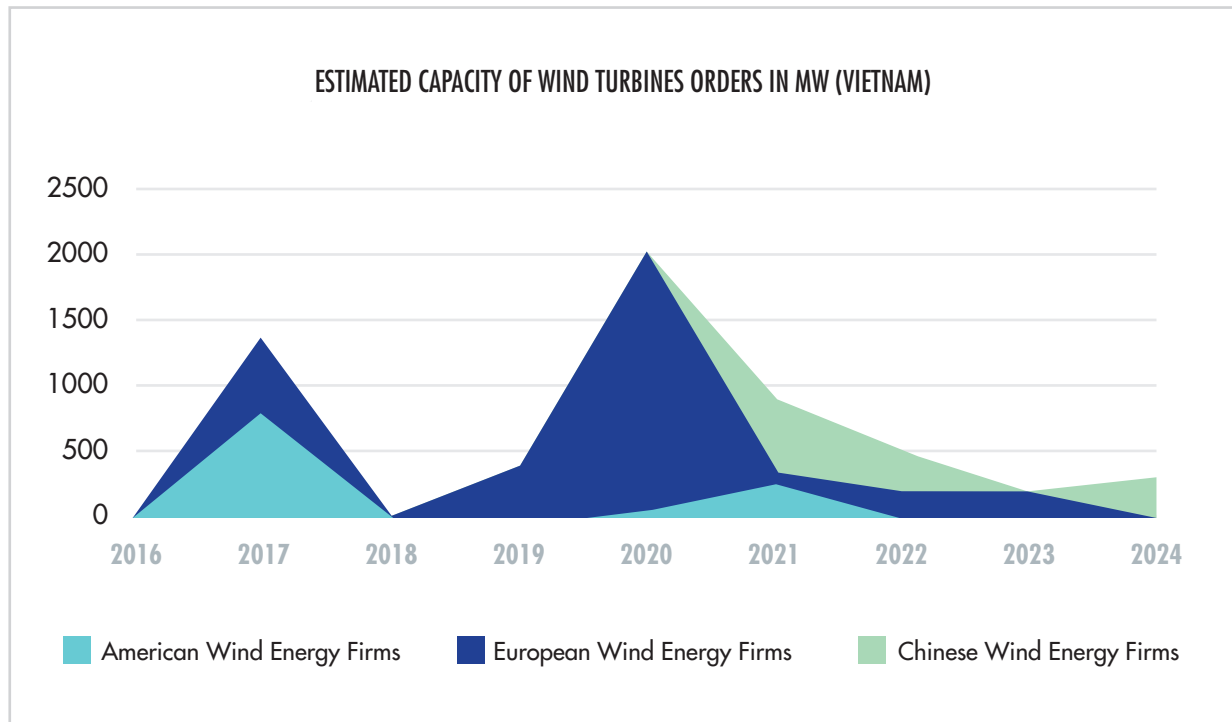
8 <https://aseanenergy.org/wp-content/uploads/2024/09/8th-ASEAN-Energy-Outlook.pdf>

9 <https://www.trade.gov/country-commercial-guides/vietnam-power-generation-transmission-and-distribution#:~:text=The%20Government%20of%20Vietnam%20expects,in%202023%20for%20power%20shortage.>

10 <https://www.pwc.com/vn/en/publications/vietnam-publications/pdp8-insights.html>

11 <https://www.vietnam-briefing.com/news/feed-in-tariffs-solar-wind-vietnam.html#:~:text=In%202017%2C%20the%20government%20announced,line%20with%20exchange%20rate%20fluctuations.>

12 <https://www.fitchratings.com/research/corporate-finance/vietnams-pdp8-roadmap-for-energy-transition-sets-ambitious-medium-term-targets-12-06-2023>



However, it is expected that Chinese turbines will dominate the deployment of new wind power projects in the foreseeable future to meet Vietnamese authorities' targets for lower electricity costs. This is due to a significant fall in LCOE in onshore wind power, with Chinese turbine technology, which saw the largest decrease from 2022 to the present¹³.

