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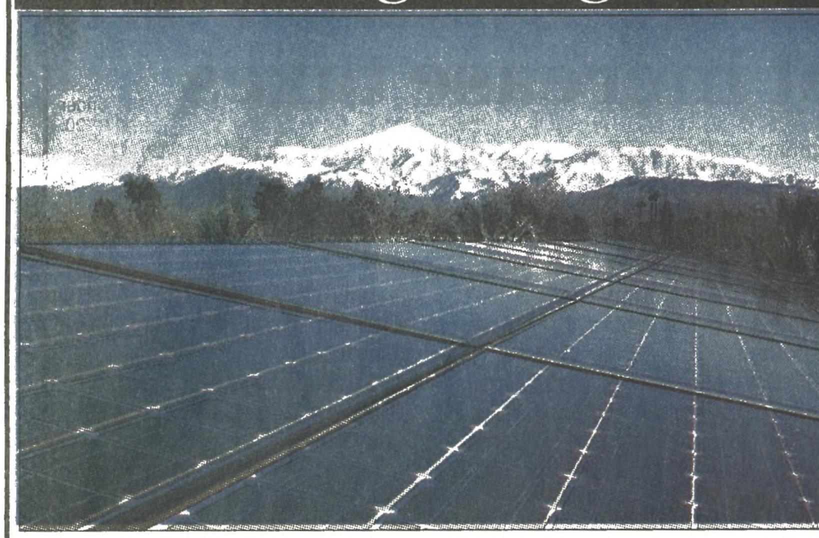
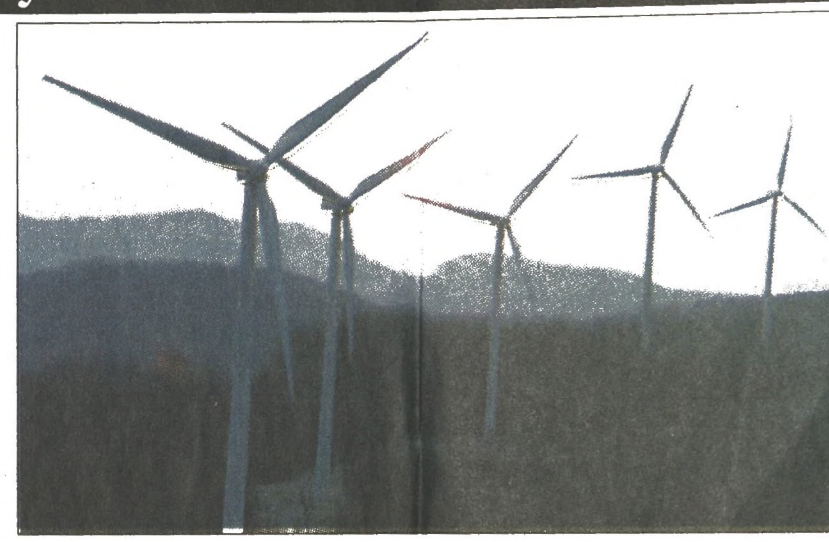
Lanka needs green economy based on green energies – Environment Minister

Sixth fastest growing economy in 2010





By Ifham Nizam

The *Economist* magazine states this year (2010) the Gross Domestic Product (GDP) of China will be US$ 9,845 billion, Brazil US$ 2,113 billion, India US$ 3,876 billion whereas the GDP of the US is US$ 14,840, Germany US$ 2,807 billion, Britain US$ 2,160 billion and Japan US$ 4,228 billion.

This clearly indicates the strength of the emerging economies and the declining of the western economic might.

The same report placed Sri Lanka as the sixth fastest economic growth country in 2010. These developed western countries comprise only 46 per cent of the global economy in 2009 and their share has been constantly declining.

Most of their growth rates are either minus or near zero. On the other hand, the Asian economies are catching up the markets.

To maintain the competitiveness, the western countries need more and more fossil fuels. These developed nations clearly had seen the catastrophic environmental disasters which may annihilate the entire human civilization. If they are allowed to continue business as usual model, -burn more fossil fuel- to achieve more growth at the expense of the environment.

Now, the US and EU have realized that they cannot bargain with the rest of the world. For them, the rest is too big to be handled. They could not achieve their motive to have a new deal which includes mitigation targets for China, Brazil, India and the rest of the developing countries.

Although, these western countries always used to preach democracy, equality and human rights they tried to show the world that the so-called Copenhagen agreement which was endorsed by a very few countries as the general consensus.

