Economics & Finance

Zero Carbon Analytics

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The race to invest in Southeast Asia's green economy

Key points:

- International investment in clean energy is gaining momentum in the Association of Southeast Asian Nations (ASEAN). Since 2020, the number of international investment projects in clean energy in the region has increased by 15% per year on average.
- Using data from WRI, OCI and Lowy, China leads public investment, investing over USD 2.7 billion in clean energy in key ASEAN markets of Indonesia, Philippines, Thailand, Malaysia and Vietnam between 2013 and 2023.
- Breaking it down by renewable technology, Japan is the region's biggest investor in geothermal and solar, investing approximately USD 1.3 billion and USD 142 million respectively between 2013 and 2023. In the same period, China was the biggest investor in wind at approximately USD 1.28 billion, and hydropower at USD 1.1 billion. Japan and South Korea were the second and third-largest investors in hydropower at USD 641 million and USD 514 million, respectively.
- China also led in clean energy trade with these five Southeast Asian countries, at USD 4.3 billion, driven by strong exports of EV batteries, solar modules and wind components. However, South Korea was the largest exporter of battery components to Indonesia and Malaysia, and Japan was the largest exporter of electric buses and vehicles to the Philippines.
- China, Japan, South Korea, and Australia all have a variety of climate-related policies and initiatives targeting ASEAN. China's BRI is the most established initiative.
- Motivations for expanding climate initiatives and policies in the region may include economic opportunities from clean trade, regional cooperation in response to geopolitical volatility, and access to key resources such as critical minerals.

Supporting Southeast Asia's green push

The Association of Southeast Asian Nations (ASEAN) is home to some of the fastest-growing economies globally.[1] Indonesia, Malaysia, Thailand, the Philippines and Vietnam saw average economic growth of 5.3% per year between 2022 and 2024, compared to the OECD average of 2.3%. In Q4 2024, Vietnam saw the most GDP growth in the region at 7.55%.

[1] ASEAN includes 10 countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Clean investment is gaining momentum in the region. Since 2020, the number of international investment projects for renewable energy in ASEAN has increased by an average of 15% per year, compared to 11% globally, with investments reaching USD 43 billion in 2022.

At the same time, the region's energy demand is growing and renewable energy, such as solar, is fast becoming the cheapest power source in countries like Malaysia.[2] ASEAN's electricity demand is expected to grow 41% by the end of the decade and renewable energy capacity is expected to increase by 300-500% by 2035.

Southeast Asian countries need foreign investment for the energy transition and major financing gaps remain for both renewables and grid development in the region, especially to meet 1.5°C-aligned targets. ASEAN countries were aiming for renewables to make up 23% of primary energy supply by 2025, but are currently only on track for around 19.6%.[3] Meeting the 23% target would have required annual investments of USD 27 billion in renewables – the region only received USD 8 billion annually between 2016 and 2021.

Increasing trade in clean technologies can also boost economic development and industrialisation. For developing economies in particular, expanding clean energy market opportunities can lead to increased trade and export potential as well as increased job prospects. Intentional and transparent policy set by ASEAN countries can signal to investors that they are committed to the energy transition.

This report compares the clean investments and policies of some of ASEAN's largest clean energy investors, China, Japan, South Korea and Australia, in the key ASEAN markets of Indonesia, Philippines, Thailand, Malaysia and Vietnam, some of the fastest-growing economies in the region.

Why are countries making green investments in Southeast Asia?

For investor countries, supporting climate initiatives in ASEAN offers a way to strengthen regional cooperation and build bilateral relationships, increase demand for goods and services, and tap into the growing trade in clean energy technologies. For example, China's Belt and Road Initiative (BRI) has allowed it to diversify foreign trade through access to BRI country markets and increase its influence over regional markets, consolidate its position in industrial supply chains, and has resulted in more overseas opportunities for Chinese construction companies, equipment makers, and other businesses that have typically relied on domestic construction.

The initiatives could also be a strategy for countries to access key natural resources, including those for the energy transition, like the region's abundant solar and wind power potential and potentially rare earth minerals.

