

## Green initiatives the way forward for Asia

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South Korea is drafting a five-year development plan to create green industries and nearly one million jobs and China is allocating 40% of its stimulus package to environment-related projects. Add to this a trilateral partnership between South Korea, China and Japan to lead low-carbon green growth and it's a recipe for growth across the region.

"We believe that a strong economy and a clean environment are not mutually exclusive, and that Korea has to take an active part in tackling climate change," Han Seung-Soo, Prime Minister of the Republic of Korea, told 350 participants from 35 countries at the 18th World Economic Forum on East Asia today. "Korea recognizes the symbiotic relationship between economic growth and environmental sustainability."

The country has proclaimed low-carbon green growth as its new national vision. "In a nutshell, low-carbon green growth aims to shift the current development paradigm from the fossil-fuel dependent, quantity-oriented growth to a new paradigm of qualitative growth which uses less energy and is more compatible with environmental sustainability."

In the short term, South Korea has adopted a "Green New Deal" policy to tackle the global economic crisis, a combination of neo-classical supply-side economic policy aimed at creating jobs and revitalizing the economy. For the longer term, Korea will be spending roughly US\$ 40 billion over the next four years, which will create 960,000 jobs. A new five-year development plan focused on low-carbon green growth is being finalized, which is perhaps the first of its kind in the world.

"Since the 1960s, Korea has been very successful in industrial development, which was led by five-year industrial plans," said Kim Hyung-Kook, Chairman, Presidential Committee on Green Growth, Republic of Korea. "We will follow the same model, but under a new and completely new paradigm of low-carbon green growth. In early July this year, we will be seeing the early draft, which will be reported to the president."

China is also counting on environmental initiatives for future economic growth as well, said Victor L. L. Chu, Chairman and Chief Executive Officer, First Eastern Investment Group, Hong Kong SAR. "In terms of energy intensity, which is the amount of energy required to generate one unit of GDP, China has dropped 75% over the last 20 years and is still looking very aggressively to achieve more efficiency. Nearly 40% of China's 4 trillion renminbi stimulus package is green project related." He added that "China, Korea and Japan can work together to find some win-win solutions for us in the region and on a global basis."

Tarek Sultan Al Essa, Chairman and Managing Director, Agility, Kuwait, said the Middle East also has a green vision. "When the government of Abu Dhabi, one of the most well-endowed petroleum-based economies, announces that it's turning to nuclear power and building a carbon-neutral city from scratch, everybody needs to take a step back and realize the enormity of what that is saying," he said. His company, which provides logistics and supply chain services, is increasingly getting questions from customers about green programmes. "The next logical step is that [environmental initiatives] will be more and more incorporated into our customers' decision-making processes."

Information technology can help accelerate the greening of Asian growth, said Chiaki Ito,

Vice-Chairman, Fujitsu, Japan, pointing out that computers can help consumers measure and visualize their energy consumption and carbon emissions in real time and thus do something about them. "But to fundamentally solve global warming, we need not only to advance technology but also to change our mind with a new world view," he said. "We need to change our life and business styles and not only seek material wealth."

"Typically, in other downturns, environmental issues had been put aside," noted Robert Greenhill, Managing Director and Chief Business Officer of the World Economic Forum. "That does not seem to be the case with this downturn. Obviously key policy issues – not only in terms of international commitments but also in pricing and fiscal incentives – are key elements, and it appears that governments from China, Korea and Japan are playing a key part in that." The corporate sector is also strongly committed and engaged, he said. "This is an opportunity to make even more efficient the market for the exchange of best practices, not only in terms of technologies, but also in terms of know-how and the application of these technologies across different sectors."

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World Economic Forum, 91-93 route de la Capite, CH-1223 Cologny/Geneva  
Tel. +41 (0)22 869 1212, Fax +41 (0)22 786 2744, <http://www.weforum.org>