



The Costas Grammenos Centre for Shipping, Trade & Finance



10TH BAYES BIENNIAL, LONDON - 12TH & 13TH JUNE 2023



FOSSIL FUELS - ASIA'S PARADOXICAL SITUATION

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THE AGENDA



Paris Agreement

The agreement has been signed & ratified by nearly the whole world.



Emission Status

CO2 Emissions are unevenly distributed globally but Fossil Fuels are the major contributors.



Asia's growth story

Asia is defying global recession fears & this is reflected in its energy consumption.



China's paradox

While agreeing to stop overseas investments in coal fired power plants, domestic investment in coal power plants continues.



Historical Challenges

Asian countries claim cost of climate change being unfairly put on their shoulders while the developed countries emitted much more in past.

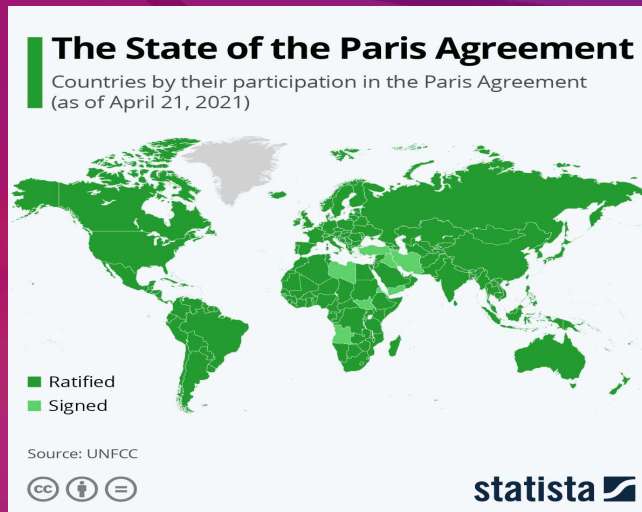


Turning off the taps

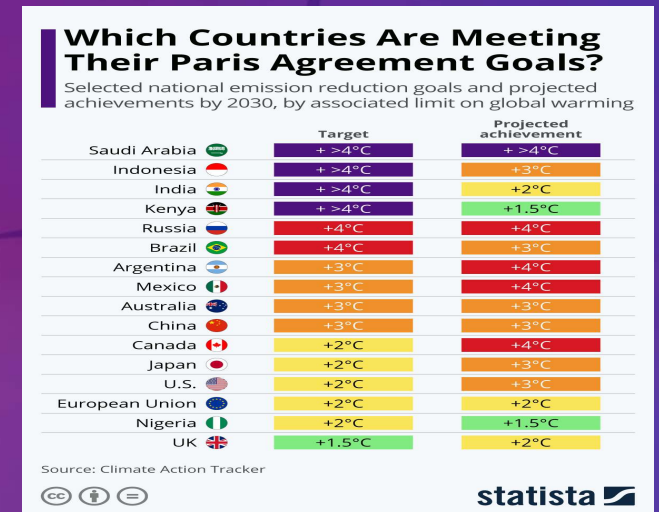
Banks are increasingly refusing to finance fossil fuel projects, opening new opportunities for non-banking finance.