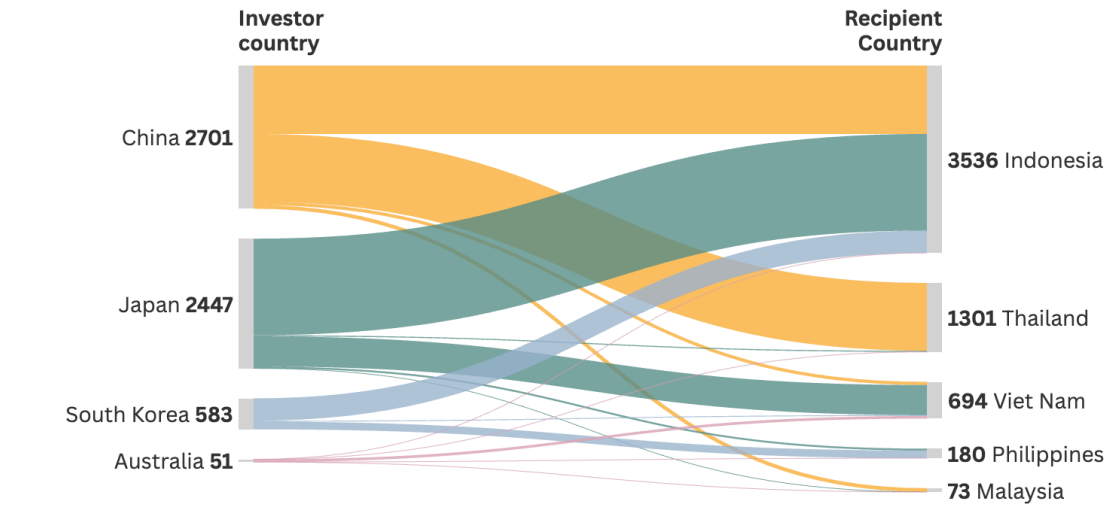
Meeting domestic climate goals could also be an incentive. In a project under Japan's Asia Zero Emissions Community (AZEC) programme, Sumitomo Corporation will collaborate with the Sarawak State Government in Malaysia to develop green hydrogen, then re-export it to Japan to help the country meet its national hydrogen goals.

[2] BNEF (2025), [Southeast Asia – Things to Watch], available via BloombergNEF platform, accessed [17/5/2025].
[3] BNEF (2025), [Southeast Asia to Miss Green Goal on Slow Storage Deployment], available via BloombergNEF, accessed [10/5/2025].

China invested the most in Southeast Asian clean energy, with Japan a close second

Fig. 1. Bilateral public financing for clean energy from Australia, Japan, South Korea and China to selected ASEAN countries (2013-2023)

USD million



Source: ZCA analysis, OCI Public Finance for Energy Database, WRI: China Overseas Finance Inventory Database, Lowy Institute, Southeast Asia Aid Map • Clean energy refers to solar, wind, marine, storage, geothermal, hydroelectric and clean hydrogen. The only Chinese public banks included are the China Development Bank and Export-Import Bank of China.

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Analysis of investments by the four investor countries using datasets produced by Oil Change International (OCI), the World Resources Institute (WRI) and the Lowy Institute shows that China led the way in public clean energy investment for Southeast Asia, investing over USD 2.7 billion in clean energy for the region between 2013 and 2023.[4,5] Its lead is closely followed by Japan, at USD 2.45 billion, and South Korea ranked third, at USD 583 million. The financing comes from a mix of export credit agencies, aid agencies and development financial institutions.[6]

