

**OPENING ADDRESS BY ENTERPRISE SINGAPORE
CHAIRMAN LEE CHUAN TECK**

**SCHNEIDER ELECTRIC INNOVATION DAY 2025:
“SCALING UP FOR A NET-ZERO SINGAPORE”**

**MARINA BAY SANDS EXPO & CONVENTION CENTRE
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Mr. Yoon Young Kim, Cluster President (Singapore & Brunei)

Mr. XingJian Pang, East Asia Zone President at Schneider Electric

Distinguished Guests

Ladies and Gentlemen

- 1 Good afternoon. Thank you for having me here today to talk about a very important topic: Singapore’s journey towards net-zero.
- 2 As we gather here today, we find ourselves at a critical juncture in human history. Climate change is no longer a distant threat looming on the horizon; it is knocking on our door. Last year, global average temperatures exceeded 1.5 degree Celsius above pre-Industrial level – the aspirational cap set in the Paris Accord. We are already starting to experience the effects of global warming – floods, droughts, forest fires. The window for us to forestall the catastrophic effects of climate change is rapidly closing.
- 3 Yet, as the task of fighting climate change becomes more urgent, the conviction to do so appears to be weakening. The US is, once again, withdrawing from the Paris agreement. While the rest of the 195 countries remained, the fervor has eased noticeably. An example in point. Every 5 years, all 195 countries are required to submit their abatement plans: the so-called Nationally Determined Contributions (NDCs). The latest installment was due on 10 February. As of last Friday, only 17 have done so. In case you are wondering, Singapore is one of the 17.
- 4 Amongst the large global companies in US and Europe, there are also signs of backtracking. Following the exit of US banks¹ from the Net-Zero Banking Alliance (NZBA), banks in Europe are reconsidering their own commitments. Multinationals

¹ JPMorgan, Citigroup and Goldman Sachs left the group earlier this year.

across sectors are scaling back or delaying their sustainability commitments: from energy companies like Shell and BP, to consumer companies like Unilever and Coca-Cola to technology companies like Microsoft.

- 5 Here in Asia, both Governments and companies were generally more careful in setting their climate ambitious, and perhaps then less inclined to reverse now. Nonetheless, even in Asia, there remains a wide chasm between our targets and our actions, as exemplified in Schneider's Green Impact Gap² study.
- 6 Closing this gap is vital. Singapore remains fully committed to our goal of reaching net-zero by 2050. And to ensure that we are on track to reaching this goal, we are also setting ambitious interim targets. In our NPC, we aimed to reduce our emission from the target of under 60 million tons in 2030 to 45-50 million tons in 2035.
- 7 Achieving this will not be easy nor cheap. At the macro level, we need to set the right conditions are decarbonization. We need to price emissions correctly, while giving companies time to adapt. Thus, we will increase our carbon tax from \$25 per ton to \$45 in 2026 and 2027, and up to \$80 by 2030. We will also need to provide alternative sources of greener energy for companies and consumers to switch to. We have a plan to import green electrons. We are exploring hydrogen. And, as PM noted in the budget speech, we are also studying nuclear power.
- 8 But we need to go beyond macro measures to micro ones – involving individual markets and enterprises in this decarbonization journey. How can we do so? Allow me to ride on your theme of “Scaling Up” to suggest three ways.
- 9 First, we need to scale up adoptions to reduce cost. Cost is a major impediment to abatement efforts. Yet, as we have seen with solar panels and lithium batteries, costs can be drastically reduced if we can attain sufficient scale. This presents a “chicken and egg” problem for many climate solutions. Adoption is low because cost is high; and cost is high precisely because adoption is low. Sustainable aviation fuels (SAFs) are a typical case in point. Airlines blame the producers for keeping the price high, while producers blame the airlines for not buying enough.
- 10 Here in Singapore, we are attempting to break this stalemate. From next year, all flights departing from Changi will need to have at least 1% SAF. This provides a baseload of

² A summary of the report is attached.

demand. At the same time, we are working with producers like Neste to invest in more SAF production to reduce cost. We are hoping that other air hubs will join us in this effort. Importantly, we also hope that European authorities, who have imposed strict requirements on sources of SAF, are amenable to a broader range of SAF sources to facilitate this transition.

- 11 Our efforts do not stop at SAF. We are also working with other countries on marine fuels, on standardization of offshore wind turbines, on sustainable food and many other areas. Scaling up to reduce cost can be a powerful accelerator for our decarbonization journey.
- 12 Second, we want to scale up our reach to help not just the large MNEs but also the smaller companies embark on their abatement journeys. A UOB Business Outlook Study in 2024³ found that a lack of knowledge was the most pertinent barrier for companies to adopt sustainability.
- 13 Helping our SMEs become more sustainable is a key focus for Enterprise Singapore in the next few years. We started the Enterprise Sustainability Programme (ESP) in 2021 to provide sustainability training and grant support for sustainability projects. We continue to enhance our offerings to meet the evolving sustainability needs such as the recent launch of the Sustainability Reporting Grant (SRG)⁴ and other abatement initiatives. We have amplified this through key partners like trade associations, banks and large corporations to help us in this education. Singapore Business Federation and Singapore Manufacturing Federation's CSO-as-a-Service Programme⁵ can also provide resource.
- 14 Ultimately, we need to get companies to move from knowledge to action – in measuring their footprint, and then to abating it. One way to do is through sustainability-linked financing. We have worked with UOB, DBS and OCBC to simplify and facilitate access to sustainability-linked financing for SMEs, offering preferential loan rates for meeting pre-agreed sustainability performance targets.
- 15 Another way is to partner with large corporations to green their supply chain. For example, SATS launched a Supplier Engagement Programme to help their suppliers

³ UOB Business Outlook Study 2024(SMEs & Large Enterprises). [UOB Business Outlook Study 2024 \(Regional\): Positivity and resilience take centre stage | UOB ASEAN Insights](#)

⁴ Launched on 1 Nov 2024, the SRG aims to help companies produce their first International Sustainability Standards Board's (ISSB)-aligned sustainability report. The SRG, capped at S\$150,000, will defray up to 30% of qualifying costs such as consultancy and external assurance services, manpower training, as well as the purchase of equipment and software.

⁵ Through the programme SMF's sustainability consultants will support manufacturers via a hand-hold approach to address gaps, prioritise areas of sustainability improvement and develop sustainability roadmaps to take action.

start their decarbonisation journey. Schneider's Zero Carbon Project, which aims to help 1,000 key partners decarbonise, also demonstrates the power of collaboration in driving sustainable change. Mr Pang mentioned the SME Kickstarter Decarbonisation programme. We are happy to have partnered Schneider for this programme and hope that we can do other programmes in the years to come.

- 16 Finally, we need to scale up in innovation. We need new innovations – not just in technology, but also in financing, in Government policies, in deployment and other fields.
- 17 Last year, Enterprise Singapore entered into a partnership with Temasek and Breakthrough Energy, a subsidiary of the Gates Foundation, to start a South East Asia Fellows Programme to incubate and finance climate tech startups from the region. By availing promising startups to the network, finance and knowhow of the 3 organizations, we hope to maximise their chance of developing impactful solutions.
- 18 Beyond startups, we also hope to work with larger corporations like Schneider, which are investing in developing climate solutions. Last year, I had a chance to visit your Innovation Hub and view some of your technologies. We are exploring if some of these can be supported by our Productivity Solutions Grant for mass adoption.
- 19 Let me conclude with this. Climate change is a global challenge. No one country or organization can address it alone. But collectively, we have the resources and ingenuity to do so. Let us not dither any longer, but take up the mettle to do what is right for generations to come.