With regards to the investment side, it is worthwhile pointing out that European capital played a limited role during the period between 2017-2021. While exact estimates are not publicly available, very few European companies deployed equity in the over 20GWs of constructed projects. On the debt side, Europe played a more important role, particularly through export credit agency-backed lending for European wind OEMs, though the bulk of the lending has been either provided by local and regional banks, as well as multi-lateral development financing institutions. Considering the large amount of projects built, this can be seen as a potential missed opportunity for large European players to gain market share in such a burgeoning economy.

Regulatory uncertainty has been cited as one of the key reasons preventing European companies from investing in Vietnam. For example, the Power Purchase Agreement ("PPA") framework has been considered by many European market participants as unbankable. Lack of curtailment protection provisions, coupled with limited compensation in the event of termination, has kept several investors away. Their fears have somewhat been confirmed by Vietnam's recent proposed retroactive cuts in 2024 to subsidised pricing of Feed-In-Tariffs for solar and wind projects¹⁴.

In case such retroactive changes are applied, this is projected to threaten an estimated US\$13 billion of investment and losses corresponding to equity capital, with the total investment value affected for foreign-owned projects alone estimated at US\$4 billion, including more than 3,600MWp of solar power projects and 1,600MW of wind projects¹⁵.

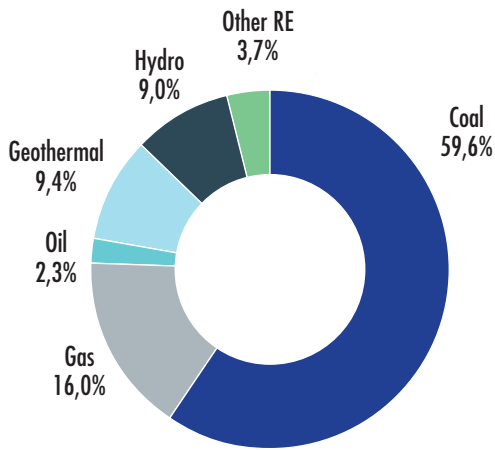
¹³ <https://doi.org/10.1016/j.energy.2024.130459>.

¹⁴ <https://diendandoanhghiep.vn/nha-dau-tu-du-an-nang-luong-tai-tao-cau-cuu-do-dau-10151137.html>

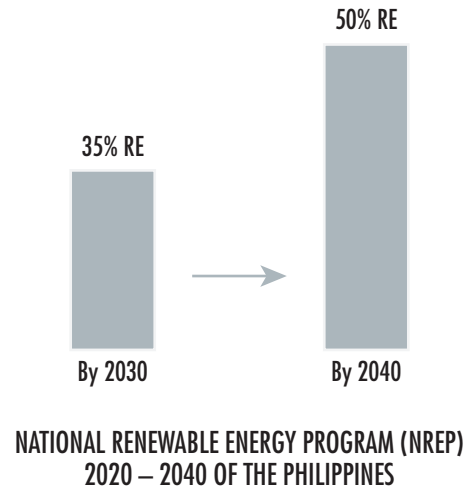
¹⁵ <https://vir.com.vn/energy-firms-seek-tariff-clarifications-124945.html>

2.2 PHILIPPINES

Founded on the need for access to affordable energy as well as addressing energy security concerns, Philippines has similarly embarked on its renewable energy transition as a net energy importer. With a total installed power capacity at 28.3GW¹⁶ in 2023, its energy mix is largely dominated by fossil-fuel generation, such as coal and gas, whose fuels are imported, making Philippines vulnerable from an energy security perspective. In a push to strengthen its energy security, as well as transition the energy mix and reduce electricity costs, the country has seen a sustained rise in installed capacity of renewable energy infrastructure in the past 10 years, with solar power capacity growing over tenfold within the same period¹⁷.



TOTAL ENERGY SUPPLY PHILIPPINES, 2023



This has largely been driven by ambitious targets set by the government, who plans to achieve 35% renewable energy share by 2035 and 50% by 2040. It shows a sustained willingness to adopt wind and solar as cost-effective, reliable energy sources in the coming decades. Furthermore, consistent support from government policies to promote renewables via the Green Energy Auction Programme (“GEAP”), running since 2022, and eliminating foreign ownership restrictions on renewable energy, are positive signals that have attracted European companies to be more active in the Philippines in recent years.

