**Press Release**

**ASEAN Climate Forum, Arsjad Rasjid: Southeast Asia Leads the Way to Net Zero Carbon Emissions**

**Jakarta**, **2 September 2023** - The ASEAN Business Advisory Council (ASEAN-BAC), in collaboration with Standard Chartered Bank and supported by knowledge partners Bloomberg, NEF, PwC, and Equatorise Advisory as well as the Indonesian Chamber of Commerce and Industry (Kadin Indonesia) hosted the ASEAN Climate Forum, at the Ritz Carlton Hotel, Jakarta, on 2 September 2023.

The ASEAN Climate Forum was held as part of the 2023 ASEAN Business & Investment Summit (ABIS), which was officially opened by President Joko Widodo, on Friday (1/9/2023).

**Chairman of ASEAN-BAC**, **Arsjad Rasjid**, noted that the ASEAN Climate Forum highlights the commitment and actions of businesses to achieve net zero emissions in Southeast Asia, the importance of improving carbon markets, and the role of sustainable finance in achieving carbon neutrality.

"Southeast Asia is a region with an abundance of potential, but very vulnerable to climate change. This requires a joint commitment from ASEAN to achieve net zero carbon emissions in this region," said **Arsjad Rasjid**, at the ASEAN Climate Forum.

Arsjad added that the transition to net-zero in all sectors also has the potential to bolster climate resilience and accelerate economic recovery following the Covid-19 pandemic.

ASEAN countries are rich in biodiversity, forests, and renewable energy sources. This has the potential to attract investments into these sectors, resulting in a substantial number of mitigation outcomes that can be enjoyed globally.

Arsjad advocated for this to be taken into account in meeting the climate targets set by each ASEAN country under the Paris Agreement. The reason being that although Southeast Asia has taken steps towards net zero emissions, it still needs investment totalling US$ 2 trillion between 2021 and 2030.

"The extraordinary potential of ASEAN countries in mitigating climate change indicates that we are well-positioned to benefit from the growth of the carbon market, which will play an increasingly important role in reaching net zero emissions," said **Arsjad**.

He continued, Indonesia contributed at least 56% of all carbon offsets in ASEAN, followed by Cambodia with 26% of all carbon offsets. This shows that there is a big opportunity for ASEAN to become a global trading center for high-integrity carbon credits.

"This requires concrete action to be taken by the governments of ASEAN countries, from policy formulation to local, regional, and international implementation,” said **Arsjad**.

Regarding sustainable finance, Arsjad assessed that this forum has the potential to support ASEAN in achieving net zero and that if no action is taken, ASEAN countries can lose 37.4% of the current GDP by 2048.

He acknowledged that although sustainable finance in ASEAN has experienced extensive expansion, the market for sustainable debt and equity is still small and has not been able to meet the funding needs of the ASEAN economy.

The overall sustainable debt raised yearly in the ASEAN-5 climbed from US$0.25 billion in 2016 to US$6.75 billion in 2021, increasing the total outstanding sustainable debt to around US$24 billion.

He also explained that the financial sector plays an important role in supporting ASEAN countries on their way to net zero emissions. Financial institutions must adapt quickly because climate considerations must become central to the decision-making process.

Climate change should be the focus and the top priority for financial institutions in identifying, mitigating and addressing material environmental and social risks in their markets, geographic areas and communities.

In response to the urgent need for greater resilience and sustainability, companies are increasingly working to develop climate strategies and solutions to improve their performance across the value chain,ensuring long-term access to finance.

"After the successful Bali G20 Summit and the Bali B20 Summit in November 2022, and the ASEAN Chairmanship in 2023, it is crucial for Indonesia and ASEAN to regain global prominence through this ASEAN Climate Forum," said **Arsjad Rasjid**.

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