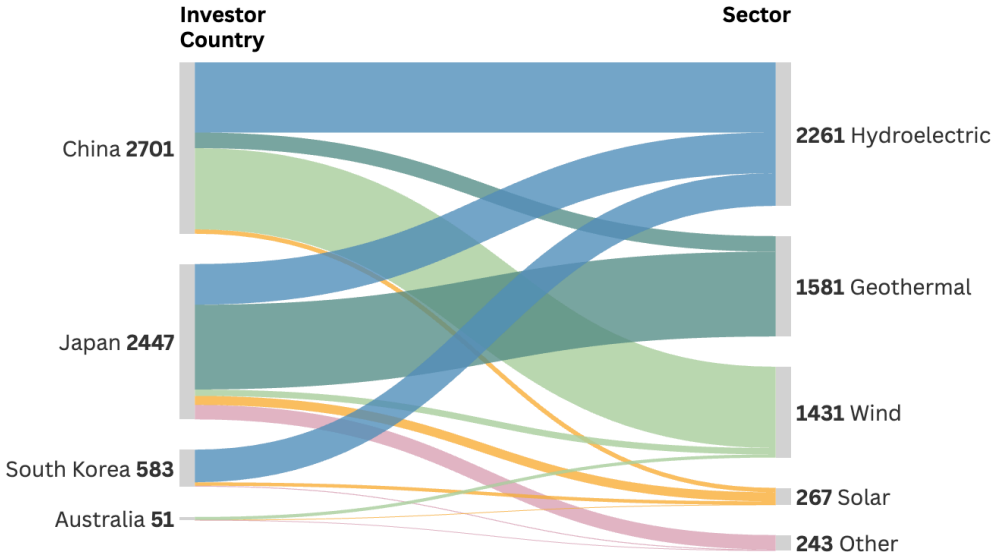
Indonesia received the most public investment of the target countries, at USD 3.54 billion between 2013 and 2023, followed by Thailand (USD 1.3 billion) and Vietnam (USD 694 million).

[4] Clean energy investments refers here to investments in batteries, solar, wind, geothermal, hydropower, clean hydrogen, tidal generation and energy transmission and efficiency.
[5] For China, the only public financing institutions included in this analysis are the China Development Bank (CDB) and Export-Import Bank of China. According to a Chinese government website, the government defines the China Development Bank as a development financial institution and China Export-import Bank as a policy bank, following a reform from these banks. The China Development Bank typically issues non-concessional loans. In the data from the Lowy Institute, there were four loans with joint lenders – Sinosure and China Development Bank, and the Export-Import Bank of China (China EximBank) and the Bank of China – which have also been included in the analysis.
[6] This analysis focused on bilateral public financing from individual countries. It therefore excludes contributions to multilateral development banks, such as the World Bank. The World Bank can typically leverage up to USD 4 in concessional lending for every USD 1 invested by governments.

Japan leads in geothermal and solar investment, China in wind and hydropower

Fig 2. Bilateral public finance by renewable technology to selected Southeast Asian countries (2013-2023)

USD million



Source: ZCA analysis OCI Public Finance for Energy Database, WRI: China Overseas Finance Inventory Database, Lowy Institute, Southeast Asia Aid Map • The only Chinese public banks included are the China Development Bank and Export-Import Bank of China. Southeast Asian countries included are Indonesia, Philippines, Thailand, Malaysia and Vietnam.

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Other winners emerge when the public investment data is broken down by renewable energy technology. Between 2013 and 2023, Japan led in geothermal investments in the region, at approximately USD 1.3 billion, as well as solar investments, at approximately USD 142 million.

China led in wind power investments at approximately USD 1.28 billion. China was also the biggest investor in hydropower at USD 1.1 billion.[7] Japan and South Korea were the second and third-largest investors in hydropower at USD 641 million and USD 514 million, respectively.