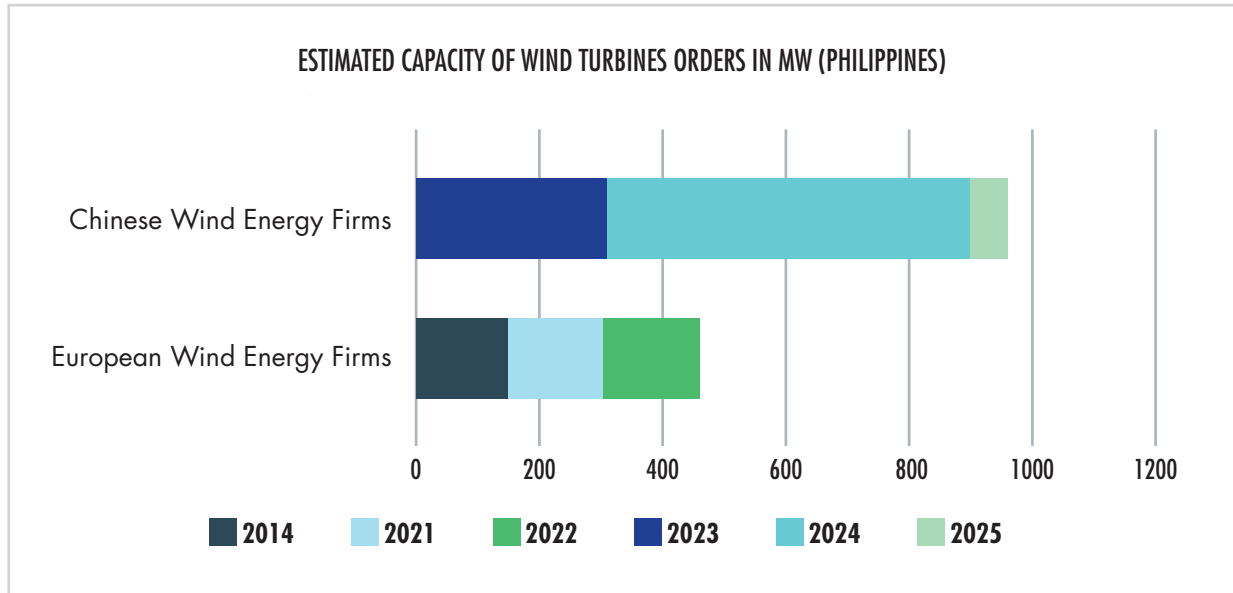


150MW Burgos Wind Project in Burgos, Ilocos Norte, Philippines.

¹⁶ https://doe.gov.ph/sites/default/files/pdf/energy_statistics/01_Summary_of_2023_Power_Statistics.pdf

¹⁷ Ibid

These positive policies have seen the rise of European investment in renewable energy projects, predominantly through equity deployment in development and construction of projects. On the debt side, the Philippines boasts a mature local banking market that has dominated project financing,¹⁸ which has represented a barrier to European lending groups to substantially play a role in the renewable energy space in the Philippines.



Whilst the Philippines’ recent policies have attracted new equity investors, new projects since 2022 have been consistently and increasingly deploying Chinese OEM technology rather than European technology. Pre-2022, most wind power projects in the Philippines had European OEM technology, with Siemens Gamesa holding the largest market share in the Philippines. This has since declined, where most new wind power projects in process of construction, or starting construction, are committed to Chinese OEMs. This represents a lost opportunity for European OEMs, as this flourishing market is tapped by more competitive Chinese turbine manufacturers.

