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TRACK 4: TURNING GREEN INTO A BUSINESS OPPORTUNITY



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- **System change for green growth will provide significant opportunities for businesses**
- **But government need to create the enabling environment**



Green business is already growing

- Green sectors are among the most dynamic
 - ▣ World market of environmental goods and services US\$4.7 trillion in 2008 (5% annual increase)
 - ▣ Asset finance for clean energy projects reached US\$41.8 billion in 2011 (9% annual increase)
 - ▣ Sales of organic products US\$60 million in 2010
- Great growth potential
 - ▣ Additional opportunities estimated around US\$3-10 trillion annually by 2050
 - ▣ Organic products US\$ 900 million
 - ▣ Certified forest products US\$50 billion

Benefits

- Investments and growth
- Jobs
- Early mover advantage
- Competitiveness and market access
- Access to financing
- Savings and efficiency gains

Obstacles

- Time and price gaps
 - ▣ Need to create a level playing field for sustainable solutions
- Uncertainty
 - ▣ Businesses need predictable and transparent legislation
- Technical know-how
 - ▣ SMEs may lack know-how on how to green their operations
- Consumer awareness
 - ▣ Consumers often unaware of green products, confused by many labels



A wide range of policy instruments available

Category	Sub-category
Regulatory instruments	Target setting
	Standards
	Environmental regulations
Economic instruments	Fiscal instruments
	Charge systems
	Market creation
	Financial mechanisms
Information instruments	Eco-labelling
	Voluntary agreements
	CSR and environmental reporting
	Partnerships
	Education and training

Three-pronged strategy

1. Green existing industries
2. Promote new green products and services
3. Turn natural capital into a business opportunity



Green existing industries

- All industries need to improve their environmental performance
- Energy and resource efficiency makes business sense because it reduces the cost of production as well as compliance with future environmental standards
- Several approaches to greening industries:
 - ▣ Circular economy
 - ▣ Cleaner production
 - ▣ Industrial symbiosis
 - ▣ 3R – reduce, reuse, recycle
- Governments need to set-up a national framework for greening industries

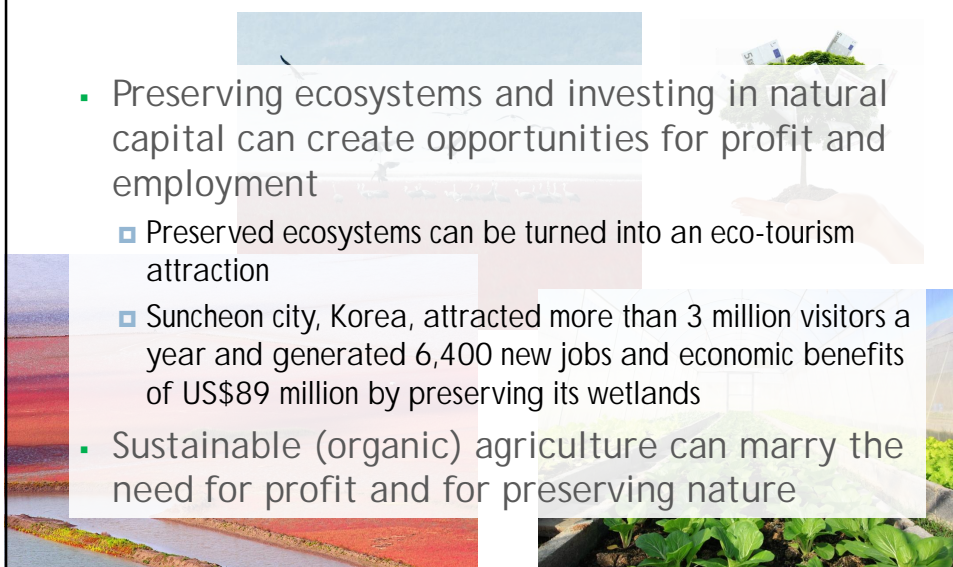
Promote new goods and services

- Green growth provides an opportunity for new industries to emerge
 - ▣ Renewable energy, ESCOs
- Governments need to create the necessary conditions for investments into these sectors, including:
 - ▣ Regulation
 - ▣ Fiscal incentives
 - ▣ Sector-specific strategies, technology roadmaps
 - ▣ Green public procurement



Turn natural capital into a business opportunity

- Preserving ecosystems and investing in natural capital can create opportunities for profit and employment
 - ▣ Preserved ecosystems can be turned into an eco-tourism attraction
 - ▣ Suncheon city, Korea, attracted more than 3 million visitors a year and generated 6,400 new jobs and economic benefits of US\$89 million by preserving its wetlands
- Sustainable (organic) agriculture can marry the need for profit and for preserving nature



Thank you for your attention



Green
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