

Future EU Climate Change Policy: Challenges and Opportunities for the Czech Republic, Poland and Slovakia

Future Climate Change Policy – Looking beyond 2012

International Workshop

Prague, 11-12 April 2007

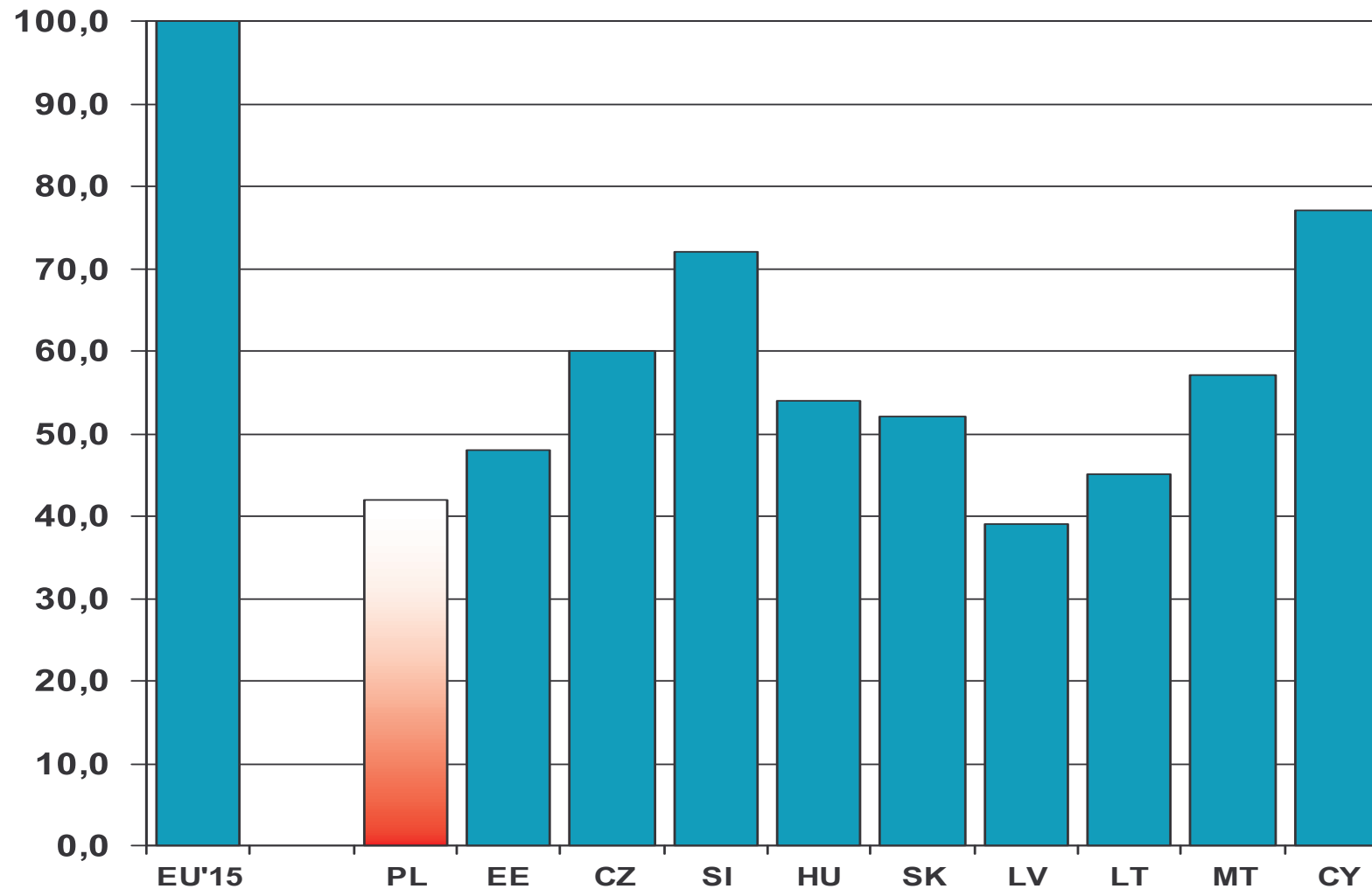
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We are the economy in transition GDP *per capita*

