



CIO continues to see favorable outlook for sustainable infrastructure (including renewables) and long-term technological solutions to support the energy transition. (UBS)

What's the impact of EU and US elections on energy transition?

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The re-election of Ursula von der Leyen as president of the European Commission, and her commitment to delivering the Green Deal, reaffirms our view that transition progress will likely be maintained for the bloc this year.

However, [June's European Parliament elections](#), which saw far-right making gains at the expense of the Green and Renew parties, show the electorate's sensitivity to the allocation of costs arising from the transition. Therefore, while we expect a ramp up in the implementation of most existing legislation, there may be limited room for new laws as well as risks to specific regulatory areas and near-term ambitions in the EU—e.g., the phase-out of internal combustion engine (ICE) cars by 2035 and carbon reduction target-setting.

Meanwhile, in the United States, President Joe Biden's withdrawal from the presidential race and the attempted assassination of former President Donald Trump continue to add to the already tumultuous election season. Trump's potential return poses two key threats to global climate action: a possible withdrawal from the UN Treaty underpinning the Paris Agreement, risking US funding and global climate efforts, and a potential repeal of parts—but unlikely all—of the Inflation Reduction Act (IRA). Despite these risks, strong private sector demand and improving affordability should continue to drive transition investments in the US.

For both the EU and the US, the commitment to investment in the green economy has been repeatedly discussed not only as a climate issue, but also in terms of geopolitics given China's technological dominance, and energy dependency in the EU's case. Competitive dynamics may provide further support for green investment consistency.

We continue to see a favorable outlook for [sustainable infrastructure \(including renewables\)](#) and long-term technological solutions to support the energy transition.

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Original report - [Sustainable InSights: Signs of recovery, 29 July 2024.](#)

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