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Readiness Index reveals that energy transition in Asia Pacific still in its infancy

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- Participants at the annual Asia Pacific Energy Week surveyed on importance of key energy priorities and progress made towards the energy transition
- Top energy priorities include the accelerated expansion of renewables and the decarbonization of industry
- Currently, Asia Pacific sits at just 25 percent on a scale of energy-transition readiness despite having the highest contribution toward carbon emissions
- Systemic changes will be required for the Asia Pacific region to accelerate the energy transition

Munich, April 2022: Regional and global business leaders, policy makers and government representatives throughout the energy sector convened at the second annual Asia Pacific Energy Week, organized by Siemens Energy, to discuss regional challenges and opportunities for the energy transition.

Themed ‘Making the Energy of Tomorrow Possible’, the 2-day virtual event held from March 28 to 29, 2022 saw more than 2,000 participants actively engage in the discussions, opinion polls and questions. Over the two days, participants were surveyed on the importance of major energy priorities and the progress made towards the energy transition.

The Asia Pacific Energy Transition Index is derived using an aggregate of participants’ response to each of 11 pre-determined key energy priorities. The study yielded valuable data and insights, which will be used to enhance key strategies for the energy transition in the region. It is the first of a series of

studies which will be conducted in different regions globally.

Lofty ambitions, but low readiness for energy transition

The survey of conference participants revealed a significant gap between perception and reality when it came to carbon emissions.

Between 2005 and 2020, regional carbon emissions grew by around 50 percent, yet participants believed they had fallen by almost a third. The participants also anticipated that 2030 emission levels would be 39 percent lower than in 2005.

Further analysis of the survey data found that the Asia-Pacific region had a score of 25 percent on the Readiness Index, which indicates how far a region is along its energy transition path.

“While we have seen successful decarbonization in a number of areas, strong economic growth is counteracting this progress, resulting in a net increase in overall emissions. With the Asia Pacific region responsible for more than half of the world’s CO2 emissions, global climate efforts must clearly involve Asia Pacific more in the future. Maintaining economic growth and prosperity while simultaneously reducing emissions in the medium and long term needs to be the top priority for the region,” said Christian Bruch, President and CEO of Siemens Energy AG.

11 energy priorities identified to move the needle

Global management consultancy Roland Berger, knowledge partner in the Asia Pacific Energy Week, identified in close collaboration with Siemens Energy 11 priorities for tackling climate change and ultimately achieving net zero.

While participants agreed unanimously that each of the energy priorities have an important role to play in the region, the accelerated expansion of renewables and the decarbonization of industry were considered the most important factors. When asked about their views of the progress made on these energy priorities, many participants highlighted that much remains to be done, with many of the priorities still in the planning phase. The most progress was reported in power generation, with more than 80% of participants saying that the acceleration of renewables is at least in the planning phase, with around a third already at implementation. Almost two-thirds of respondents reported a similar level of progress for coal exit

strategies.

Policy changes required to drive progress on almost every priority. Five factors were identified as areas that require development to drive progress along the energy transition: Funding; Know-how; Technology; Policy; and Supply Chain. Overall, participants see policy as the most important factor in almost every priority. Funding also emerged as a substantial need for most priorities. The need for additional know-how varies but is highest for new technologies such as carbon capture and storage (CCS) and power-to-X solutions.

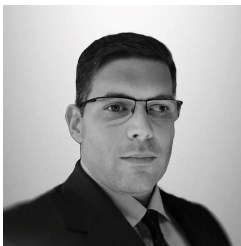
“To meet carbon reduction targets, businesses in the Asia Pacific region will need to reduce their reliance on coal as an energy source and increasingly turn to renewables,” said Denis Depoux, Global Managing Director, Roland Berger.

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Siemens Energy is one of the world's leading energy technology companies. The company works with its customers and partners on energy systems for the future, thus supporting the transition to a more sustainable world. With its portfolio of products, solutions and services, Siemens Energy covers almost the entire energy value chain – from power generation and transmission to storage. The portfolio includes conventional and renewable energy technology, such as gas and steam turbines, hybrid power plants operated with hydrogen, and power generators and transformers. More than 50 percent of the portfolio has already been decarbonized. A majority stake in the listed company Siemens Gamesa Renewable Energy (SGRE) makes Siemens Energy a global market leader for renewable energies. An estimated one-sixth of the electricity generated

worldwide is based on technologies from Siemens Energy. Siemens Energy employs more than 90,000 people worldwide in more than 90 countries and generated revenue of around €27.5 billion in fiscal year 2020. www.siemens-energy.com.

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