THE PARIS AGREEMENT & GLOBAL CO2 EMISSIONS

A Truly Global Agreement

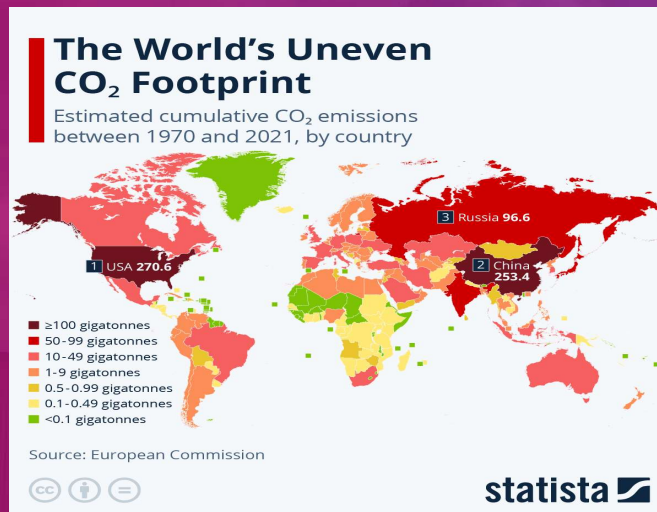


However, not everyone is moving in the right direction

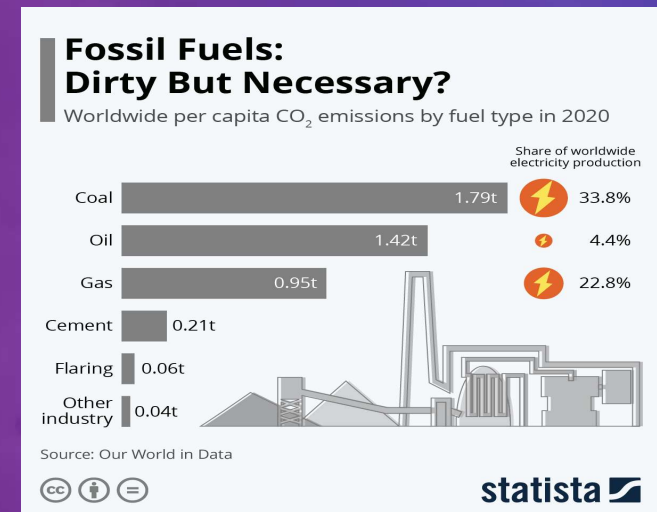


GLOBAL CO2 EMISSIONS & FOSSIL FUELS' SHARE

Global CO2 Emissions are unevenly distributed

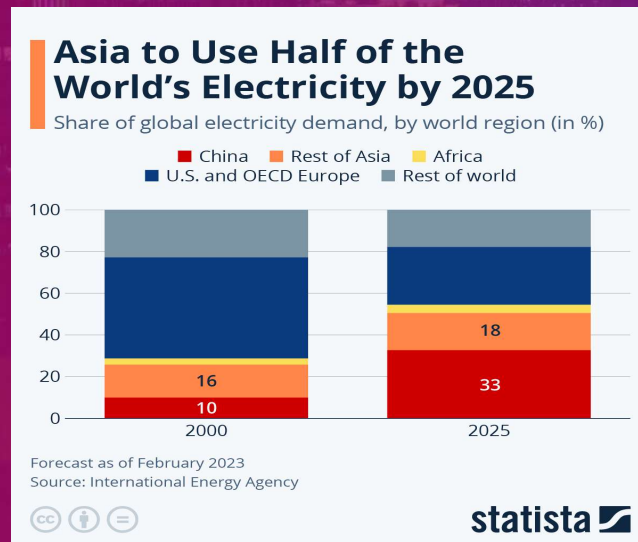


But, Fossil Fuels are the biggest contributors

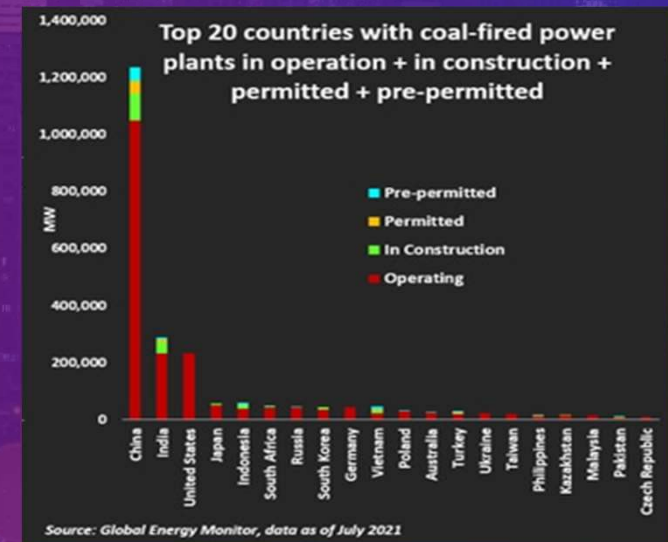