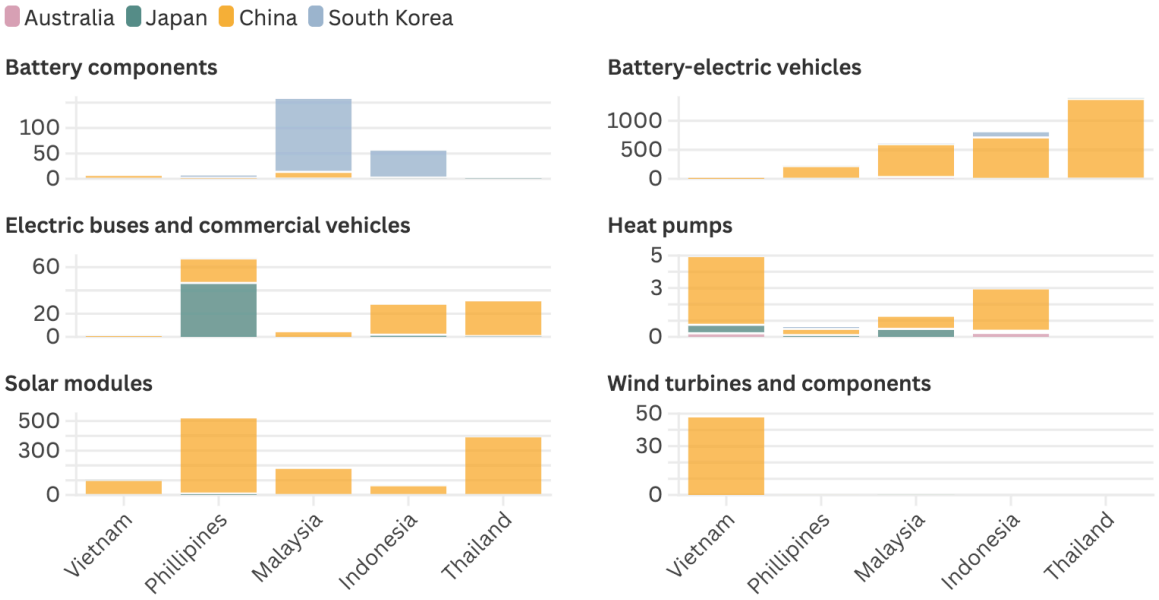
Despite the countries' existing investments, there is scope to significantly boost investment in renewables in the region. Solar investments are notably low, considering the falling cost of the technology and ASEAN's high solar potential. In several ASEAN countries, the price of solar has fallen below that of bioenergy, and solar's overall costs have fallen 55 to 81% between 2012 and 2024. This, combined with ASEAN governments' ambitions to increase installed solar and wind power capacity – which is expected to triple by 2050 – makes the sectors a promising option for investment.

[7] There are environmental and social risks associated with hydroelectric power plants, such as forced resettlement and redirecting river flows. Hydropower has been included in this analysis due to the significant role it has played in the BRI.

China and South Korea lead in clean technology trade

Fig. 3. Indonesia, Malaysia, Philippines, Thailand and Vietnam's clean tech imports from selected countries and clean technologies (2017-2024)

USD million



Source: Zero Carbon Analytics analysis, BNEF: Clean Energy Trade Dashboard 1.0 • BNEF analysis shows the top 10 trade partners of each Southeast Asian country. Where the export country falls outside the top 10, it is not included in this analysis.

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According to BloombergNEF data, China is the leading trade partner in clean technologies across the five ASEAN countries, at USD 4.3 billion, followed by South Korea (USD 316.2 million), Japan (USD 85.6 million) and Australia (USD 16.1 million). The most traded clean technologies are electric vehicle batteries, solar modules and battery components.

China has a notable lead in exports of solar modules and battery electric vehicle (BEV) exports to all five countries. However, South Korea also exports BEVs to Indonesia, exporting approximately USD 87.97 million worth, compared to China's USD 711.6 million.

South Korea is the largest exporter of battery components to Malaysia and Indonesia, at USD 143.37 million and USD 52.99 million, respectively. China came in second, at USD 13.24 million in exports to Malaysia and USD 1.68 million to Indonesia.

Japan is the biggest supplier of electric buses and commercial vehicles to the Philippines.

China, Japan, South Korea and Australia's green initiatives in Southeast Asia

China: The biggest funder of the region's clean energy

China is the global leader in clean technology, holding more than 80% of the market share in many clean technology sectors, according to BloombergNEF. China has several policies and strategies outlining the country's cooperation with ASEAN on climate and energy, as well as mechanisms for financing projects.

China's Belt and Road Initiative (BRI) stands out as a flagship project, a state-led initiative designed to connect China with the rest of the world via two trade routes. In addition to pure state financing, the BRI includes funding from state-owned commercial banks – commercial banks that the government has a stake in.[8]

Despite this, BRI financing represents just a small portion of China's overall overseas direct investments. According to the China State Council, non-BRI overseas non-financial foreign direct investments came out to around USD 130 billion in 2023, a significantly larger amount than BRI overseas financing, which came to USD 92.4 billion.

China's Belt and Road Initiative is increasingly focused on green development

Since its launch in 2013, the BRI has played a major role in building large-scale infrastructure projects such as railways, ports and highways in Southeast Asia. The initiative has also supported a wide range of green projects in ASEAN, such as solar projects in Indonesia and Myanmar, hydropower plants, solar farms and transmission networks in Cambodia.

