



World Business Council for
Sustainable Development

Executive Member Update

March 2010

Dear Council Member,

The global green transformation is gaining momentum.

The Green Race between countries is on. At the National Peoples Congress annual meeting in Beijing on March 5, Premier Wan Jiabao stressed: *"We urgently need to transform the pattern of economic development... We will work hard to develop low-carbon technologies"*.

In the U.S., there is more and more talk about this race. Some are asking whether or not the U.S. might be overtaken by China as a leading supplier of green technologies. On March 5, John Doerr, Kleiner Perkins, (one of the venture capitalist gurus from Silicon Valley) stated: *"My conclusion is that China is winning.... The results of their policies are staggering."*

In an article in *USA Today* (March 19), it says that the lack of U.S. domestic legislation has had impacts. *"The stalemate has allowed countries such as China to race ahead of the USA in clean technology and of green sectors"*, says Todd Stern the State Department Climate Envoy. *"They have passed us"*, Stern concludes.

Japan has the most energy efficient economy due to the programs that began after the oil crisis in the 70's.

However, the EU is still the global market leader with some 40% market share in green technology exports and has increased its annual R&D spending by 300% in October last year. Despite this investment, it is questionable whether this spending level is sufficient to maintain its position and whether it is growing the EU domestic market fast enough.

India is a runner-up with ambitions to develop low-cost innovative solutions that appeal to the very large low-income part of the Indian population. Success in doing this will create a serious global competition.

Let me further illustrate the Green Race with some figures:

- China is today the leader in new installations and production of both solar and wind power equipment. This has happened quickly. In the fourth quarter of 2009 China had a global market share in solar of 50% compared with 3% three years ago. During the same time the US market share went from 43% to 16%.
- In wind power, China overtook the US in 2009 in new installations and manufacturing of wind turbines, nearly doubling its wind generation capacity from 12.100 MW in 2008 to 25.100 MW end of 2009.



- China had 49.7 GW installed renewable energy capacity in 2009. It expects that wind, solar and bioenergy will represent 8% of its electricity generation capacity in 2020 which compares with close to 4% today in both China and the U.S.
- In 2009 China ranked no.1 in investment and financing for clean energy with 21% of the 162 billion USD invested globally.
- The biggest advantage for China may be its fast growing domestic demand for electricity at 15% per year which will drive strong investment in new energy technology solutions. The additional capacity for electricity generation to 2030 will be nearly 9 times as much as in the U.S.
- Top leaders in China are very focused on energy policy. In January, the government created a National Energy Commission as a “superministry” led by Premier Wen Jiabao himself. The policy and funding support from the government to make China the world’s largest market for power equipment and to dominate energy equipment exports are substantial. In 2009, 29 billion USD were committed to upgrading the electricity grid as an example.

The force of the Green Race gives me grounds for optimism that we can, as a global society, gain speed in implementing solutions that can bend the curve on the growth of GHG emissions, even if we do not have a binding global climate deal.

The forces of technology innovation and markets are powerful. If you want to win the Green Race you must develop a domestic market that can build scale and capabilities for exports. National climate regulations are part of this.

2010 Council Meeting in Shanghai, November 1-2

Given the above, I believe that we are fortunate to have decided two years ago to hold this year’s Council Meeting in Shanghai. We have great support from China for this event, including a special invitation from the Mayor of Shanghai, Han Zheng. I hope you will all save the date in your calendars.

Executive Bonuses

Bonuses to executives in the financial sector have been a hot topic lately. However, I would like to draw your attention to another development: bonuses tied to green targets. This is being pushed, in particular, by a number of our Dutch members, DSM, TNT, Akzo Nobel and Shell.

The ranking of the companies in the Dow Jones Sustainability Index will be part of the basis for the bonuses. As a long-standing member of the Advisory Board of DJSI, I am pleased to see this development.

Montreux LD Meeting, March 9-11, 2010

We held a very successful LD meeting in Montreux in early March. We organized a Plenary Day plus some 70 working group meetings and Learning by Sharing sessions during the week.

The first key theme of the Plenary was “Global Governance” (or lack of it). We were pleased to attract some very senior representatives from leading intergovernmental organizations like UNFCCC, WTO, IEA, ISO as well as from the Japanese and U.S. governments.



A second key theme focused on our report, *Vision 2050*, presented by one of the project co-chairs, Michael Mack, CEO of Syngenta.

The third part of the plenary was a “Candid Conversation” about what WBCSD could contribute to a sustainable world. We will present a new Strategy 2020 at the Shanghai Council Meeting and this part of the plenary gave us plenty of input for that work.

EEB Manifesto (Energy Efficiency in Buildings)

A key message from your LDs and experts in Montreux was the need to sharpen our messages to other parts of society and demonstrate that we are “walking the talk”.

The EEB Manifesto was a response to this request, which was also clearly stated during the last couple of years. Allow me to remind you of the invitation last November to sign this Manifesto. So far, some 60 members have done so, which leaves a big “silent majority”. Having 60 signatories out of 190 members presents me with a challenge to explain that we are “walking the talk” as a coalition of leading, global corporations.

New Members

We are delighted to welcome on board new member Schneider Electric, France

Best regards,

A handwritten signature in black ink, appearing to read 'Bjorn Stigson'.

Bjorn Stigson
President