



**Asia-Pacific
Economic Cooperation**

2010/EMM9/008

EE: Business Competitiveness As Key Driver

Purpose: Information
Submitted by: Chile



**9th Energy Ministers Meeting
Fukui, Japan
18 - 20 June 2010**



GOBIERNO DE
CHILE

LOW CARBON PATHS TO ENERGY SECURITY
Cooperative Energy Solutions for a Sustainable APEC
Session 2: Low Carbon Solutions(1) Energy Efficiency

EE: business competitiveness as key driver

June 2010 - Fukui, Japan



GOBIERNO DE
CHILE

Our challenge is to become developed by 2020

An economy like Chile needs to grow at 6% per year for the next 8 years to reach the GDP per capita of countries like Portugal or the Czech Republic

We need to take into account:

- Chile is a very open economy
- Over 37% of GDP is exported
- Up to now Chile has signed trade agreements with 58 countries (representing 60% of world population)

We need clean, secure and competitive sources of energy

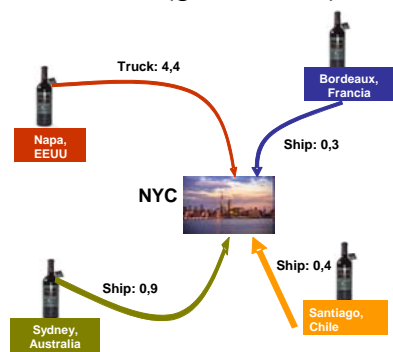
Challenges ahead: carbon-footprint restrictions



- Chile: average carbon intensity, but growing concern on it.
- Carbon footprint gradually being positioned in worldwide consumers' minds ==> demand for low carbon-footprint products.
- Multinational retailers already answering (US: Walmart, UK: Tesco)
- Some governments already considering regulation (France, England, USA, Japan)
- The long distance our products have to travel is a fact that we can not change but that we need to **manage**

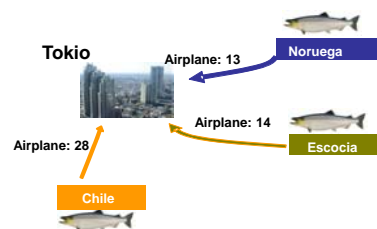
Carbon footprint: a mixed bag

Wine (good news)



Values: kg of CO2 per 750ml bottle

Fresh salmon (bad news)



Values: kg of CO2 per kg of transported salmon

Source: 'Cambio climático, eficiencia energética y competitividad' G. Bitrán & Asociados, 2009.

Key actions to manage the carbon challenge



- Engage in the 'carbon footprint as a trade barrier' debate
 - Install carbon footprint as a key performance indicator among businesses
 - **Promote energy efficiency throughout the economy and realize the energy efficiency potential**
 - Total EE potential: estimated in 138.000 TCal for the period 2010-2020
 - Promote efficient technologies and processes throughout the supply chain
 - Promote and spread the use of cost-effective clean energies
 - Trade-off between low emission and low cost
- ==> Transform the problem into an **opportunity** for increased business competitiveness (e.g. through energy cost savings)

Five Energy Efficiency Drivers



1. Energy Security
2. Energy Dependence
3. Energy Poverty
4. Environmental Impacts
5. Competitiveness

EE market barriers for businesses



1. Cultural
 - Resistance to change ('the old way...')
 - Production first!
2. Economic
 - Priorities, Cash flow, Payback period
3. Institutional
 - Organizational structure
4. Information
 - Efficiency performance, savings, natural incentives
5. Technical
 - Know how and capacity building

What do we need?



- As recommended by the PREE, sound long term energy efficiency **strategy**
 - Clear and measurable (if aspirational) *targets*
 - Help *budget allocation* (especially in emerging economies where the competition for funding is huge)
 - *Accountability* for the use of those resources
- Continuous benchmarking, sharing of best practices and external feedback (IEA, PREE, etc)
- Facilitator role of government
 - Raise business awareness
 - 'Clever' policy instruments (i.e. not only cash-intensive ones)
 - Public / Private sector coordination and alignment
 - Emerging tools such as ISO 50001



GOBIERNO DE
CHILE

Thank you