ASIA'S GROWTH STORY & RESULTING FOSSIL FUEL USE

Asia's consumption on rise



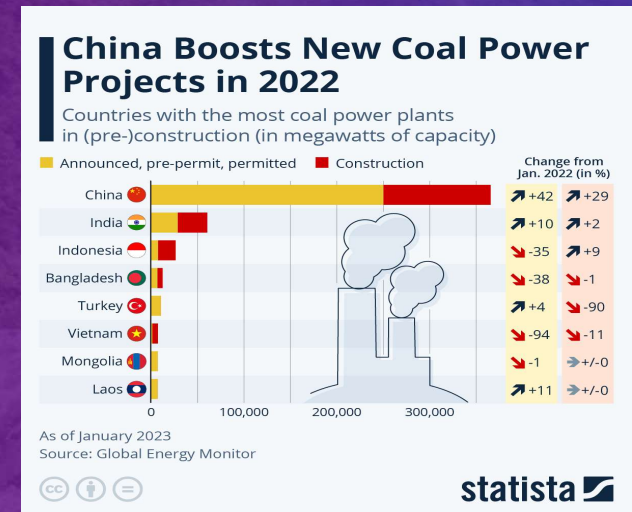
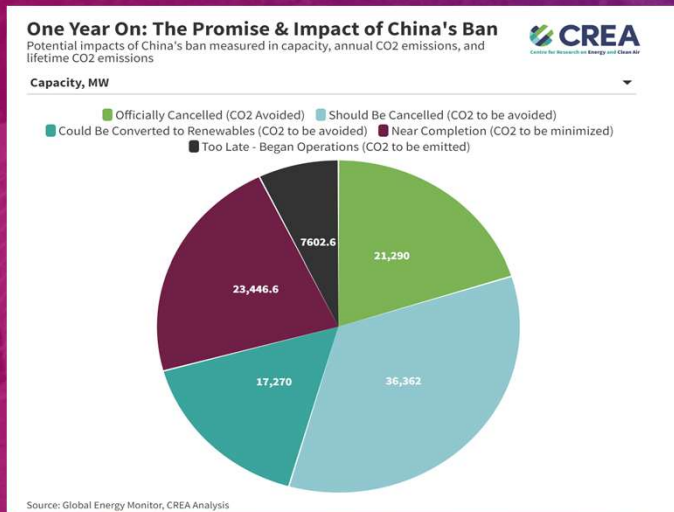
New Coal-fired capacity is mainly Asia-centric



CHINA'S PARADOX - HOME & AWAY

In Sep '21, China stopped overseas investment in coal-fired plants

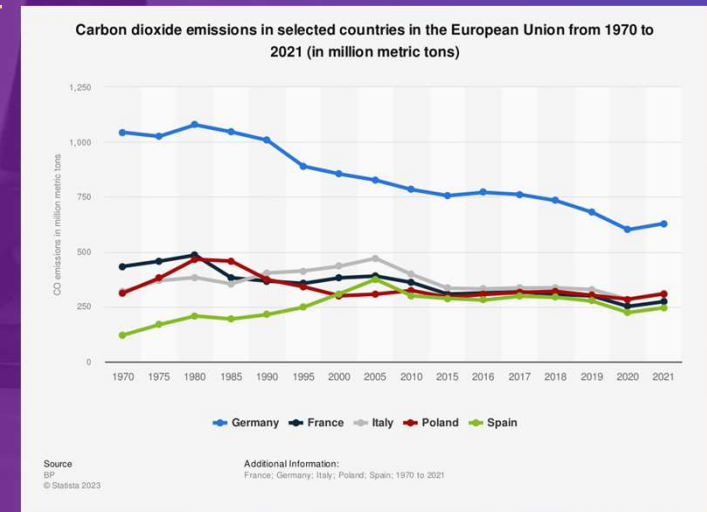
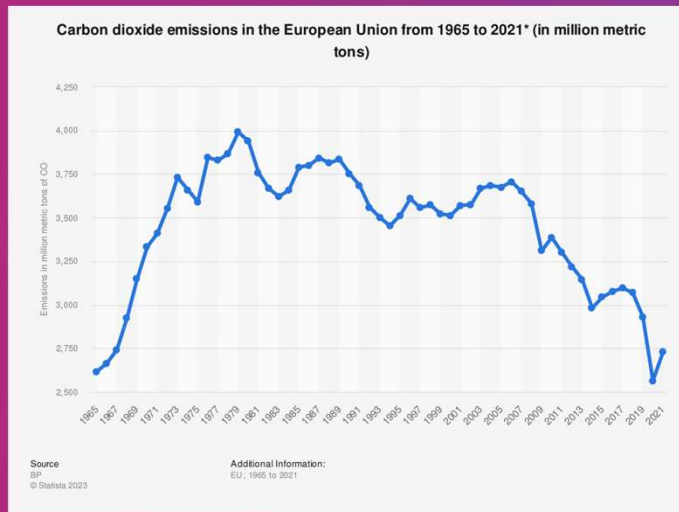
But, domestic investment in coal-fired power plants continues to rise