[%] of EU-15 average



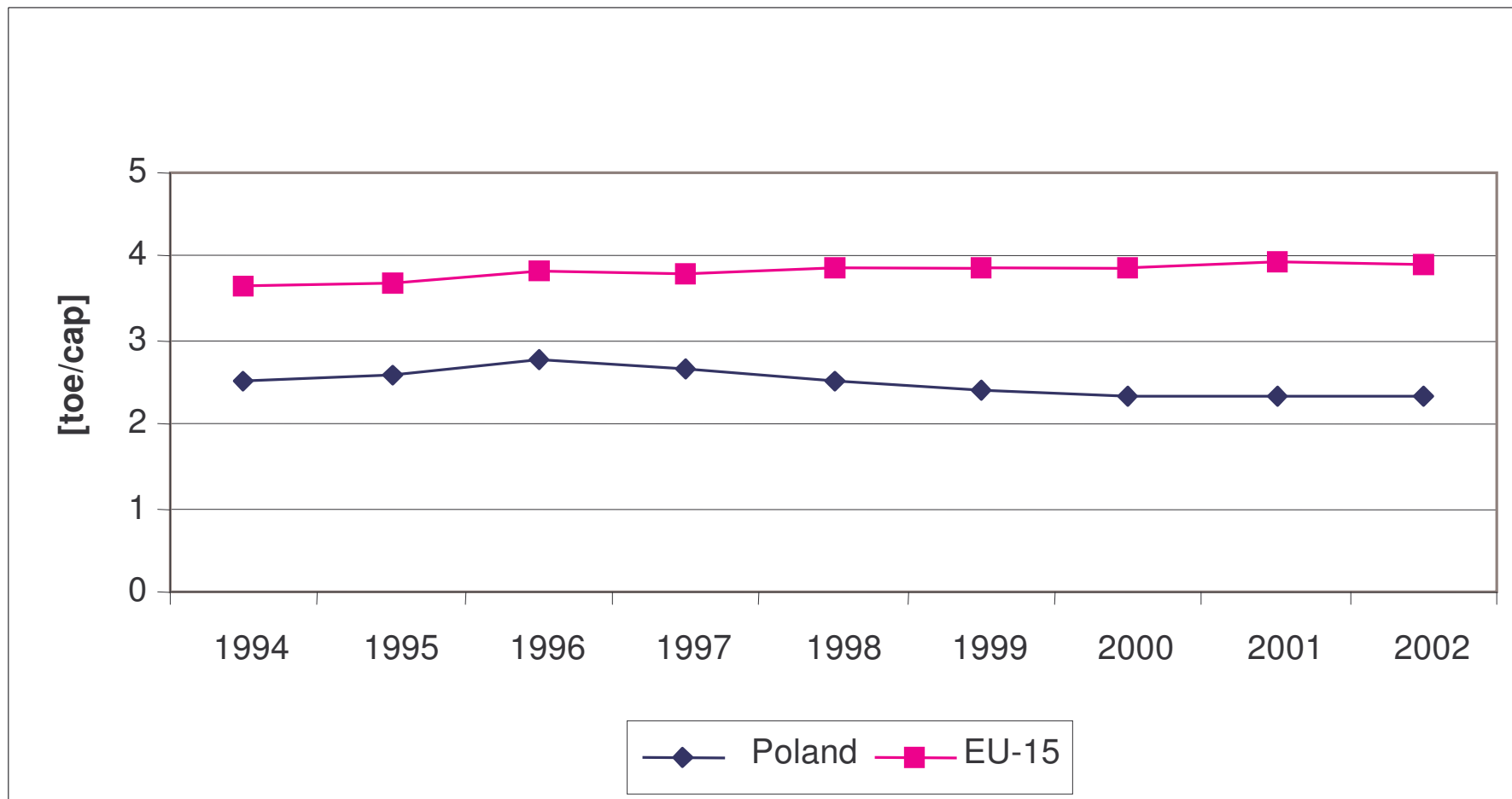
Poland today

- Below EU average standards of living and consumption per capita.
- Many young, educated people work abroad
- The highest in EU25 unemployment rate and insufficient number of skilled personnel for new businesses in certain areas.
- Growing demand for new flats and houses.
- To fulfil this demand we need 10 flats/1000 people per annum

- Development is the only reasonable solution for all Poles as well as for the environment thanks to new technologies that can ensure lower emissions.

No of flats / an.	
<u>Spain</u>	
year 2002	9,2
year 2003	8,9
<u>Portugal</u>	
year 1999	10,5
year 2000	10,7
<u>Poland</u> now	2,6

Primary energy consumption *per capita*



CO₂ / per capita [tonnes] (IEA data - 2006)

EU15

year 1990	8,52	2000	8,32	2004	8,60
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Austria

year 1990	7,50	2000	7,97	2004	9,19
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Ireland

year 1990	8,62	2000	10,77	2004	10,20 (max 11,23 – 2001)
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Netherlands

year 1990	10,57	2000	10,91	2004	11,41
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Poland

year 1990	9,17	2000	7,66	2004	7,75
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Finland

year 1990	11,03	2000	10,60	2004	13,18
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There is no development without emissions increase