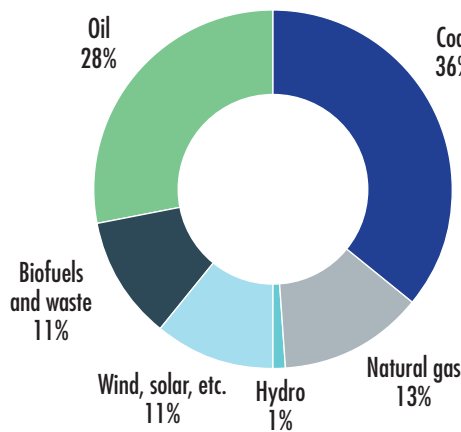


Solar panels in Sulawesi, Indonesia. (Photo: Rumagia Bangun Setiawan)

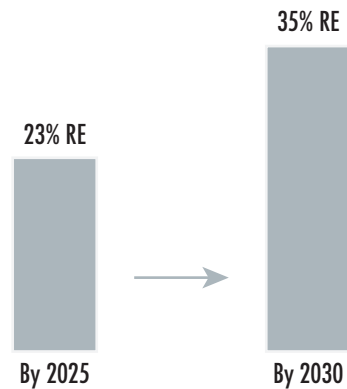
18 <https://ceedphilippines.com/wp-content/uploads/2024/04/2024-Fossil-Fuel-Divestment-Scorecard-CEED.pdf>

2.3 INDONESIA

Indonesia, Southeast Asia’s largest population and economy, has the region’s largest power generation installed capacity at 91.2GW. Detaining one of the world’s largest coal reserves, most of Indonesia’s power generation comes from coal-fired power plants, as it provides the country with energy security at a competitive price. Its current new and renewable energy installed capacity is 14.6% of total capacity and is projected to reach a target of 23% by 2025 according to the National Electricity Supply Business Plan (Rencana Usaha Penyediaan Tenaga Listrik/“RUPTL”) 2021-2030¹⁹. As Indonesia pushes to further transition its energy mix in the long term, the Ministry of Energy and Mineral Resource (“MEMR”) projects that several billion dollars of new investments will be needed annually to reach net zero emission by 2060²⁰.

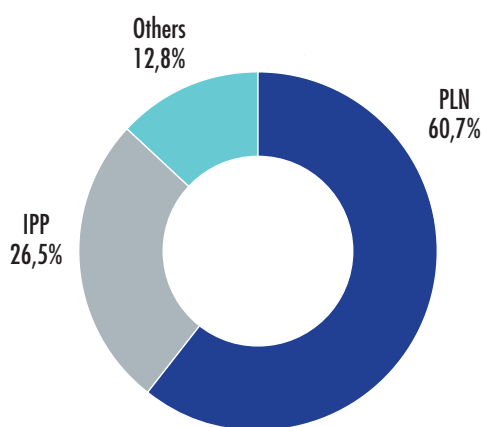


TOTAL ENERGY SUPPLY INDONESIA, 2023



NATIONAL ELECTRICITY SUPPLY BUSINESS PLAN INDONESIA, 2021-2030

As far as solar PV and wind technology is concerned, Indonesia has stayed behind compared to the other large Southeast Asian countries. To-date, it is estimated that the total solar PV installed capacity is approximately 700MW, while installed wind power capacity remains at 1.50MW, with no new wind power built in the last 5 years. From a purely economic perspective, there have not been sufficient incentives for the Government of Indonesia to deploy renewable energy given the affordability and security of its coal generation, reflected in a steady rise of coal in share of generation as Indonesia rapidly industrialises.



POWER MARKET STRUCTURE INDONESIA, 2023

This state-led role in a slow decarbonisation trend is consistent with a lasting monopoly in Indonesia’s energy market post-liberalisation from 1992. To-date, 60.7% of electricity generation is run by state-owned enterprise PT Perusahaan Listrik Negara (“PLN”) and 26.5% by Independent Power Producers (“IPP”)²¹.

It is expected that, as Indonesia progressively pushes forward an agenda to transition its energy mix, there will be substantial opportunities for renewable energy players to deploy technology and capital in the region’s largest country. This is further underscored by the induction of the Just Energy Transition Partnership (“JETP”) in 2022 between the government of Indonesia and signatories of the European Union and other European states, with an initial commitment of US\$20 billion as a catalyst for dispatchable renewable energy and variable renewable energy acceleration²². This signals the receptiveness of European state capital in entering and developing Indonesia’s renewable energy market.