UNCLEAN HANDS: GLOBAL SOUTH ARE GETTING A RAW DEAL

EU countries have been massive polluters in past

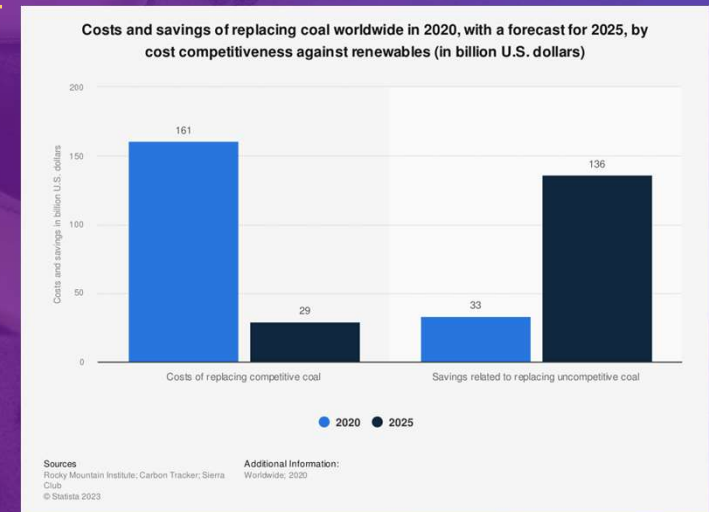
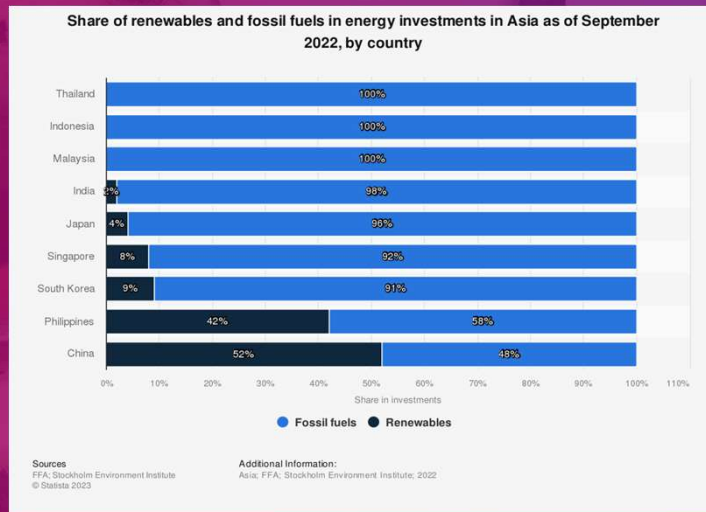
Some of the current campaigners have a "dirty" past




FINANCING FOSSIL FUELS: GETTING TOUGHER

Asia is still looking to finance its fossil fuel projects

Good News is that Renewables are now "in the money"





CONCLUSIONS & OPPORTUNITIES

Benefitting from Asia's rise

- Asia's, and especially China's dependence on Fossil Fuels is unlikely to go down.
- But...financing Fossil Fuel projects is likely to get tougher with Western & even Asian banks reducing exposure in Fossil Fuels (e.g., DBS)
- Huge opportunities therefore exist in the following areas:
 - *Carbon Credits & Set-Offs*
 - *Alternate Finance*
 - *Renewable greenfield projects*



THANK YOU!