

GATHERING OF THE INTERNATIONAL COUNTERPART ORGANISATIONS CHAIRMAN'S STATEMENT OF THE MEETING

The above private business organizations meet annually to debate a matter of importance for all the countries represented. This year's conference addressed the economics, science and policy implications of climate change.

The Chairman on behalf of the International Association of Private Business Organizations (known as "the Counterparts") has issued this statement reflecting the sense of the meeting:

Economic development and climate change are fundamental and interlinked challenges for all nations.

We acknowledge there is increasing evidence that global surface temperatures have risen over the past century. Over the same period, greenhouse gases have accumulated in the atmosphere. Combustion of fossil fuels and land use changes are a major source of greenhouse gas emissions. Greenhouse gas emissions are expected to grow substantially over the coming decades due to continued global reliance on fossil fuels to supply energy to support economic growth.

A Global approach is required

Despite areas of scientific and economic uncertainty, science has made considerable progress in understanding climate. All nations should develop and implement strategies that address the risk of climate change. Action to reduce emissions of greenhouse gases must be reconciled with the need for economic development and the central importance of energy to economic growth.

Effective policy towards greenhouse gas emissions and climate change requires a global approach with the involvement of as many nations as possible – including, first and foremost, the participation of the major greenhouse gas emitting nations and those nations who hold the largest reserves of clean sources of energy and preserved forests. Any future international climate change arrangement needs to reflect national differences in economic and social conditions. It also needs to take account of the perspective of developing countries which historically contributed at a low level to the current concentration of greenhouse gases.

To deliver continued economic development while combating climate change, a global framework is the best mechanism. Within that framework, governments should adopt policies that will have maximum economic effectiveness in reducing greenhouse gas emissions. This includes the promotion of energy efficiency, utilizing existing technologies that reduce greenhouse gas emissions and investing in research and development of new low emission technologies together with the use of practical incentives to stimulate technological innovation. In developing policy responses to climate change, public authorities should take into account the risks of imposing excessive public regulation. Hence, market instruments should be essential tools in addressing climate change.

The use of market signals to set a cost of carbon or CO₂ may for some nations be an effective way to deliver changes in consumption and production, and encourage necessary investment in research and development. This may be brought about through a carbon trading system, through a carbon tax or through a mechanism that combines elements of both. Some countries may focus their efforts on reductions in greenhouse gas emissions per unit of energy. The success of all of these approaches should be monitored and regularly reviewed.

Low Emission Technologies

Ultimately, the reversal of growth in global greenhouse emissions will require the adoption of low emission technologies on a broad scale. This will require more advanced technologies that allow the decoupling of greenhouse gas emissions from economic growth.

Global cooperation, including joint research, development deployment and transfer of low emission technologies will be essential. This will include low emission technologies for the cleaner use of coal, enhanced energy efficiency and diversified energy sources and supplies including renewable energy, gas, biofuels and nuclear energy.

Open trade, investment and environmental policies are crucial to disseminating low emission products and technologies.

The Counterpart organisations have accepted a responsibility to alert their respective memberships and encourage business leadership on the challenges posed by the risk of climate change, and to the policies that will address the risk of climate change most effectively with the least impact on living standards.

The Counterpart organisations

China Institute for Reform and Development - China

Círculo de Empresarios - Spain

Committee for Economic Development – United States of America

Committee for Economic Development of Australia - Australia

Conselho Empresários de América Latina – Latin America

Finnish Business & Policy Forum - Finland

Institut de l'entreprise - France

Institut der deutschen Wirtschaft Köln - Germany

Keizai Doyukai - Japan

National Business Initiative - South Africa