Tesla market value tops $700bn for first time

ew York: Electric carmaker Tesla closed trading on Wednesday with a market value topping $700 billion for the first time.

The latest surge means the company is worth more than General Motors, Ford, Toyota, Honda, Fiat Chrysler and Volkswagen combined.

Tesla’s share price ended with a gain of 2.8 percent to $755.98 for a total value of whopping $717 billion. That came after the stock saw a more than 700 percent ascendance in 2020 – a gain some analysts viewed as inflated.

The auto industry disruptor led by Elon Musk wowed Wall Street yet again over the weekend, reporting annual car deliveries of 499,550, just shy of its 2020 target of half a million, but well above analyst estimates.

The disclosure capped a year that saw Tesla report a series of profitable quarters and join the S&P 500, establishing the company as one of the world’s most valuable businesses and elevating Musk to the second-wealthiest person behind Amazon CEO Jeff Bezos.

While industry analysts do not expect another massive surge in value this year, they remain optimistic about the company’s sales prospects, even if the cars remain out of reach for many buyers.

The optimism comes as construction continues on new Tesla factories in Texas and Germany, which will join existing plants in California and Shanghai that are ramping up production.

Musk has expressed determination to cut the price for Tesla’s electric cars, which currently start at $37,990 in the US market.

The Tesla chief is developing battery design, material and production innovations that combine to cut the cost per kilowatt hour by 56 percent.

That should enable Tesla to field a $25,000 model in “three years-ish,” Musk said in September, adding, “it is absolutely critical that we make cars that people can actually afford.”

And US sales could be helped by President-elect Joe Biden’s commitment to green technology to combat climate change.

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https://www.gulf-times.com/story/679889/Companies-taking-

strong-climate-action-up-46-this-

Bloomberg /London

The number of major companies who've disclosed their environmental impact and aggressively committed to reducing it has increased 46% from last year, according to a new analysis by a leading environmental-disclosure platform.

The top companies on the CDP's annual "A List" for environmental action grew to 313 this year. The list, which was updated on Tuesday, consists of companies who received CDP's top score for environmental disclosures and policies on climate change, forest conservation and water use.

The list's expansion comes towards the end of a year where climate risk has taken prominence in financial markets. In April, an analysis by Morningstar showed sustainable funds were relatively well-placed to endure the coronavirus turmoil, withstanding the market's March freefall much better than conventional funds. From 2025, UK companies will have to disclose how much they're exposed to risks caused by climate change, following a November decision by the Chancellor of the

Exchequer Rishi Sunak.

Climate action also pays off. An index which tracks CDP’s A List saw an average annual return that was 5.3% higher than competitors over the past seven years. The Stoxx Global Climate Change Leaders, which measures the performance of companies on CDP’s A List Index relative to the Stoxx Global 1800, has climbed about 13% since the start of 2020.

“Organisations that are able to take sustainability as a strategic imperative can adapt to this new future,” said Nina Seega, research director for sustainable finance at the Cambridge Institute for Sustainability Leadership. “We’re no longer discussing whether we’ll transition, but how we’ll transition — and which companies will be the best at it.”

Most companies only disclosed data to CDP that reflected their impact on the climate, concentrating on emissions reductions, but some went further. Of the 9,600 companies that reported this year, only ten scored A ratings across their disclosures related to climate change, forests and water-use. They included Danone, L’Oreal SA, and Philip Morris International — the controversial tobacco giant has reduced emissions from its operations and along its value chain by 42% since 2010.

The number of companies which disclosed data to CDP rose by 14% this year from last year. More A List companies are based in Europe than any other continent. Japan is home to more of the top companies than any other country — with 66 of the 313 companies based there. Among them, car manufacturer Honda reached 100% renewable energy at its European and South American plants last year and KAO Corporation, the chemicals and cosmetics company, introduced an internal carbon pricing mechanism to encourage energy savings.