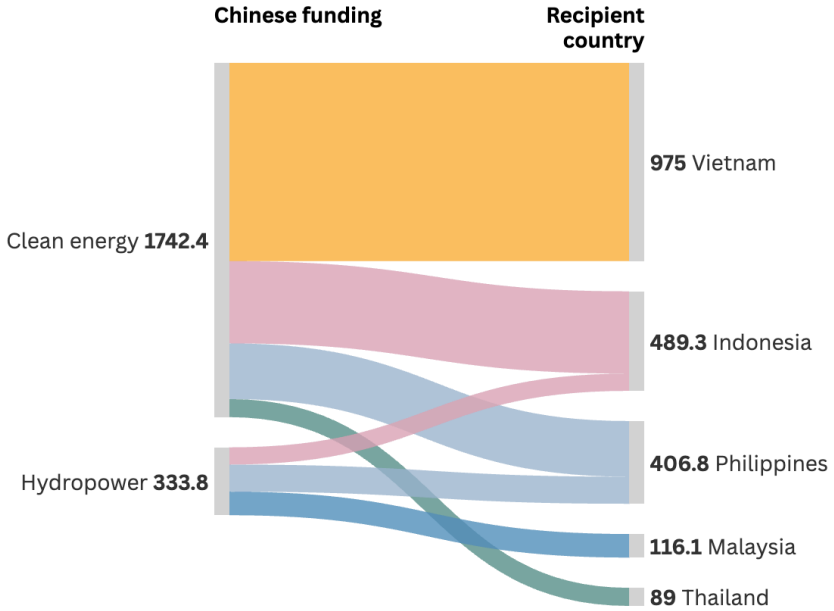
The BRI is seen as a way for China to extend geopolitical and economic influence in the region, increasing demand for Chinese goods and services. Some scholars see the initiative, especially in its engagement with ASEAN countries, as a way for China to boost its energy security.

In recent years, the focus of the BRI has shifted to "green development". Renewables accounted for just under 5% of all BRI energy investments in 2014, increasing to 15.5% in 2018 and approximately 30% in 2024, when renewables investments under the BRI hit a record of USD 11.8 billion. The government announced the Green Finance and Investment Partnership in 2023, a new initiative to expand more BRI financing for renewable energy projects in Southeast Asia, and published a policy document on making the BRI more climate-focused in 2024.

[8] Funders include state-owned commercial banks such as the Bank of China, Industrial and Commercial Bank of China (ICBC), Agricultural Bank of China (ABC) and China Construction Bank (CCB), as well as other state funds such as the China Investment Corporation (CIC).

Fig. 4. China's Belt and Road Initiative (BRI) financing for clean energy and hydropower in selected ASEAN countries in 2024

USD millions



Source: Griffith Asia Institute • Data extracted using WebPlotDigitizer, which produces estimated data based on published graphs.

In 2024, China provided approximately USD 1.83 billion for clean energy financing in Southeast Asia under the BRI. Vietnam received the most BRI energy financing of countries in the region in 2024, at USD 975 million, all of which went to clean energy.[9] Indonesia and the Philippines were the second and third largest recipients of BRI clean energy financing in 2024, receiving USD 404.6 million and USD 273.8 million respectively. Notably, all BRI funding in Thailand went to clean energy.[10]

Under the Mekong-Lancang Cooperation Framework, which relies on BRI financing, China also collaborates with countries in the Mekong Basin such as Laos, Myanmar, Thailand, Cambodia and Vietnam on projects such as clean power transmission and distribution, solar-powered wells, and electric vehicles. China has committed over USD 1 billion to this initiative.

Other policies and financing mechanisms for China-ASEAN cooperation

In addition to the BRI, China has several other mechanisms for cooperation with ASEAN countries on climate and green financing:

- The ASEAN+3 coalition, a regional framework that includes China, Japan, South Korea and all ten ASEAN countries, which meets annually to discuss collaboration on climate issues.
- The ASEAN-China Strategic Partnership Vision 2030, a policy document announced at the 21st ASEAN summit in November 2018, says the countries should take a regional approach to promoting clean energy.

[9] Here, clean energy includes solar, wind, waste-to-energy and transmission.
[10] The data for Figure 4 are approximate figures. They were extracted from the source using WebPlotDigitizer, which produces estimated data based on published graphs.