In the mean time, the west want to burn more fossil fuel in the future as they did in the past disregarding the equity principal of other nations realizing modern day climate Nazism where some `super nations' exist.

And they just endanger the very existence of the future generations by allowing catastrophic environmental disasters.

Now both the USA and EU are evolving a new phenomenon. According to a Newsweek report in December 2008 European and the US law makers are weighing bills to impose taxes on trade partners who fail to reduce their carbon footprints.

Environment and Natural Resources Minister Patali Champika Ranawaka says these broader tax adjustments were meant to stop `carbon leakage'. "When companies operating in nations with rigid emission controls -say EU- move their factories to countries with more tax standards -say China or Sri Lanka. Some advocates say that the taxes are a green stick, wielded to force developing nations in to a global climate compact."

He added that if one look at the American clean energy and security act of 2009 proposed by Waxman – Markey, it clearly indicates the coming green taxes to control goods imported to the US from developing countries. The legislation has four titles,

1. A clean energy title that promotes renewable source of energy and carbon capture and sequestration technologies, low carbon transportation fuels, clean electric vehicles and the smart grid electricity transmission.

2. An energy efficiency that increases energy efficiency across all sectors of the economy including building appliances, transportations and industry.

3. A global warming title that places limits on the emissions of heat trapping pollutants, including Carbon Dioxide emission from fossil fuel burning where the USA emits 25,000 Kg per capita in 2009.

4. A transitioning title that protect the US consumers and industry and promotes green jobs during the transition to a clean energy economy.

He said transitioning to a clean energy economy, there is a sub title called ensuring domestic competitiveness which says `to ensure that the US manufactures are not put at a disadvantage relative to the overseas competitors'.

The draft authorizes companies in certain industrial sectors to receive `rebates' to compensate for additional cost incurred under the program. Sectors that use large amounts of energy and produce commodities that are traded globally would be eligible for the rebates.

If the President finds that the rebate provisions do not sufficiently correct the competitive imbalances, the President is directed to establish a 'border adjustment' program. Under the program foreign manufacturers and importers would be required to pay and hold special allowances to cover the carbon contain in the US bound products.

Similar piece of legislature has been prepared in EU countries as well, aiming to achieve these twin goals. By imposing carbon trade barriers for foreign manufactured goods and services, they want to enhance competitiveness of locally manufactured goods –protectionism- and at the mean time force the goods manufacturing countries to cut their emission levels.

Ranawaka believes by that way, they (west) are going to wage a green trade war on developing countries that refuse to accept the so-called Copenhagen agreement which advocates binding emission cut targets for developing countries as well.

Sri Lankan export market heavily depends on North America and EU nearly 70 per cent of total export.

Therefore, these western countries could use this green trade tariff to control Sri Lanka exports if we were going to produce our energy from fossil fuels. So far Sri Lanka is categorized as a very low Carbon Dioxide emitting country.

Sri Lanka's per-capita emission level in 2009 is 660 kilogram's whereas in India it is 2000 kilogram's and in China it is 5000 kilogram's.

Ranawaka says over this value in 2009 no country could impose a green trade tariff on the US – Sri Lankan, because even according to the IPCC's carbon budget, environmental permissible level per-capita for 2009 is 2170 kilograms.

"We are far below that level. But we are now in the process of introducing 1000 Mw coal plant in Norochcholai and another 1000 Mw plant in Sampur. Generally, coal power is being used as based load power where it generates electricity continuously over the time.

So, it may increase our per-capita emission level dramatically -nearly doubled. According to the Ceylon Electricity Board's national plan, they are going to install another 3600 Mw capacity coal plants in the time to come.

This type of emission clearly goes far beyond the carbon budget stipulated in IPCC, meaning the carbon foot print of our manufactured goods will be very high.

Ranawaka added: "We could not be able to sell these goods to western countries in the near future.

Whatever the green trade sanctions that would be imposed by western countries we should discourage ourselves using more and more fossil fuels and as an alternative we should encourage renewable energy sources as clean energies."

He said that because the depletion of fossil fuel coupled with global warming caused by burning of same fossil fuel will force us to do so besides the western trade sanctions.

Ranawaka strongly believes Sri Lanka needs to have a green economy based on green energies.

On the other hand developing nations should evolve new trade avenues. While imposing counter green trade tariffs for the worst polluted markets and countries of the western world, they should improve their own markets and act together to combat climate change and climate terrorism perpetrated by the western world.