19 <https://iesr.or.id/en/pustaka/policy-assessment-renewable-energy-development-in-indonesias-power-sector/>

20 <https://recessary.com/en/news/id-regulation/is-indonesia-pledge-end-coal-use-2040-realistic#:~:text=During%20the%20G20%20Summit%20in,renewable%20energy%20capacity%20by%202040.>

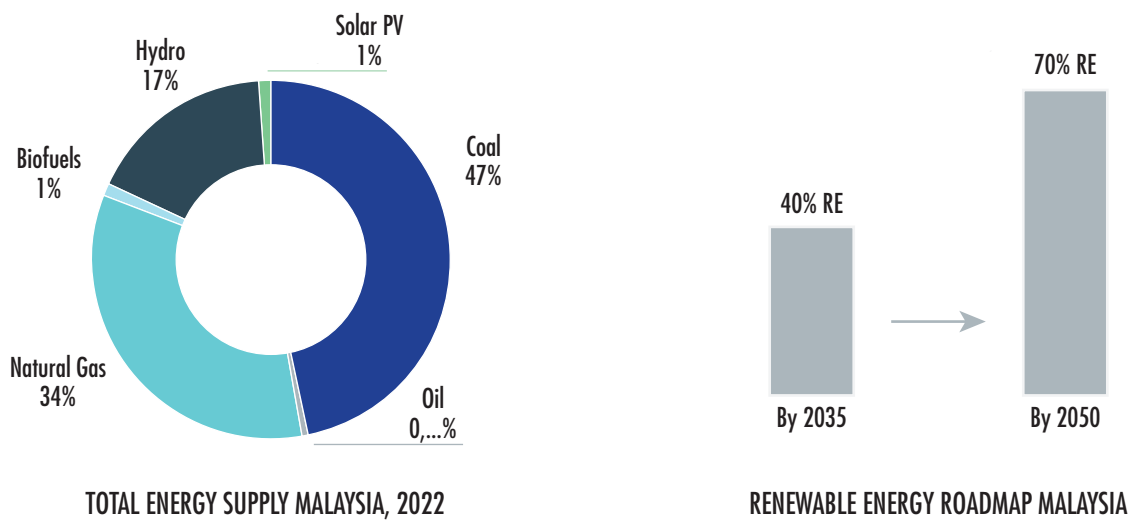
21 <https://www.sipet.org/power-sector-snapshot-indonesia.aspx>

22 https://jetp-id.org/storage/official-jetp-cipp-2023-vshare_f_en-1700532655.pdf

Yet, structural issues persist for private capital, in that inertial resistance from domestic renewable energy financing has reflected risk aversion in general for renewable energy projects. Indonesia’s high cost of debt, coupled with collateral requirements by banks for project finance, poses economic challenges to investors, reducing the equity value and hence attractiveness of investing in Indonesia²³.

2.4 MALAYSIA

Malaysia has a total installed capacity of 45GW²⁴, of which approximately 70% - 75% comes from fossil fuel sources and approximately 27.05% from renewable energy, predominantly from hydropower and solar PV. It aims to achieve 70 percent renewables in its power mix by 2050²⁵, which would increase the country’s installed capacity by 11 times compared to 2023 levels. As a net energy exporter of oil and natural gas, it looks towards diversifying into renewable energy, with its total installed renewable energy capacity growing threefold from 2010 - 2021 and a rising predominance of hydropower within the renewable energy mix²⁶.



With a lack of wind power potential, solar PV, alongside hydropower, emerges as the country’s main renewable energy source. Europe’s role in the energy transition is limited, given that Malaysia boasts one of the tightest foreign ownership restrictions on equity investment, preventing foreign investors to detain majority shareholding, and that Malaysia’s domestic solar PV production capacity held 80% market share by Chinese-owned solar panel makers in 2024²⁷, effectively diluting the role of European OEMs in Malaysia’s solar PV developments.