- In 2022, China and ASEAN released the ASEAN-China Environmental Cooperation Strategy as a guiding framework for climate cooperation from 2021 to 2025. Under the document, the countries aim to cooperate on issues such as reducing ocean plastics, improving air quality and protecting biodiversity.
- The China-ASEAN Investment Cooperation Fund aims to provide up to USD 10 billion for infrastructure and energy projects in ASEAN. While it is a private equity fund, the Export-Import Bank of China provided USD 300 million, a portion of the initial funding.

China has a strong presence in ASEAN renewable energy, transmission and EV projects

China is involved in some of the ASEAN region's biggest renewable energy and transmission projects. China Southern Power Grid Company, a state-owned corporation, owns and operates much of Laos' power grid. At USD 2.4 billion, this marked the second-largest investment by China in ASEAN between 2020 and 2023.

In November 2023, Power China installed the first wind turbine at a 600 MW wind project in Laos, which aims to export power to Vietnam's electricity grid. In December 2024, Power China and the Manila Electric Company, a major power utility in the Philippines, signed an engineering, procurement and engineering (EPC) contract for a 1050 MW solar project in Manila, reportedly Southeast Asia's largest photovoltaic project.

China also has a strong regional presence in batteries and EVs. 75% of EV sales in Southeast Asia were by Chinese manufacturers in the first quarter of 2023, and more than half of the top 10 global EV battery manufacturers that have a presence in ASEAN are Chinese.

Japan: Leader in targeted financing mechanisms

Southeast Asia has historically been at the forefront of foreign policy in Japan, with a Joint Vision Statement marking the 50th year of ASEAN-Japan Friendship and Cooperation in 2023. This cooperation has extended into climate, where Japan has set out to be a key strategic partner for ASEAN through dedicated initiatives for ASEAN-Japan cooperation for climate and energy.

Out of the four investor countries, Japan stands out as having the most dedicated financing mechanisms for clean energy in the region. The Asia Zero Emissions Community (AZEC) is a flagship project for ASEAN-Japan cooperation on climate and energy. Japan also has a leading role in Just Energy Transition Partnerships (JETP) and is part of the ASEAN+3 coalition, alongside China and South Korea.

According to The Southeast Asia Climate Outlook Survey, ASEAN respondents said in 2024 that Japan was perceived as the top country demonstrating climate leadership. This was the first time Japan overtook the US and the EU in the survey, having outranked China, South Korea, and Australia since 2021. However, civil society organisations, including Friends of the Earth Japan, Solutions for Our Climate and Recourse, have raised concerns that the country's leadership in fossil fuel financing is negatively impacting many climate policies and cooperation.

AZEC is flagship initiative for cooperation, but not all of it is green

The Asia Zero Emissions Community (AZEC), a platform that promotes "net zero" in 11 partner countries in Asia, is the leading initiative for ASEAN-Japan cooperation and a key part of Japan's Green Transformation (GX) policy, led by the Ministry of Economy, Trade and Industry (METI).

Specific policy platforms and investment mechanisms have been introduced under AZEC:

- The Asia Energy Transition Initiative (AETI) offers ASEAN countries with specific support measures. As part of AETI, Japan pledged USD 10 billion in public and private financial support for energy transition in ASEAN.
- The Cleaner Energy Future Initiative for ASEAN (CEFIA) promotes energy efficiency and renewable projects.
- The Asian-Japan Investing for Future Initiative (AJIF) complements AZEC and AETI to increase investment in climate infrastructure challenges with increasing urbanisation.

As part of AZEC, Japan is also investing in the ASEAN Power Grid (APG). This is partly in response to China's growing role in Southeast Asia's energy infrastructure and as an opportunity to export Japanese technology. Japan has also cooperated with the government of Thailand to build microgrids in the northern part of the country.

Initial screening of the AZEC deals by Zero Carbon Analytics revealed roughly 34% of AZEC projects support renewables, of which 7% involve wind and/or solar, including solar projects in Cambodia and onshore wind farms in the Philippines. However, over a third of AZEC deals included fossil fuel technologies such as liquified natural gas (LNG), which is defined as a "transition fuel" in Japan's Seventh Basic Strategic Plan and is a key part of Japan's energy security strategy. The recent trend of Japanese companies reselling surplus LNG to Southeast Asia due to declining domestic demand has also conflicted with the country's goals to become a renewable leader in Asia.

