The Global and ASEAN ESCO Markets: *A Quick Glance at Trends, Challenges, and Opportunities to Grow Energy Efficiency Investments*

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ESCO markets in the region

- In Southeast Asia, Thailand, Malaysia, and the Philippines show promising mid-level ESCO activity, reflecting growing demand but still falling short compared to leading markets.

- Countries in the Asia-Pacific region, including Japan, Thailand, South Korea and Philippines saw a higher number of new ESCO projects compared to some individual European countries. Japan alone recorded 123 new ESCO projects in 2023. Collectively, Southeast Asian countries launched 105 new projects, signaling a growing ESCO market in the region.

- However, total investment levels were relatively smaller compared to Europe. Japan reported USD 340 million while Thailand, Taiwan (PRC), and South Korea reported numbers between USD 116 million to USD 160 million. These figures indicate a rising interest in ESCO models across the region, though projects tend to be smaller in scale and still trail behind the leading global markets in terms of investment.

Trends in national ESCO markets

The region is represented with:

Large established markets:

- China (the largest market globally)

Mid-sized markets:

- Malaysia (206 active projects)
- Thailand (100 active projects)
- Philippines (71 active projects)
- South Korea (48 active projects)

Smaller upcoming markets:

- Indonesia (2 active projects)

Market Growth

Decline | Moderate decline | No change | Moderate growth | Strong growth | I don't know

ASEAN member

Other Asia-Pacific

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	No. of Projects	No. of New Projects	Market size USD
México	2	0	250000
Poland	30	1	85 million
Taiwan (PRC)	2460	875	430 million
Japan		123	NA
UK	700	100	700 million
South Korea	48	25	288 million
South Africa	>500		NA
China			70000 million
Indonesia	2	3	175000
Belgium	100	10	300 million
Hungary			NA
Philippines	71	17	111 million
Germany	500	10	7000 million
Slovakia	50	10	NA
Mali	0	0	NA
USA		1877	
Czech Republic	22	17	80 million
Türkiye	43	52	47 million
Thailand	100	85	187.5 million
Malaysia	206		

Policy and regulatory drivers

Importance of target-setting and related policies for ESCO market growth

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Key findings of the Global ESCO Market Survey 2025

⚡ ESCOs = Critical Agents of Decarbonization and Resilience

- Central to energy efficiency and climate goals.
- Regional disparities in policy, finance, and tech deployment.

🌍 Global Disparity = Global Opportunity

- Activity concentrated in US, China, Taiwan, Europe.
- Emerging markets face barriers but hold high potential.

💰 Financing: A Persistent Bottleneck

- Top barrier: access to finance, risk of non-payment.
- Few financial instruments used; promising models need scale.
- Shorter private-sector contracts limit scope.

📊 Variation in Project Scope and Impact

- Integrated retrofits = higher savings, deeper impact.
- Savings: 35–50%+ in mature markets; lower elsewhere.

🏢 Sectoral Opportunities Remain Underexploited

- Public buildings dominate; industry, commercial, and supply lag.
- Flexibility, storage, and supply-side efficiency underused.

🏛️ Policy Drives Market Maturity

- Strong policies = growth; weak policies = stagnation.
- Need clear targets, stable incentives, and regulatory support.

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Call for action — turning insight into impact

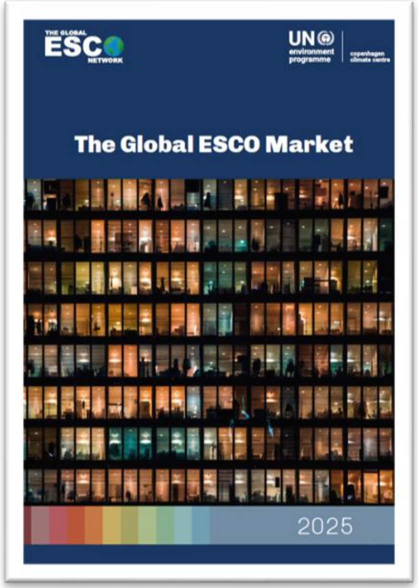
- **To governments:** Make energy efficiency a national infrastructure priority. Put enabling policies and clear market signals in place. Where applicable, phase-out energy subsidies, enable government procurement of ESCO contracts, and establish ESCO accreditation systems.

- **To financial institutions:** Partner with ESCOs. Help scale performance-based finance and make risk-sharing facilities a default, not an exception.

- **To ESCOs and their associations:** Continue innovating, sharing knowledge, and building trust with clients and partners.

- **And to all of us here:** Let's raise our ambition. Let's ensure that the next time we gather, we are not talking about potential, but about measurable progress in every region.

- **To you in the audience:**



Download and share the full report and support future data collection—get in touch!

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