23 <https://www.adb.org/sites/default/files/publication/541531/renewable-energy-financing-indonesia.pdf>

24 <https://www.globaldata.com/store/report/malaysia-power-market-analysis/>

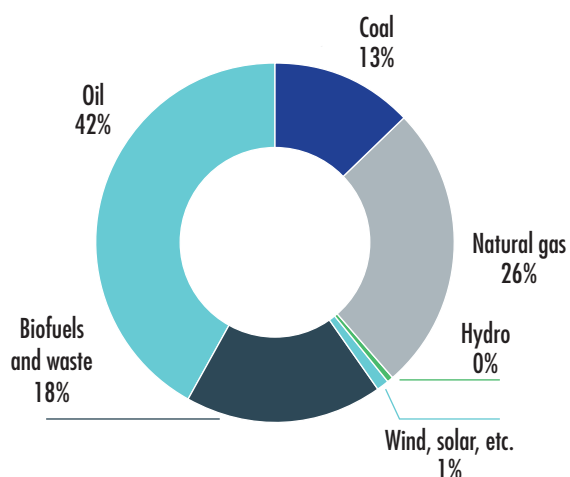
25 <https://www.mida.gov.my/mida-news/renewable-energy-capacity-targeted-at-70-by-2050/>

26 https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2023/Mar/IRENA_Malaysia_energy_transition_outlook_2023.pdf

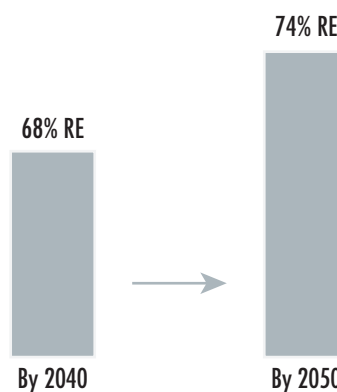
27 <https://www.businesstimes.com.sg/international/asean/chinese-solar-panel-makers-close-plants-scale-back-production-malaysia-us-tariffs-bite#:~:text=China's%20solar%20panel%20makers%20dominate,to%20consultancy%20firm%20Wood%20Mackenzie.>

2.5 THAILAND

Thailand’s installed power generating capacity is approximately 53GW²⁸. Over 75% of the power generation mix is dominated by fossil fuel thermal power generation, with renewables accounting for 23% of the total installed capacity²⁹. Solar PV and wind power installed capacity is approximately over 3GW³⁰ and 1.5GW³¹ respectively. The country also imports electricity derived by hydropower from Lao PDR.



TOTAL ENERGY SUPPLY THAILAND, 2022



LONG-TERM LOW EMISSIONS DEVELOPMENT STRATEGY (LT-LEDS) THAILAND, 2040-2050

As part of the country’s effort to further transition its energy mix, Thailand has a net zero target by 2065. Furthermore, in its National Energy Plan there is an ambitious target to increase renewable energy to over 50%³².

With regards to European companies’ presence in the Thai market, they have played a substantial role in the deployment of the 1.5GW of wind power projects, most of which built between 2012 and 2017, and European turbine manufacturers having a dominant role in the market share. However, from a capital deployment perspective, these projects have mostly been financed domestically by Thai banks and sponsors, with limited European involvement in renewable energy financing.

On the technology front, it is expected that all new wind projects reaching construction going forward will likely deploy Chinese OEM technology, implying that the role of European companies and technologies on future Thai energy transition is expected to be limited.

28 <https://www.trade.gov/country-commercial-guides/thailand-energy#:~:text=The%20total%20installed%20power%20generating,of%20the%20total%20in%20stalled%20capacity>
 29 *Ibid*
 30 <https://www.statista.com/statistics/1006141/thailand-total-solar-energy-capacity/#:~:text=In%202023%2C%20the%20total%20capacity,in%20the%20past%20ten%20years.>
 31 <https://www.statista.com/statistics/1006126/thailand-total-wind-energy-capacity/#:~:text=In%202023%2C%20the%20total%20capacity,around%20112%20megawatts%20in%20Thailand.>
 32 <https://www.recessary.com/en/news/th-regulation/thailand-new-power-development-plan-raises-renewable-energy-targets#:~:text=Thailand's%20new%20power%20plan%20aims%20for%2051%25%20renewable%20energy%20by%202037,-Regulation%20June%202020&text=Thailand's%20new%20power%20development%20plan,to%20the%20end%20of%202037.>

3. RECOMMENDATIONS

Within this paper, several policy directions can be explored to address this decline in Europe's role within the renewable energy space in Southeast Asia, specifically listed below:

Image Revamping

First, Europe could work on revamping its image as a reliable capital provider for Southeast Asia. The current Global Gateway strategy could prioritise financing for green projects and expand technical assistance for early-stage project development to help attract institutional investment. EU member states' sustained commitment to the Just Energy Transition Partnerships in Vietnam and Indonesia demonstrates its potential as a long-term strategic partner for Southeast Asia³³.

