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Media Release: Allianz Green Transition Tracker 2026: The clean-tech turning point and why emissions could soon follow

- **The gap between net-zero ambitions and reality is narrowing but remains substantial ahead of COP31:** While most countries have moved closer to their benchmarks, the world as a whole will not reach carbon neutrality until 2064.
- **Power turns green:** Renewables overtook coal as the world's largest source of electricity in 2025, with 99% of new power generation coming from renewables.
- **2026 could bring the first fall in fossil CO_2 emissions despite robust global economic growth:** The Hormuz oil shock has acted like a carbon price of more than EUR200/t on diesel, speeding up the switch to electric cars.
- **Asia-Pacific advances, but unevenly:** The region's 16 ranked economies improved by an average of 1.8 points in our net-zero *Progress Score* ranking (0.2 points below the global average), with 12 gaining, three losing ground and one unchanged.

Munich, November 5, 2026

Ahead of the COP31 climate conference in Antalya, the second edition of the Allianz Green Transition Tracker finds that, overall, the world is progressing towards net zero, but far too slowly to meet global climate targets. The report, "The clean-tech turning point and why emissions could soon follow," shows clean technologies beating back political headwinds, but failing to displace fossil fuels fast enough to limit global emissions in time to meet net-zero goals.

Almost everyone is moving – but not fast enough

The Tracker scores 65 economies, responsible for 81% of global greenhouse-gas emissions, on five indicators: carbon and energy intensity, consumption- and territorial-based emissions per capita and the low-carbon share of the power mix. Its *Progress Score* measures how far each country has come since 2015 toward its 2050 net-zero benchmark. This year, 56 countries improved their score by 2 points on average. But only about a third of countries have kept pace with their reduction pathways aligned with the Paris Agreement. Luxembourg, Denmark and Estonia top the *Progress Score* ranking, and all ten front-runners are European. Colombia

posted the largest improvement (+16.5 points) thanks to a hydropower rebound and new solar capacity, while Gulf oil producers remain at the bottom.

"Almost every country is moving in the right direction. The problem is the speed. Given the current trajectory net zero will only be reached in 2064 - 14 years behind schedule," said Patrick Hoffmann, ESG Economist at Allianz Research. "And the climate-policy gap is widening, with the leaders pulling further ahead while the laggards struggle to keep up."

A two-speed transition

Countries in the top half of the ranking gained 2.6 points on average, twice as much as those in the bottom half (1.3). The EU still leads (+2.2 points), but its emissions fell by just 0.2% in 2025 after annual cuts of 4% on average previously; at this pace, it would reach its benchmarks only in 2057. The US gained only 1.2 points and slipped to 41st in the *Progress Score* ranking as emissions rose for a second year and coal-fired generation jumped 13%. China (+2.3 points, 43rd) and India (+4.5 points, up five places to 45th) show signs of a turning point: China's emissions growth slowed to virtually zero as battery electric vehicles approached half of new car sales, and India recorded its first emissions decline outside an economic contraction in 25 years.

Power has turned green – and clean technology keeps getting cheaper

In 2025, renewables – with a share of 33.5% – overtook coal (33.2%) as the world's largest source of electricity for the first time in more than a century and supplied 99% of new generation, slowing global emissions growth to 0.7% from 1.5% in each of the two previous years. Falling costs are carrying the shift further: annual battery-storage additions surged from around 2 GWh in 2015 to 307 GWh in 2025 as installed costs dropped 91%, and the price gap between battery-electric and combustion-engine cars has narrowed from 49% to 20% since 2019. The next phase will be decided as much by grids and storage as by new capacity: clean-energy investment is set to rise by 6.5% to USD2.2trn in 2026, with grid spending up 21% and storage up 36%, even as investment in renewable generation dips.

Geopolitics, not climate policy, determines prices

Geopolitics is currently sending a stronger price signal than climate policy, driving up diesel prices and demand for electric vehicles. Allianz Research calculates that matching the Iran-conflict-related rise in diesel prices through carbon pricing alone would take a CO_2 price of more than EUR200 per ton. In the EU, battery-electric cars reached 30% of new registrations in September, up 11 percentage points in a year. However, a new round of fossil-fuel subsidies, which remain around 70% higher than they were before the 2022 energy crunch, poses a risk to Europe's progress.

