

Hearing in the US Senate Committee on Environment on 25 September 2007

Statement by the Federal Minister for the Environment, Nature Conservation and Nuclear Safety of the Federal Republic of Germany, Mr Sigmar Gabriel

- **The markets of the future are green.** The needs of a growing world population and in particular the growing consumer demands of the global middle and upper classes can only be satisfied by a more efficient use of resources and the sustainable use of our environment.
- Environmental technologies and in particular innovative energy technologies are the **lead markets of the future**. For Germany, **Roland Berger** Strategy Consultants predicts that turnover in these markets alone will grow from 150 billion euro today to 1000 billion euro in the year 2030. This means that it will significantly exceed the turnover of traditional sectors of industry such as motor vehicle manufacturing and engineering.
- The German government and the governments of the EU Member States want to make the most of these opportunities - we want to make Europe the most innovative and efficient economic region in the world. To achieve this we need a **new deal for environment, economy and employment**.
- Just as President **Franklin D. Roosevelt** responded to the Great Depression in the last century with his “New Deal” by combining public investment, social policy and economic reforms, we too need such a “**deal**” in view of today’s climate crisis. The government has the task of laying down clear framework conditions and creating incentives for innovations.
- Under Germany’s EU Presidency the **European Union** adopted a far-reaching **decision** in March 2007: our goal is to reduce greenhouse gas emissions by **30 percent** by the year **2020** if other industrialised countries also make commitments, but in any event by **20 percent**. In doing this we are already securing investment in the European carbon market. In the long term, the EU is aiming for a **60-80 percent** reduction of its greenhouse gas emissions by 2050.
- Germany has also set itself ambitious targets: by **2020** we are aiming for a **40 percent** reduction in greenhouse gas emissions **as compared to the base year 1990**; this is **10 percent more** than the EU target.

- With the recently adopted future-oriented **energy and climate package**, which is unique worldwide, we have moved a big step closer to reaching our target. The package of measures will provide impetus for all CO₂-relevant **key areas**, promote climate protection and create **jobs** in Germany.
- Environmental and climate protection are already real job motors: currently around 3.5 million people are employed in the environmental protection sector in the EU. In Germany this figure is around **1.5 million**. This means that already 3.8% of the German workforces are employed in the environmental protection sector.
- With this policy, Germany will continue in its **pioneering role on the lead markets** of the future. Successful energy and climate policy also has positive impacts for Germany as a location for business and innovation. It secures both **jobs** and a **liveable environment**.
- The example of **renewable energies**: we have **ambitious expansion targets** for renewable energies (in the electricity, heat and fuel sectors): we want to achieve a share of 25 to 30 percent by 2020.
- The expansion of renewables shows how our country is benefiting from its role as a driving force for climate protection: within just two years, from 2004 to 2006, **employment** in the renewables sector **rose by 50 percent** - to 235,000 jobs. At least 134,000 jobs – almost 60 percent of the employment figures calculated for 2006 – can be directly attributed to the Renewable Energy Sources Act. The dynamic employment development in the field of renewables will create more than **400,000 jobs by 2020**. This generates demand in other **industries** too and gives the industry sustainable growth in lead markets. Solar power installations and wind turbines made in Germany are an **export** hit all over the world.
- The example of **combined heat and power**: by 2020, we want to double the share of electricity from **combined heat and power**, to 25 percent. The additional demand in plant manufacture and the local construction industry leads to major labour market effects - securing and creating jobs on a **six-figure scale**.
- The example of **low-emission power plants**: scenario calculations assume a global growth in the construction of power plants up to 2020, with an estimated

capital requirement of several **trillion Euros**. This will have a corresponding effect on the labour market. We will implement measures and strategies to speed up investments in state-of-the-art, **low-emission power plant technologies**.

- The example of **energy efficiency**: **energy efficiency** standards and consumer-friendly labelling will be developed for all energy-consuming appliances and products. Efficient and rational energy use particularly benefits labour-intensive sectors in the **building industry, engineering and trades**. Private budget restructuring and the demand for domestic products stimulate employment and growth at home. At the same time, it encourages the improvement of technological know-how and keeps the domestically generated value added at home, instead of transferring it abroad for energy imports.
- The example of **building modernisation**: raising the **energy standards** for buildings under the Energy Saving Ordinance triggers **investments** on a large scale. These standards comprise considerably stricter requirements for new buildings, modernisation obligations for existing buildings etc.