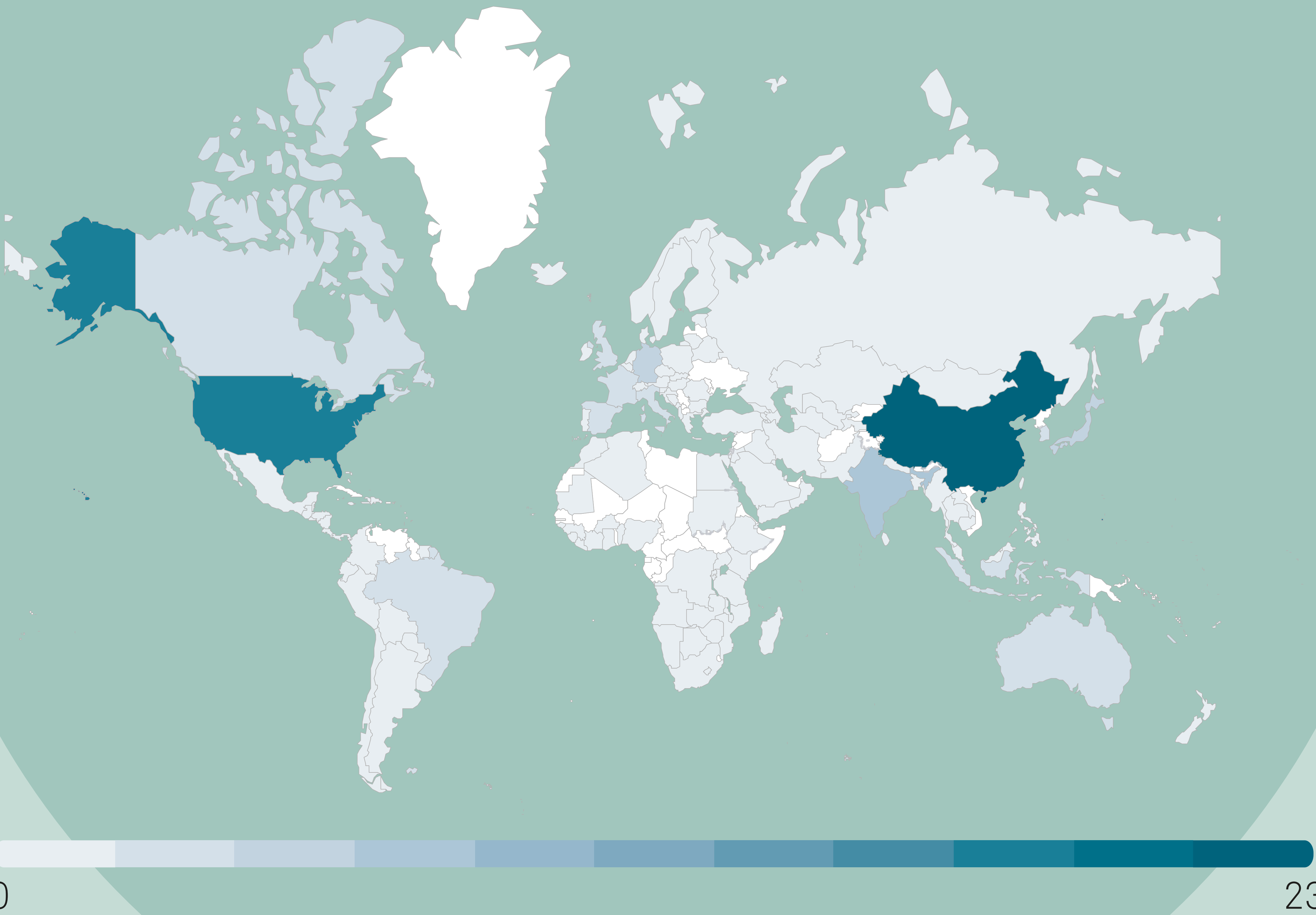


Emerging markets, China and the road to net zero

GLOBAL GREEN INVESTMENT REQUIRED, BY LOCATION*

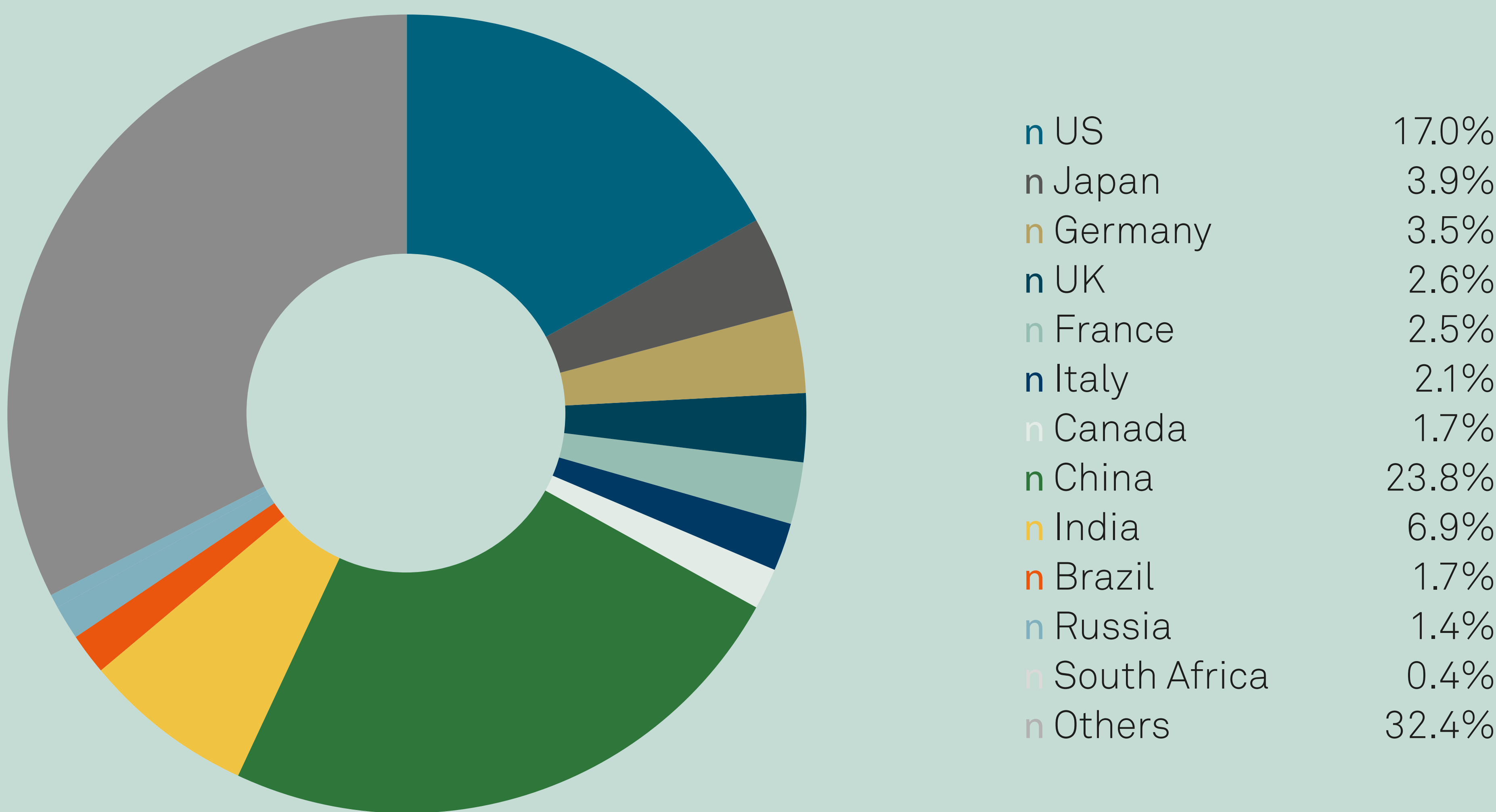
Percent of global total



*Net zero by 2050 scenario.
Source: BNYM / Fathom Consulting. Data as of September 2022.

GLOBAL GREEN INVESTMENT BREAKDOWN*

Percent of total



*Net zero 2050 scenario G7, BRICS and others.
Source: BNYM / Fathom Consulting. Date as of September 2022.

US\$ c100trn

investment will be needed globally to meet 2050 net zero targets.¹

23.8%

of global green investment will be needed by China to meet 2050 net zero targets.³

US\$50trn+

will be required in emerging markets to meet 2050 net zero targets.²

Net Zero

0%

¹ Source: BNYM/Fathom Consulting. Date as of September 2022.

² Ibid.

³ Ibid.

The road to net zero

In order to reach net zero targets, more than half of an estimated US\$100 trillion investment will be required in emerging markets (EMs). Indeed, more investment will be needed in the BRICS (Brazil, Russia, India, China and South Africa) than in the G7, according to new research by BNY Mellon Investment Management and Fathom Consulting.

China also needs more green investment than any other country, according to the report.

There are a few reasons for this; First, the country is large and already accounts for more than 15% of global GDP. Second, it is expected to grow faster than most economies between now and 2050 and more investment, including green investment, will be needed to support this growth. Third, a higher-than-average share of electricity production in China comes from fossil fuels and the country also has an above-average CO2 intensity of GDP.

Shamik Dhar, Chief Economist, BNY Mellon Investment Management

Glossary

Net Zero: The balance between the amount of greenhouse gases produced and the amount removed from the atmosphere.

Green investment: Investing activities aligned with environmentally friendly business practices and the conservation of natural resources.

G7: An inter-governmental political forum consisting of Canada, France, Germany, Italy, Japan, the United Kingdom and the United States.

Disclosure

All investments involve some level of risk, including loss of principal. Certain investments have specific or unique risks. Any views and opinions are those of the investment manager, unless otherwise noted and is not investment advice.

Recent market risks include pandemic risks related to COVID-19. The effects of COVID-19 have contributed to increased volatility in global markets and will likely affect certain countries, companies, industries and market sectors more dramatically than others.

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