EC Decision on Polish NAP restricts development and adaptation ability

- The EC admitted on 16 Feb 2007, that Polish GDP grew in 2006 by 5,8% and forecasted the GDP growth in 2007 6%.
it means 12,148 % growth in two years
 - In the decision, EC took the rates – 5,2% i 4,7%
The resulting growth in these two years is 10,144 % only
The difference in GDP dynamics is nearly 20% for the years 2006 and 2007. We develop much faster than EURO zone (mind the GDP gap)
 - Polish reduction of the emissions results from the collapse of heavy industries in early 90s but we must not forget about the social cost – 14% unemployment rate
 - People strive for life standards comparable with EU15.
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Europe experiences extreme weather

- Extreme heat affects transportation and supply chain.
- Hurricanes are likely to appear in Europe and might be too extreme for older buildings and / or industrial installations.
- Extreme rains cause floods
- Certain areas of the continent might become deserts and economies of the countries in the North might need to deal with „climate refuges”
- **We are aware of the Climate Change related challenges**



Reduction of energy consumption

- Energy is more and more expensive.
 - Energy sources are usually located where political instability exist.
 - World outside the EU competes severely with European manufacturers and increasing energy cost cannot be reclaimed from our customers.
 - EU legislation as well as public awareness requires industries to minimise its environmental impacts.
 - **The emissions from energy sources caused by manufacturing industries will be lower thanks to better energy performance of installations.**
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Manufacturing Industry in Poland



ZWIĄZEK PRACODAWCÓW
POLSKIE SZKŁO
POLISH GLASS MANUFACTURERS FEDERATION



HIPH



IGMN

CP
Izba Gospodarcza CIEPŁOWNICTWO POLSKIE



- Industrial energy users
- Glass manufacturers
- Chemical industry
- Steel industry
- Paper & fibre industry
- Ceramic
- Non-ferrous metals
- Utilities (heating plants, incl. CHP)
- Cement

Industries have done their homework so far

- BAT being implemented.
 - Fuel switched from coal into natural gas or oil.
 - State-of-art burners (or burning systems) in glass, ceramic and other industries.
 - Strict rules of environment and human health protection being observed
 - **The space for further reduction in industrial installations is very limited without affecting production output and employment.**
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How to assure development & economic growth and comply with environmental goals

- EU Lisbon Agenda – knowledge based effective economy should be built in the coming years
 - New MS s as well as other Eastern European countries strive for life standards comparable with EU15.
 - EU ETS leaves very little space for development of energy intensive installations, but the products of these industries are essential for better energy efficiency in buildings, transportation, transmission systems.
 - Existing or new flexible mechanisms linked in a more workable way to EU ETS seem to be a chance for those who cannot reduce directly but their products allow for reductions elsewhere (e.g. buildings thermo-modernisation).
 - CC must be become a key concern on every stage of management (national, regional, executive) as well as a part of educational curricula in EU schools and universities
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Use of flexible mechanisms should be expanded

- EU ETS monitoring and reporting provisions as well as independent verification provides for a valuable experience in meeting requirements for transparency and certainty which should be used when drafting reduction projects.
 - **Corporate projects:** Those who operate both in the EU and outside could have offset the reductions achieved in their installations in non-EU countries
 - **Domestic offset projects:** Building new houses and refurbishing old ones require modern materials – bricks, tiles, cement, insulation (mineral and glass wool as well as chemical products), glass for glazing windows, steel, etc
 - As a result **global emissions** (incl. other pollutants) **will go down**
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Kyoto Protocol