Strengthened Competitiveness

European companies, both on the technological side (OEMs) and on the investment side (debt and equity providers), are not immune from the loss of competitiveness that has impacted Europe in general. The Draghi Report³⁴ on EU Competitiveness, published in 2024, highlights key areas which have led Europe to lose its competitive edge vis-à-vis its main global competitors. The declining role of European technology and investors in the Southeast Asian region should be looked at in light of such declining competitiveness. Therefore, improving overall competitiveness in Europe will likely ameliorate Europe's position in the region and allow it to capitalise on burgeoning opportunities. One avenue to strengthen Europe's competitiveness is to position itself as a demand driver for renewable energy through Scope 3 decarbonisation, backed by regulatory ambition, corporate engagement, and targeted incentives. At the same time, European companies should proactively tap into emerging opportunities such as Battery Energy Storage Systems ("BESS"), which are set to define the next phase of the energy transition.

Coordination with Industrial Partners

Third, Europe could draw lessons from Japan's global industrial strategy, where the Japan Ministry of Economy, Trade and Industry ("METI") plays a central role in policy authority and strategic coordination. METI maintains institutionalised relationships with major industrial actors, including conglomerates and technology firms, ensuring alignment with Japan's strategic objectives. In addition, Japan has effectively leveraged its Official Development Assistance ("ODA") to support sectors aligned with its industrial goals. This kind of leadership is crucial for European businesses, providing assurance that their operations in Southeast Asia will be impactful and supported by coherent policy frameworks. Similarly, Europe should put a stronger focus on blended finance and development financing (through financiers like Proparco and other Development Financial Institutions ("DFI")) that can help de-risk investments and mobilise capital by addressing foreign exchange volatility, political risk, and regulatory uncertainty.

Sustainability-focused foreign policy

Lastly, ASEAN and EU should institutionalise their green diplomacy by embedding climate and sustainability priorities into the core of their political and economic dialogue. The green transition should be systematically mainstreamed in bilateral and multilateral meetings between the EU, individual EU member states and other European states, and ASEAN member states. This includes elevating climate cooperation to the highest levels of diplomatic engagement, such as leaders' summits, ministerial meetings, and strategic dialogues. Establishing a dedicated EU-ASEAN Green Dialogue platform could help coordinate joint initiatives, align policy frameworks, and share technical expertise.

33 <https://indonesiabusinesspost.com/3585/geopolitics-and-diplomacy/germany-takes-over-leadership-of-ri-s-jetp-climate-funding-as-u-s-steps-down#:~:text=Indonesia%27s%20Just%20Energy%20Transition%20Partnership,climate%20funding%20in%20Indonesia%2C%20a>

34 https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en?filename=The%20future%20of%20European%20competitiveness%20_%20A%20competitiveness%20strategy%20for%20Europe.pdf

4. SINGAPORE

POSITION

Singapore is an important hub for renewable energy in Southeast Asia. Serving as a regional base to financiers, equity investors, large developers and IPPs, Singapore is a centre of decision-making for a significant amount of capital deployment in the power market throughout the region.

In terms of its own energy mix, Singapore is mostly dependent on thermal power generation, with a predominant share of its electricity generation coming from gas-fired power plants. Due to the limited land availability, Singapore is restrained from the deployment of significant large utility scale renewable energy plants. However, the Government of Singapore, in spite of land constraints, has made a laudable efforts to promote the construction of floating solar PV facilities in reservoirs, as well as promoting rooftop solar PVs across the country.