Japan is key in JETPs and the Energy Transition Mechanism (ETM)

Just Energy Transition Partnerships (JETP) are projects supported by wealthy nations in the International Partners Group (IPG) to help developing countries transition from coal to clean energy. JETPs could speed up the energy transition in these countries in comparison to broader multilateral efforts, as only a few actors are involved in implementing the deals.

Japan is co-leading Indonesia's USD 20 billion-JETP and supports other JETPs as part of the IPG, including Vietnam's. The US had initially committed the most funding to Indonesia's JETP through the IPG, but, since the US exit from the JETP agreements in March 2025, Japan and Germany have stepped up as co-leaders of the group to continue to commit to Indonesia's USD 20 billion JETP.

The Energy Transition Mechanism (ETM) is a similar international financing mechanism that aims to retire five to seven coal plants in Indonesia, Philippines and Vietnam. While it is led by the Asian Development Bank (ADB), Japan committed USD 25 million to the initiative at COP26 in 2021. Early retirement of 50% of the coal fleet in the ETM's three target countries could cut 200 million tons of CO2 annually, making it one of the biggest carbon reduction programs globally.

South Korea: Multiple financial initiatives, but smaller in scale

Since South Korea and ASEAN first established formal diplomatic relations in 1989, collaboration has increased significantly. According to South Korea's Ministry of Foreign Affairs, ASEAN is South Korea's second largest trading partner and investment destination. During the ASEAN Summit in Laos in 2024, the two pledged to elevate their diplomatic relationship to the highest level that ASEAN holds with foreign partners. Along with Japan and China, South Korea is also part of the ASEAN+3 coalition.

South Korea has several climate policies and financing mechanisms to support green projects in the region. However, the total financing amount lags compared to China's commitments under the BRI, or Japan's under JETP and AETI:

- The ASEAN Catalytic Green Finance Facility was launched in 2019 to finance green infrastructure projects in Southeast Asia, as part of efforts to aid the region's recovery from the COVID-19 pandemic. While it is managed by the ADB, South Korea is a financing partner. The fund provides over USD 1 billion in loans to ASEAN countries. As of 2022, the initiative was estimated to have resulted in over 400,000 tons of carbon dioxide reduced per year.
- ASEAN-Korea Cooperation Fund has provided USD 45 million for environment-related projects in ASEAN countries, as of January 2025. One initiative under this fund is the ASEAN-Korea Cooperation for Methane Mitigation (AKCMM), a USD 20 million project that aims to reduce methane emissions in ASEAN.
- The Brunei Darussalam – Indonesia - Malaysia- Philippines-East ASEAN Growth Area-Republic of Korea (BIMP-EAGA-ROK, or BKCF) fund provides development financing for the listed countries. Former South Korean president Yoon Seok Yeol said he would double its budget to USD 6 million by 2027, from USD 3 million in 2022 and 2023. Since its launch in 2021, BKCF has funded 30 projects, including off-grid solar for homes in the Philippines, and water loss management in Malaysia.

In terms of policy, one of South Korea's main policy frameworks is the ASEAN-ROK Plan of Action To Implement The Joint Vision Statement For Peace, Prosperity and Partnership (2021-2025), which outlines areas of cooperation on climate issues, such as education for ASEAN countries on environmental issues.

The ASEAN-ROK Comprehensive Strategic Partnership, launched in October 2024 at the 25th ASEAN-ROK Summit in Laos, includes collaboration on climate change via initiatives such as the ASEAN Centre for Climate Change (ACCC) and the Partnership for ASEAN-ROK Methane Action. The ASEAN-ROK Carbon Dialogue, which aims for South Korea and ASEAN to share knowledge on carbon pricing and work together on reducing emissions.

South Korea's involvement in the region's renewables and grids remains relatively small

South Korea is involved in ASEAN solar and wind projects, but the country's public investment in solar and wind does not match that of China and Japan, especially compared to China's BRI. Between 2022 and 2023, the South Korean government was involved in developing solar panels in Indonesia. In 2023, the Korea Trade Insurance Corporation (K-SURE), South Korea's export credit agency, announced it would finance approximately USD 100 million for a wind tower factory in Vietnam.