Outlook: an emissions peak is within reach, but a sustained decline is not yet assured

Allianz Research expects fossil-fuel CO_2 emissions to decline this year– even though the global economy is growing robustly. Cheaper clean technology and high fossil-fuel prices are the main tailwinds. Yet rising electricity demand and grid bottlenecks are the biggest near-term risks: AI and data centers alone could add around 0.6% to global emissions by 2030. High financing

costs, trade barriers and policy uncertainty could slow the deployment of green technologies and throw into question the ability to reach peak emissions.

"Fossil-fuel CO_2 emissions could fall this year for the first time outside a recession, declining by around 0.5%, but that owes more to cheap clean technology and expensive oil than to stronger climate policy," said Ludovic Subran, Chief Economist and Chief Investment Officer at Allianz. "A price shock is not a strategy. Governments should resist cushioning it with new fossil-fuel subsidies and instead lock in the shift with predictable carbon pricing and faster investment in grids and storage."

Asia-Pacific: broad progress, wide differences

Asia-Pacific's 16 ranked economies gained 1.8 points in the *Progress Score* on average, slower than the global average (2.0). Twelve of them improved, led by the Philippines (+5.8), India (+4.5) and New Zealand (+3.6), while Kazakhstan (–1.2), Sri Lanka (–0.4) and Bangladesh (–0.3) lost ground and Indonesia was unchanged. The region spans almost the entire ranking, from New Zealand (23rd) to Indonesia (64th).Clean power is the common bright spot: renewable generation across the region grew 14.8% in 2025, with solar up 34.5%, lifting renewables' share of the regional power mix to around 32%. Coal-fired generation, however, fell by just 1.0%. China (+2.3, 43rd) and India (+4.5, 45th) show signs of a turning point. Emissions in the region's 16 economies rose 0.2% in 2025 and are 21.9% above their 2015 level.

"Asia-Pacific is where the global green transition will be won or lost. Progress is gaining ground across much of the region, with rapid growth in renewables and encouraging signs of a turning point in China and India. But coal dependence remains high and emissions are still rising. The challenge now is to scale up clean power fast enough to meet growing electricity demand while steadily displacing fossil fuels," says Katharina Utermoehl, Head of Thematic and Policy Research at Allianz Research.

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Green Transition Tracker 2026: *Progress Score* ranking (selected countries)

Rank	Country	Progress Score	Change (pts)	Rank change
1	Luxembourg	61.2	+2.2	–
2	Denmark	53.6	+5.8	–
3	Estonia	48.9	+5.8	+2
4	Portugal	48.7	+0.9	–1
5	Ireland	46.3	+3.4	+1
6	Norway	45.6	+6.0	+3
7	United Kingdom	44.7	+1.8	–
8	Switzerland	43.7	–2.9	–4
9	Lithuania	41.3	+0.7	–1
10	Finland	37.7	+4.0	+4
23	**New Zealand**	**27.7**	**+3.6**	**+9**
30	**Bangladesh**	**25.3**	**–0.3**	**–8**
32	**Sri Lanka**	**25.0**	**–0.4**	**–9**
34	**Australia**	**23.2**	**+2.2**	**+1**
38	**Japan**	**21.9**	**+2.6**	**–1**
39	**Pakistan**	**20.4**	**+2.2**	**–**
43	**China**	**15.6**	**+2.3**	**–1**
45	**India**	**14.6**	**+4.5**	**+5**
49	**South Korea**	**13.5**	**+0.9**	**–5**
50	**Thailand**	**12.4**	**+2.5**	**+3**
51	**Malaysia**	**12.2**	**+1.6**	**–3**
54	**Singapore**	**11.0**	**+0.9**	**–2**
55	**Kazakhstan**	**10.4**	**–1.2**	**–8**
56	**Philippines**	**9.4**	**+5.8**	**+2**
57	**Vietnam**	**6.2**	**+1.9**	**–**
64	**Indonesia**	**0.0**	**0.0**	**+1**

Progress Score: share of the distance from the 2015 baseline to the 2050 net-zero benchmark covered so far (0–100). Changes compared with the previous edition on a consistent data basis. Full ranking of all 65 countries in the report. Source: Allianz Research.

You can find the study here on our homepage:

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* As of 31 December 2025. The customer figure reflects only Allianz customers in consolidated companies within the scope of customer reporting.
** As of 31 March 2026.

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