

Eco-Innovation – the importance in a UK context

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Sustainable Consumption and Production & Waste



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What is Eco-Innovation?

- Successful exploitation of new ideas
- New knowledge and new technology
- New solutions and ways of working
- Products, processes and services
- Environmental benefits

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Why eco-innovation is important

- Environmental burden
- Inefficient use of energy resources
- End-of-pipe vs. clean technology
- Business opportunity

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Scale of the opportunity – UK

- Market for EGS \$50billion in 2004¹ - 5% increase on 2003
- 17,000 companies, employed 400,000 people
- Eco-industry – a sub-set of EGS sector - turnover estimated at \$28billion in 2004²
- 9% of EU-25 market

¹EIU Mapping the UK Environmental Goods and Services Sector

²Ernst and Young (2006), Eco-industry, its size, employment, perspectives and barriers to growth in an enlarged EU, EC DG Environment

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Scale of the opportunity – EU

- Turnover for EU eco-industries market about \$300billion¹
- 3.4 million employed within this sector
- 1.7% of EU-25 employment

¹Ernst and Young (2006)

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Scale of the opportunity – worldwide

- EGS market worth \$628.5billion in 2004 (EBI, 2004)
- Similar in size to pharmaceuticals market
- Growth in global market of 14% between 1996 and 2006
- USA, Japan and Europe have the largest markets

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UK Action – selected examples

- Research and Development
- Working with Business
- Information and Awareness
- Economic Instruments
- Public Procurement

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Research and Development

- Technology Programme

- combination of business support products and information
- £320m business grants available between 2005-08
- £100 million for UK business to research and develop new technologies

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Working with Business

- Carbon Trust

- Helps business and the public sector cut carbon emissions
- Supports the development of low carbon technologies.

- Market Transformation Programme

- Cooperation between industry, Government and regulatory bodies
- Drives and supports innovation

- Regional Development Agencies

- promote regional sustainable economic development

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Information and Awareness

- National Industrial Symbiosis Programme (NISP)
 - Business led – more than 500 business members
 - Identifies and implements synergies
 - Worlds first national industrial symbiosis network

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Economic Instruments

- Reduced VAT rates for energy efficient materials
- Enhanced Capital Allowances

Public Procurement

- Acting as an ‘early adopter’
- Sustainable procurement

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UK working internationally

- Supporters of ETAP - Environmental Technologies Action Plan
- Support EU level as well as global activity on eco-innovation

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CEMEP – Commission on Environmental Markets and Economic Performance

- established late 2006 - how the UK can best exploit the economic and environmental opportunities presented by environmental goods and services
- jointly chaired by Cabinet Ministers for Trade & Industry and Environment
- ad-hoc advisory body, with a time-limited mandate to report by spring 2007

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