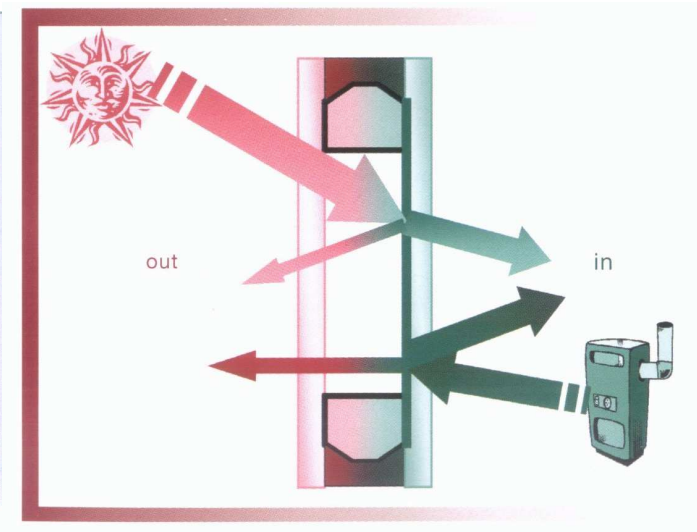
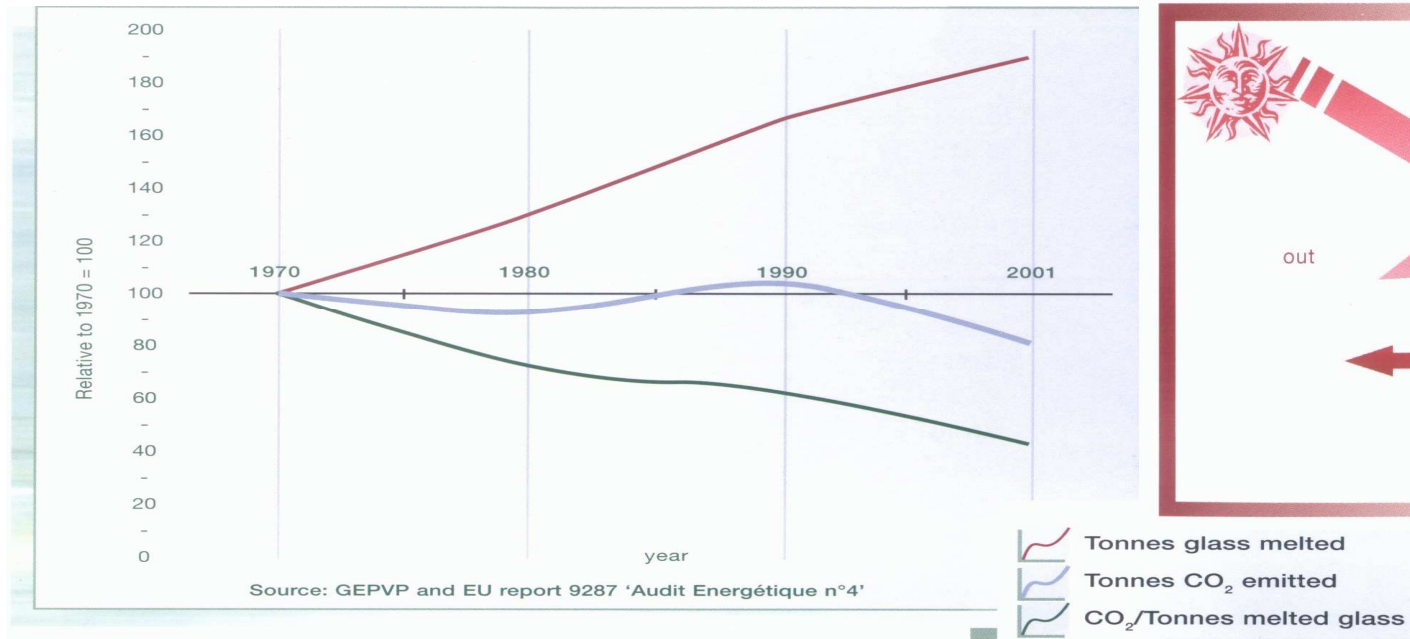
- Requires overall, global reduction of GHG emissions.
- The EU is only part of the problem and the EU ETS sectors are only helping in solving this part.
- Manufacturing industries are only the fraction of this solution.
- We will not help global environment if industrial sectors only will be addressed
- **The EU buildings only have reduction (mainly indirect) potential of 450 Mio tons annually – more than either transportation or industry.**
 - Lighting – up to 50 Mio t CO₂
 - Heating & air condition (insulation & glazing) – 320 Mio t CO₂
 - Control systems – up to 80 Mio t CO₂

(EURO-ACE presentation on stakeholders meeting Brussels 24.10.2005)

Industry's products are necessary to reduce overall emissions

- Post - Kyoto commitments will require efficient heating systems, efficient energy transmission, renewable energy sources (e.g. solar panels)
 - Manufacturing of glass, cement, steel, chemicals and other products is environmental cost, but the benefits must not be forgotten.
 - Environmental Protection Installations (sewage plants, scrubbers) need limestone
 - **We should balance environmental costs and benefits and allow for the emissions which result in much higher reduction in the use of fossil fuels elsewhere**
 - Low-emission float glass allows for savings in heating
 - Solar panels are made of glass
 - New low-energy lighting
 - New bricks - better thermal insulation
 - No houses and roads without cement
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Flat glass example



Main conclusions

- Manufacturing sectors covered by EU ETS are key partners in the process of GHG reduction and project based mechanism seem to be specifically valuable.
 - Economic factors (mainly price) enforce energy savings
 - There is no much space left for the reduction of CO₂ emissions from non-power sectors without restricting production and employment, and development
 - Environmental cost – benefit analysis and integrated efficiency approach taking into account positive impacts of the products supplied by industries should become a tool for evaluating environmental performance of the installations and sectors.
 - Innovative, new technologies and techniques both for emissions reduction and process control will help to improve GDP/CO₂ ratio. Moreover the new jobs and entrepreneurial opportunities esp. for SMEs will appear.
 - The targets for the years 2020, 2050 and beyond can only be achieved if every European is aware of the consequences of ignoring the Climate Change and takes his or her part of responsibility.
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Thank you for the attention

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