In a recent ambitious push to increase the renewable energy penetration into the Singapore market, the Energy Market Authority ("EMA") has promoted the importation of renewable energy from other ASEAN countries, such as Indonesia, Laos and Vietnam. This represents an opportunity for European investors to play a role for such projects and EMA has shown openness to receive feedback from European stakeholders.

Furthermore, the development of a strong ASEAN grid, similar to the interconnected transmission network in Europe, would facilitate a greater amount of renewable energy to be transmitted to Singapore. In fact, the debate on the ASEAN grid is an important one and Europe, given its experience on interconnected grids across different countries, can have an important role in transferring experiences and capabilities.

As far as the supply chain is concerned, Singapore, through an initiative from Enterprise Singapore³⁵, is exploring the possibility of establishing an offshore wind supply chain hub in the country. This is due to Singapore's well-established maritime and offshore oil and gas supply chain, whose capabilities and facilities can be transferred to offshore wind, as done in countries such as the United Kingdom and Norway.

In summary, Singapore has a critical role to play in the deployment of renewable energy in Southeast Asia and, in light of its strong relations with Europe, European renewable energy investors, as well as manufacturers, continue to find good opportunities in the country.



35 https://www.enterprisesg.gov.sg/media/esg/files/media-centre/media-releases/2024/september/mr03324_enterprisesg-asmi-and-gwec-sign-mou-to-catalyse-offshore-wind-developments.pdf

5. ACKNOWLEDGEMENTS

Our deepest appreciation to the following people and entities who have contributed to this paper.

Lead Authors:

- Eduardo H. Karlin, Chair of the Sustainability Committee, Eurocham Singapore and General Manager (Asia Pacific) at Mainstream Renewable Power
- Eva Vincetic, Head of Committees & Advocacy Manager at Eurocham Singapore
- Lionel Ong, Intern at Eurocham Singapore

Contributions & Reviews:

- Nele Cornelis, Executive Director at European Chamber of Commerce (Singapore)
- Melinda Martinus, Lead Researcher ASEAN Studies Centre and Climate Change in Southeast Asia Programme at ISEAS – Yusof Ishak Institute
- Sustainability Committee at European Chamber of Commerce (Singapore)
- Renewable Energy & Energy Efficiency Committee at European Chamber of Commerce of the Philippines (ECCP)
- Renewable Energy & Energy Efficiency Working Group of the Green Growth Sector Committee at European Chamber of Commerce in Vietnam
- Peak Energy Development Pte Ltd



WHO WE ARE

EuroCham is an independent non-profit organisation governed by members representing the common interest of the European business community in promoting bilateral trade, services and investments between Europe and Singapore and the region.

WHAT WE DO

EuroCham represents the voice of the European business community in Singapore. We provide our members with a forum for advocacy, networking and information sharing within the European, and Singaporean business communities and government circles.

OUR NETWORK

EuroCham offers you access to an extensive networking pool, including bilateral National Business Groups, the Singaporean government, the local business community, the diplomatic circle, and key partners across ASEAN.

OUR COMMITTEES

Our committees offer a unified European platform to exchange information, discuss common business challenges, and launch coordinated initiatives. Through our 12 committees, we conduct advocacy work and publish position papers to present our recommendations.



AEROSPACE & AIR TRAVEL



FINANCIAL SERVICES



SMART MOBILITY



CIRCULAR ECONOMY



HEALTHCARE



SUPPLY CHAIN



DIGITAL ECONOMY



HUMAN DEVELOPMENT



SUSTAINABILITY



EDUCATION & ACADEMIC



INTELLECTUAL PROPERTY RIGHTS



WINE & SPIRITS



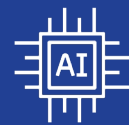
SUSTAINABILITY



SUSTAINOVATION



DIGITAL ECONOMY



ARTIFICIAL INTELLIGENCE



THE FUTURE OF MOBILITY



SUSTAINABLE AIR TRAVEL



SUSTAINABLE TRAVEL AND TOURISM



THE FUTURE OF HEALTHCARE AND WELLBEING



This publication is supported by
EuroCham's Sustainability Committee



European Chamber of Commerce, Singapore
138 Robinson Road, #11-04 Oxley Tower
Singapore 068906

Info@eurocham.org.sg
+65 68366681

