

“ Green Shift ” in Industries Could Save US\$ 2 trillion for Major World Economies

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- Smarter resource use could save US\$ 2 trillion in major economies in 2030
- Read the [Report Summary](#)
- [Sustainable Competitiveness Index](#) measures how sustainability impacts a country ' s competitiveness
- Watch leaders [discuss challenges](#) to sustainability

Geneva, Switzerland, 16 January 2012 – A new World Economic Forum Report says up to US\$ 2 trillion could be saved through resource-efficient measures across just three sectors – carbon, steel and iron – in the major economies alone. The report, [More with Less: Scaling Sustainable Consumption and Resource Efficiency](#), outlines the opportunity and imperative for industry-led action for smarter resource efficiency through which economic value can be created without environmental depletion and degradation.

The [report](#), produced with the support of Accenture, reveals sustainability efforts stuck in “ pilot paralysis ”, with slow intergovernmental progress and increasing citizen-consumer impatience as we look onto a decade of economic and societal turbulence. It suggests that industry can lead the way as efficiently, and perhaps with more immediate benefit to the consumer and the global economy, than traditional models for global action that exist today.

“ The sustainability agenda is not an abstract development concept, ” said Sarita Nayyar, Managing Director, Head of Consumer Industries, World Economic Forum. “ There is real economic value at stake. Companies that effectively weave resource efficiency into their core strategy and operations can drive revenue growth, reduce cost and improve brand reputation. ”

It is increasingly evident that the exhaustion of natural resources is a structural risk to long-term economic stability. A combination of a changing climate and increased demand in emerging economies has been pushing up costs of agricultural commodities. The price of cocoa rose by 246% and palm oil by 230% in just over the past decade. By 2030, freshwater demand will have exceeded the current capacity to supply by over 40% globally with close to 4 billion people will be living in areas of high water stress.

The business case for the “ green shift ” is strong. If consumer goods industries increase their energy efficiency, they could save US\$ 37 billion in 2030. Given the current geopolitical stresses and rising demand, which could potentially result in a 50% increase in energy costs, the 2030 figure could be as high as US\$ 55.5 billion.

A country ' s sustainability also increases its competitive advantage. India, the US and China fell more than 10 places last year, while Brazil, Kenya and the Philippines rose over 10 places on the Forum ' [Sustainable Competitiveness Index](#), which ranks the impact of natural and social wealth on a country ' s competitiveness.

“ Scaling resource efficiency is not just ‘ nice ’ to have. It is a business imperative, a new model for sustainable growth in a world where we need to do more with less, ” said Peter Lacy, managing director, Sustainability Services EALA for Accenture and Project Advisor. “ It means rethinking business models and supply chains. It requires fundamental shifts, both in the way we deliver the products and services people want and need, and in the relationship between consumers and consumption. ”

The report ' s findings conclude that business can pave the way to securing competitive advantage in a resource-constrained world by empowering consumers and governments through the following actions:

Transform demand: The consumer is at the heart of sustainable consumption. However, consumers care more about price, performance and convenience than sustainability. About 50% of consumers surveyed in over 40 countries stated that they do everything they can to protect the environment, but only a small proportion buys ethical brands and pays more for organic food. Consumers need to be more consistent with their actions, and businesses need to engage with consumers to ensure they are able to match their actions with their desires.

Transform value chains: Many companies have specific initiatives that aim to make their business more sustainable, but these often exist in one department or in a silo. Companies need to embed sustainability across the entire organization to be more efficient, innovate to tap into new markets and collaborate within and across industries to drive scale around sustainability. This needs to happen in every company for sustainability to ever get to scale.

Transform the rules of the game: Intergovernmental processes are not delivering fast enough. Business can help shape the policy landscape to drive speed and scale. Key areas for public-private interaction will be the greening of public procurement, reform of harmful subsidies, improving regional trade agreements and enabling long-term investments.

Although none of these dimensions are new in their own right, a holistic approach is currently missing. To bring solutions to scale, there is a need for a critical mass of stakeholders to work together across sectors. At the World Economic Forum Annual Meeting 2012 in Davos-Klosters this month, the Forum will drive a business-led dialogue to help achieve step changes in sustainability. Along with key partners, the Forum will develop a programme of practical action in time for Rio+20 to ensure delivery on promises made.

Notes to Editor

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