While South Korean corporations are involved in grids in ASEAN, South Korea's public investment in grids and transmission is still early in development. In December 2024, South Korea's Ministry of Trade, Economy and Industry (MOTIE) launched its plan to export USD 15 billion worth of power grid-related infrastructure overseas by 2030, including power plants, high voltage direct current (HVDC) systems, which allow utilities to transmit power farther, and distribution systems. Southeast Asia is included as one of the key regions to target these exports. South Korean corporations have also been involved in installing smart grids in Singapore, Thailand and Vietnam, according to the Korea Trade-Investment Promotion Agency (KOTRA).

Compared to Japan, South Korea also has a shorter history of economic engagement with ASEAN, which could lead to challenges in tapping into regional supply chains.

Australia: Targeted policies aim to tap into ASEAN transmission and clean trade trade

Besides Japan, Australia is one of ASEAN's longest diplomatic partners, first forging relations in 1974. Since then, the two have strengthened ties economically, with Australia first committing AUD 5 million in 1974 for ASEAN economic projects and establishing other initiatives such as the Asia-Pacific Economic Cooperation in 1989. However, unlike Japan, South Korea and China, Australia is not part of the ASEAN+3 coalition, a key framework for supporting climate cooperation in the region.

The Australian government has set out Australia's Southeast Asia Economy Strategy for 2040, which has a section dedicated to the green energy transition. The strategy positions Australia as being able to export cheap renewable energy to the region as well as technical expertise in areas such as construction and project engineering, a market it estimates to be worth USD 10 billion per year by 2030. Initiatives such as the Partnerships for Infrastructure (P4I) helped develop the ASEAN Long Term Renewable Energy Roadmap.

To unlock this opportunity, Australia has introduced various financing mechanisms to support the Southeast Asian energy transition:

- The Climate and Clean Energy Window, announced at the ASEAN-Australia Special Summit, will provide AUD 10 million (USD 6.51 million) in funding for climate and clean energy programs under the Southeast Asia-Australia Government-to-Government Partnerships program (SEAG2G).
- The Green Investment Partnership (GIP) was announced under the Southeast Asia Investment Financing Facility (SEAIFF). The Australian government approved an AUD 75 million (USD 50 million) investment into GIP, which runs under Singapore's Financing Asia's Transition Partnership (FASTP) to support clean and sustainable infrastructure development across Southeast Asia.
- Australian Climate Finance Partnership (ACFP) is managed by the ADB and provides concessional finance for high-impact climate projects in Southeast Asia and the Pacific.
- Through the ADB's Innovative Finance Facility for Climate in Asia and Pacific (IF-CAP), Australia guaranteed up to USD 200 billion to support climate action in the Asia Pacific region in November 2024.
- Bilateral partnerships include the AUD 200 million (USD 129 million) Australia-Indonesia Climate and Infrastructure Partnership and the AUD 105 million (USD 68 million) announced at the Australia-Vietnam Green Economy Summit.
- The Mekong-Australia Partnership (MAP) announced AUD 232 million (USD 149 million) in funds which aims to "improve water security and respond to climate change", among other goals.

In addition to government initiatives, Australian companies are supporting large-scale transmission projects in ASEAN. The Australia-Asia Power Link (AAPowerLink), developed by SunCable, is a subsea power cable from the Northern Territory of Australia that will export 2GW of solar energy to Singapore via Indonesia. At over 4,000km long, it will be nearly six times the length of the world's longest subsea power cable and is expected to start operating in the early 2030s. The project has also had positive spillover effects such as building five Renewable Energy Research Parks in Indonesia.

Trade relationships could drive cooperation on renewable energy

ASEAN is a key trading partner for Australia, with two-way trade exceeding that of Japan or the Unites States. Thailand, Indonesia, Malaysia, Vietnam and Singapore were all in the top 15 trading partners for Australia in 2023. However, trade in clean technology, such as solar

modules and battery components, is still limited. Australia trades these commodities with ASEAN countries relatively less than China, South Korea and Japan (Figure 3).

Australian government policies are oriented towards unlocking this opportunity. In December 2024, The Australian Minister for Trade and Tourism Senator the Hon Don Farrell said that 'Investing in Southeast Asia to meet the region's energy transition needs will open opportunities for Australian businesses, driving greater exports and partnerships right across this region... One in four Australian jobs rely on trade, with nearly half a million Australian jobs linked to trade with Southeast Asia."