

Report: Decarbonizing the Transportation Sector Holds Opportunity for Job Creation and Growth

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Report: Decarbonizing the Transportation Sector Holds Opportunity for Job Creation and Growth

- The World Economic Forum's *Sustainable Transportation Ecosystem* report highlights that decarbonizing the transportation sector holds huge potential to create jobs and drive economic growth
- A new online catalogue of global initiatives on aviation biofuels is available at <http://www.weforum.org/best-practices/biofuels>
- Collaborative financing models are key to de-risking investments and scaling up technologies to commercial levels
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<http://www.weforum.org/reports/sustainable-transportation-ecosystem-addressing-sustainability-integrated-systems-perspectiv>

Puerto Vallarta, Mexico, 17 April 2012 – Scaling-up existing sustainable transportation technologies can play a significant role in creating jobs and driving long-term, sustained economic growth. However, implementing these technologies is often delayed due to conflicting interests among diverse stakeholders. The *Sustainable Transportation Ecosystem*, a report released by the World Economic Forum in collaboration with A.T. Kearney, provides guiding principles for achieving environmental sustainability in transportation across five dimensions – policy, financing, energy, infrastructure and customers. The framework was developed through a collaborative process among stakeholders such as transportation service and equipment providers, policy-makers, energy providers and financial institutions. The report provides recommendations specific to each stakeholder group.

“For years we have heard the call for an ‘integrated approach’ among multiple stakeholders to accelerate the uptake of sustainable transportation technologies,” said John Moavenzadeh, Senior Director, Mobility Industries, World Economic Forum. “This report captures the common ground among diverse stakeholders and provides a practical roadmap for achieving sustainable mobility.”

In conjunction with the report, the World Economic Forum has launched an online catalogue of global initiatives on aviation biofuels, illustrating how one particular sustainable transportation technology can generate new opportunities for CO₂ reductions, job creation and economic growth. The online catalogue is available at <http://www.weforum.org/best-practices/biofuels>

One example from this online catalogue comes from Mexico, which has taken a lead in job creation from sustainable transportation through the country's initiatives to scale up the use of biofuels in aviation. The national airport authority ASA found that aviation biofuel production in rural areas could create new jobs through sustainable agricultural production and revitalize the economy of underdeveloped areas. Benchmarks from other projects indicate that for each 100,000 hectares of land used for the production of aviation biofuels feedstock, 1,500 direct jobs and 700 indirect jobs are generated.

While decarbonization of the transportation sector holds great potential, the report finds that a high degree of uncertainty in the markets for sustainable transportation technologies has hampered investments and that a lack of scale has kept cost levels high.

"Transparent and efficient exchange of information on how to best utilize new technologies such as aviation biofuels are key to allow our industry to transform to become more sustainable," said Harry Hohmeister, Chief Executive Officer, Swiss International Air Lines, Switzerland. "We are actively seeking and implementing solutions to reduce our impact on the environment and the wide range of initiatives highlighted by this catalogue provides a clear illustration of the aviation industry's broad commitment to carbon reductions."

Collaborative financing models involving stakeholders from both the private and public sectors will be needed to de-risk investments and scale up technologies to commercial levels. As a means of creating these models, the US Departments of Energy and Agriculture and the US Navy are collaborating to create a US\$ 510 million financing mechanism for private-sector development of aviation biofuel production facilities to benefit both the military and the commercial aviation sector. The government investment will be matched by private sector contributions.

"This initiative provides a blueprint for how governments and the private sector can work together to reduce emissions and enhance energy security while creating jobs," said Richard Altman, Executive Director, Commercial Aviation Alternative Fuels Initiative (CAAIFI), USA. "By bringing together the aviation, energy, agriculture and defence sectors, the Federal Government with industry is helping to prove that sustainable biofuels are fully investible at scale. This is similar to what the government did for satellite systems, the Internet and other critical infrastructure."

The findings and recommendations of the report will be discussed by experts from the industry, policy-makers, regulators and academics during the World Economic Forum on Latin America, taking place on 16-18 April in Puerto Vallarta, Mexico.

The Co-Chairs of the meeting reflect the international character of the participants: **Sally Blount**, Dean, Kellogg School of Management, Northwestern University, USA; **H.R.H. Crown Prince Haakon of Norway**; **Jeffrey Joerres**, Chairman and Chief Executive Officer, ManpowerGroup, USA; **Martin Senn**, Group Chief Executive Officer, Zurich Insurance Group, Switzerland; **Daniel Servitje**, Chief Executive Officer, Grupo Bimbo, Mexico; and **Juan Jose Suarez Coppel**, Chief Executive Officer, Pemex - Petroleos Mexicanos, Mexico.

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