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## The road to net zero in Asia is not made equal for all

By DEBORAH GIAM

THE climate crisis is one of the most significant issues that we are facing today. It is a threat to humanity and impacts all aspects of our lives, including the environment, economy, public health and social wellbeing.

Everything else that keeps us busy – the ebb and flow of cryptocurrency, the seemingly unending potential of the metaverse, and artificial intelligence (AI) with all its ethical implications – it all pales in comparison to the fight we should be mounting against climate change.

The focus now is about averting potential future catastrophes while also handling the current impact that is already being felt by communities around the world.

Asia is lagging behind in the fight. While the reasons behind this lag are nuanced, the primary objective is not: to fight climate change to the best of our ability. When it comes to climate action, it is important to shoot for the moon, even if we land on the stars.

Asia is both rapidly developing and home to some of the most populous countries, and its energy

consumption and industrial activities have a significant global impact. Five of the 10 largest carbon emitters in the world (China, India, Indonesia, Japan, and South Korea) are found in the region, and it accounts for 45% of global greenhouse gas emissions because of its large population.

Achieving net zero will be extremely challenging but ultimately rewarding – and Asia can play a significant role in the global effort for climate change.

The economic risks will be high. According to management consultants McKinsey, countries in Asia Pacific have about 37% of their GDP in sectors most exposed to the transition to net zero, which is above the world average of about 35%. However, Asia is not one monolithic country or economy, and there is a wide variation that depends on the specifics of each country.

In Singapore, GDP exposure lies at 21%, while it is 58% in Vietnam. Similarly, the percentage of jobs in sectors that will be affected spans a wide range, from 22% in Singapore to 72% in India.

McKinsey estimates that the net zero transition could be somewhat

positive overall, with a global loss of 187 million jobs by 2050 and the creation of 202 million new ones, given the growth of sectors like hydrogen and renewables.

While Asia as a region can and should play a significant role in decarbonisation, it is equally imperative to tackle this charge with nuance and understanding.

Global North countries in Asia, such as Singapore, New Zealand, Australia, Japan and South Korea will face overall lower exposure to the transition – this means less disruption, fewer jobs lost, less economic disorder – even though both Japan and South Korea are some of the top emitters of greenhouse gases.

Manufacturing-dependent countries such as Bangladesh, Pakistan, and Vietnam are more exposed to shifts in demand for products than, say, Japan, which is predominantly a service economy.

The transition period to achieve net zero will come at a cost, and the wealth gap between these countries and the rest of Asia might increase.

This disruption will also flow from the top to bottom, affecting residents of the region on the indi-

vidual level.

For instance, the lower-income population would endure the effects of higher electricity prices during the transition; and many will lose jobs in the fossil fuel industries while the creation of new jobs in clean energy sectors are being created.

It is in this awkward in-between phase that we must practice teamwork and compassion, with a willingness to understand that the road to net zero is not made equal for all.

The road to net zero will be a difficult one for Asia, but one that will ultimately reap rewards.

According to the same McKinsey report, the region is well placed for renewable energy and abatement efforts: Indonesia, the Philippines, and Thailand have great potential for reforestation, Japan has ambitions to become a major offshore wind energy producer, while the Sarawak region in Malaysia is set to become a leader in hydrogen.

Over in Indonesia, the potential for geothermal energy is vast, given its location near the Ring of Fire but it will need global partners to truly harness the full

potential it may have. Markets will expand for low-emissions products and industries, like electric vehicles, human-powered vehicles, and new goods and services to support these changes, such as rare-earth materials, forest management, and better public infrastructure for mass transit.

The energy industry is already getting a boost with China's oil giants investing in renewable energy, and Vietnam has embraced renewable sources like solar, wind, hydro and biomass.

As a region that is rich in natural, human, and technological capital, Asia is well poised for a net zero future. But this abundance will be for naught if we do not aim extremely high.

Knowing that most countries globally have consistently fallen behind on climate change goals, it is important to do as much as possible, so that we can compensate for the high chance that we do not meet those goals. – The Jakarta Post/Asia News Network

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