Economic Climate For Technology Innovation

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DuPont and Climate Change

Concluded in '91 that we needed to act

- Science implicating anthropogenic emissions
- DuPont emission profile very high
- ✤ By 2005
 - Global emissions from op's < 70%
 - Energy consumption flat
- Goals currently being reviewed
 - Emission from op's < 65%
 - Energy flat
 - 10% renewables



Mantra

 Judgements made today should be informed by a sense of the longer term context into which they must fit

 Today's realities not responsive to the longer term challenge we face

The Longer-Term Challenge

- Continued emissions in developed nations
- Globally: Growing Population --> Growing Emissions
 - Plus economic growth and development
- Long-term Need
 - <u>Reduce</u> global emissions, while strengthening global <u>economy</u>
- Increasing pressure on emissions!!
 - Must begin taking prudent action



Long Term Challenge

Accelerate evolution of technology

Enhance global diffusion of technology

 Ensure Cost-Effective Use of Capital



Necessary Short Term Elements

Technology

- Incentives for progress
- Encouragement/reward for innovation
- Markets to enable rather than impede movement of superior, cost-effective technology
- Global diffusion of technology
 - Open economic markets
 - Global trade interconnects
- An Essential Element: Cost-Effective Use of Capital



Marginal Cost of Greenhouse Gas Reduction Projects

Greenhouse Gas Reduction

Cost

Marginal Cost of Greenhouse Gas Reduction Projects



Marginal Cost of Greenhouse Gas Reduction Projects





Emissions Trading

- Biggest challenge: reduce emissions while protecting economic growth
- Key: Minimize overall economic burden
- Emissions trading: channel limited resources to most cost-effective emission reduction opportunities
 - Maximum reduction per dollar expended







Bye, Now...



The miracles **o***f science*[™]

