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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.
- **Net zero for Germany still within reach**: Germany improved 2.4 points in our net-zero *Progress Score* (0.4 points above the global average), moving up one spot to 12th place, with climate neutrality in reach at around 2051.

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.

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"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, almost 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.

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"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."

Germany on course for net zero

Germany climbed one place to 12th in the *Progress Score* ranking with a score of 36.2, up 2.4 points and thus faster than both the global (2.0) and the EU (2.2) averages. The score indicates that it has covered more than a third of the distance to its net-zero benchmarks, ahead of Spain (17th), France (21st) and Italy (22nd), but behind Denmark (2nd), the UK (7th) and the Netherlands (11th). E-mobility is a clear bright spot, with EVs making up 32% of new registrations in Q3 2026, up from 19% a year earlier. Clean power, however, is losing momentum as renewable output grew by just 1.4% in 2025, down from 3.5% a year earlier, leaving renewables' share of the power mix flat at around 58%. At the current pace, Germany would reach net zero in 2051.

"We don't have a problem with understanding; we have a problem with implementation. The fact that Germany has improved by just one rank to 12th place shows how far we are from our ambition of being the world champion of climate protection. We are too slow and often too timid. Yet sustainability should not be viewed as a burden, but as an economic opportunity: It can help secure our prosperity and create new growth. We have the technical expertise. What matters now is to consistently reconcile climate protection with affordability – from energy storage and the circular economy to 'repairing instead of replacing.' As an insurer and investor, we want to do our part," says Frank Sommerfeld, CEO of Allianz Versicherungs-AG.

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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
12	**Germany**	**36.2**	**+2.4**	**+1**
17	Spain	32.0	+0.7	–
21	France	30.1	+2.4	–1
22	Italy	28.8	+2.4	–
31	Colombia	25.3	+16.5	+23
38	Japan	21.9	+2.6	–1
41	United States	18.9	+1.2	–1
43	China	15.6	+2.3	–1
45	India	14.6	+4.5	+5

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:
[Link to the study – to be added]

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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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Such deviations may arise from changes in factors including, but not limited to: (i) the general economic and competitive situation in the Allianz Group's core business areas and markets, (ii) the performance of financial markets (in particular market volatility, liquidity and credit events), (iii) adverse publicity, regulatory actions or litigation involving the Allianz Group, other financial services providers and the financial services industry in general, (iv) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and developments in loss expenses, (v) mortality and morbidity levels and trends, (vi) persistency rates, (vii) the default rate of borrowers, (viii) changes in interest rate levels, (ix) currency exchange rates, particularly the EUR/USD exchange rate, (x) changes in laws and regulations, including tax regulations, (xi) the impact of acquisitions, including related integration and restructuring measures, and (xii) general competitive factors, in each case at a local, regional, national and/or global level. Many of these changes may be exacerbated by terrorist attacks and their consequences.

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