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How EU Companies Can Support China's Net Zero Quest

Driven by stringent environmental regulations and consumer demand, and guided by their global corporate carbon neutrality pledges, European companies are well placed to help China to pursue its 30/60 Goals. Study finds that 67% of European companies operating in China are already pursuing carbon neutrality, and 40% have established decarbonization teams in China, many of which report directly to the board. However, three main barriers currently prevent European firms from fully contributing to China's carbon neutrality drive. First, more policy guidance at the national, local and sectoral levels is needed to enable businesses to make informed investment decisions today with 2060 in mind. Second, there is also the need for a more transparent, open, and flexible power market. Third, the development and roll out of leading green technologies is stifled by a lack of open markets and common standards, as well as limited corporate and consumer awareness.

Although China's 30/60 Goals are extremely ambitious, European Chamber members believe they can be achieved provided China leverages all the tools at its disposal, including implementing deep market reforms and utilizing proven European technologies and holistic solutions that companies have developed through experiences acquired on the ground. Having worked on decarbonization with government stakeholders, non-governmental organizations (NGOs) and civil society in their home markets, they are in a position to make strong contributions. China's success will be predicated on its ability to leverage as much expertise as possible. This will require providing European companies with increased market access and a level playing field on which to operate so they can make greater and more proactive contributions. A clear mutual benefit in this regard is that China is fertile for both receiving and developing European technologies and cooperating to improve and localize them. European companies can also significantly contribute to China's 30/60 Goals through comprehensive environmental protection and circular economy solutions, including resource recycling, energy efficiency, demand side electrification, district energy modelling, energy storage, green hydrogen, and digitalization of the energy system, among others. ■

Source: EU-China Energy Cooperation Platform (ECECP)



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