

Chinese five-year plan will be wake-up call on climate, EU says

China is the world's largest emitter, but the new five-year plan is forecast to contain many environmental initiatives

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EUOBSERVER / BRUSSELS – Europe's top climate official has said China's imminent five-year plan, expected to be brimming with environmental and energy initiatives, will serve as a stark reminder of Europe's diminishing frontrunner status in the area.

Climate commissioner Connie Hedegaard made the comments in Brussels on Thursday (13 January), preparing the ground for a return to the debate on whether the EU should increase its CO₂-cutting pledge for the coming decade from 20 to 30 percent, based on 1990 levels.

"I believe that many Europeans will be in for a surprise, not to talk about many Americans, when they see the next [Chinese] five-year plan," Ms Hedegaard told stakeholders at an event hosted by the Lisbon Council think-tank.

A pricing mechanism for energy, together with possible pilots projects for an emissions' cap-and-trade system are among the expected measures to be included in the plan, set to be formally approved by the National People's Congress in March.

"When we look at the new industrial priority areas for industrial innovation [in the upcoming plan], there are seven areas and almost all of them are related to energy, environment and climate. That's just the reality," said Ms Hedegaard.

To combat the rising challenge, Europe must set new targets and standards, boost innovation investment and design pricing mechanisms if it is to successfully compete for a slice of the estimated \$2 trillion market in energy efficient products in 2020, said the Danish politician.

"The basic choice we are faced with in Europe is whether we want to be those who are delivering some of these new solutions first ... or will we hesitate, shake our hands, wait and see, while others take over the frontrunner position in this race," she said.

The call comes shortly before member states return their attention to the issue of emission cuts, seen as an important driver of the so-called 'green economy'. Despite

the willingness to move to 30 percent by some national capitals, others have dug their heels in.

The UK, France, Germany, Denmark, Finland, Spain have all come out in support of the unilateral jump, disregarding the bloc's formal position that such a step should be matched by other developed countries. Heavily-polluting member states such as Poland have so far opposed the move however.

Activists are calling on EU's leaders to announce the higher CO2 cut at a European Summit dedicated to energy issues this February.

"[They] have to come out of that meeting on the 4 February, not with a list of pipelines they want to build, but with a new vision of ... how we will compete in the low carbon economy," said Jules Kortenhorst, CEO of the European Climate Foundation.

He added that EU leaders must "firmly announce that they will move to 30 percent ... then business leaders will know where we are going."

Like member states, Europe's businesses appear to be split of the emissions question. Companies led by Philips, Siemens and Danfoss back the 30 percent cut while business associations such as BusinessEurope and Eurofer complain such a move would damage competitiveness.