Foreword

Recent years have seen lively discussions, mainly in Europe, on restricting fossil fuel-related assistance to developing countries against a backdrop of growing climate change concerns. In response to calls for environmental, social, and governance investment, private companies are also increasingly holding back and withdrawing from coal-fired power projects.

This study evaluates the impact of investment and financing restrictions on new coal-fired power plants in seven Asian countries. It quantitatively shows the economic impact and shares the results with stakeholders in each country.

The seven East Asia Summit (EAS) countries in this study – India, Indonesia, Malaysia, Myanmar, the Philippines, Thailand, and Viet Nam – rely on coal to a different but significant extent in their power mix. Without coal power, these seven countries would risk power supply stability, see a huge increase in gas demand that the world liquefied natural gas (LNG) system could not absorb, and find their CO2 emissions still rising.

Coal divestment is not the only way to control CO2 emissions. Clean fuels and other low-carbon technologies and decarbonisation measures such as energy efficiency, renewables, carbon capture, utilisation, and storage (CCUS), ammonia, and hydrogen should be strongly promoted, and financing high-efficiency ultra-supercritical (USC) coal power plants and clean coal technologies like integrated coal gasification combined cycle (IGCC) should still continue.

I hope this report will encourage ASEAN Member States to pursue a rational balance of economic efficiency, energy access, energy security, and protecting the environment in their respective energy policies.

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