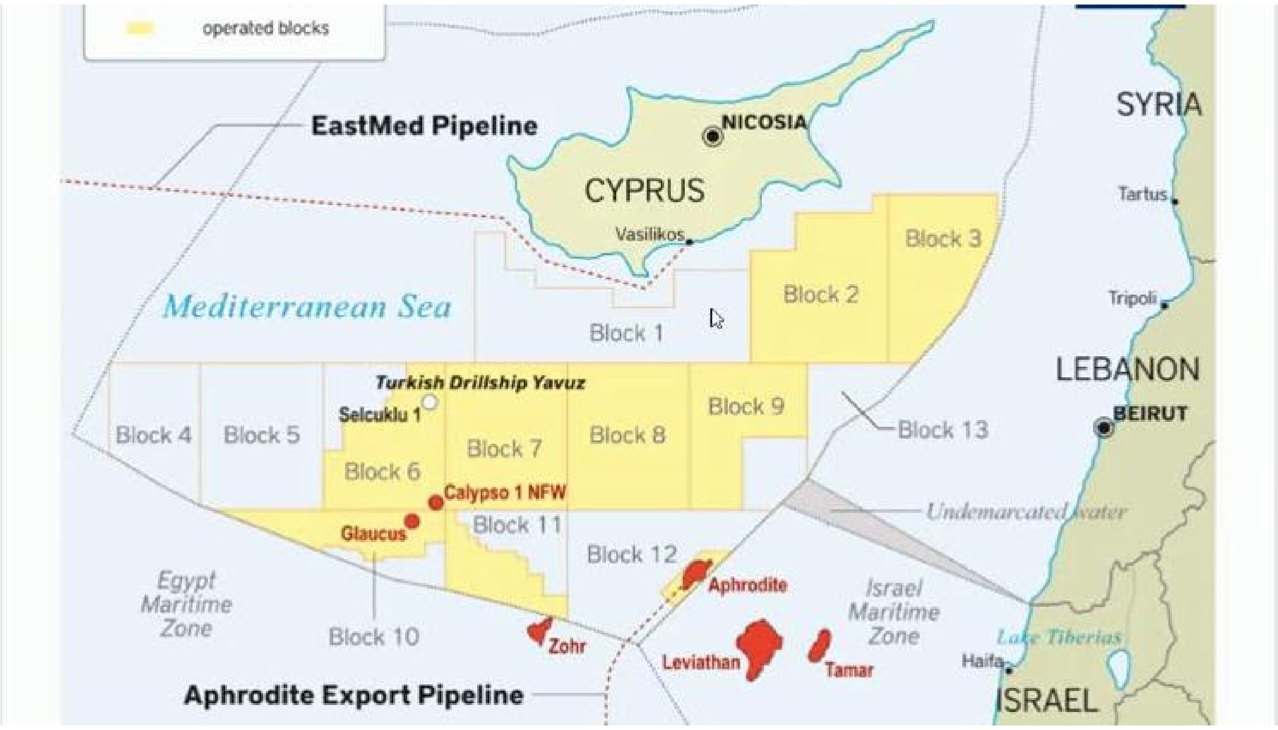
“We have the wind in our sails,” said Dexter Galvin, global director of corporations and supply chain at CDP. “Now, we need these pioneers to inspire the sluggish majority of corporates if the private sector is to take a leadership role when climate targets ratchet up at COP26 next year,” he said, referring to the global climate talks set to held in Glasgow in 2021.

Countries seen needing to invest $55tn to reach emissions target

Global economies will need to invest as much as $55tn through the middle of the century to meet an emissions goal and contain warming of the planet, according to a report by a group of executives from energy-intensive companies including ArcelorMittal SA, BP Plc and Royal Dutch Shell Plc. Reaching the net-zero carbon emissions target by 2050 will require large-scale electrification of industries, buildings, and transport, as well as the use of hydrogen and biofuels in areas that can’t be electrified, according to the Energy Transitions Commission. Using less energy to produce more and recycling material will aid the efforts. Building renewable power plants will take up a bulk of the estimated investment.

More frequent and severe natural calamities across the world have heightened the need to contain climate change and end the use of coal and other fossil fuels while expanding clean energy. That’s forcing some of the biggest fossil fuel users to recast their energy mix and adopt greener sources of power. The Intergovernmental Panel on Climate Change said in a 2018 report that reaching net-zero CO_2 emissions by mid-century will be key to limiting global warming to 1.5 degrees Celsius above pre-industrial levels. Humanity is on course to miss that mark, with the World Meteorological Organization saying there is a 20% chance that global temperatures will breach the limit in at least one of the next five years. The decarbonization strategy will involve phasing out of coal-fired plants, according to the report. Those that remain should be used as a peaking or a seasonal back-up to renewable power and should be retrofitted with carbon capture and storage. The report highlighted some challenges on the way. China, the world’s biggest coal user, “is not yet on a clear path towards a net-zero economy and new coal investments are continuing despite evidence that renewables are now highly competitive on a new-build basis in most of China’s provinces,” it said. The nation can become a fully developed, rich economy with net-zero emissions by 2050 by rapidly deploy- ing renewable power projects and reducing its dependence on coal, according to the report. The country needs to double annual investments in solar and as much as quadruple investments in wind energy, along with accelerating the use of clean energy in industries and residential heating. India, the second-biggest coal user, is likely to see consumption of the fuel peak between 2027 and 2030, before gradually sliding down, Ajay Mathur, a co-chair at Energy Transitions Commission, said in a phone interview.

Différends Maritimes en Méditerranée Orientale: Comment en Sortir



Les différends de frontières maritimes en Méditerranée orientale empêchent l'exploitation raisonnée des récentes découvertes énergétiques dans la région :
un nouveau livre montre comment résoudre pacifiquement les conflits frontaliers maritimes.

L'ouvrage se présente comme une feuille de route pour aider les pays côtiers à exploiter les ressources offshore

Un nouveau livre de l'expert en politique de l'énergie Roudi Baroudi met en lumière des mécanismes souvent négligés qui pourraient aider à désamorcer les tensions et débloquer des milliards de dollars en pétrole et en gaz.

"Maritime Disputes in the Eastern Mediterranean: the Way Forward" («Différends Maritimes en Méditerranée Orientale: Comment en Sortir») -distribué par Brookings Institution

Press- décrit le vaste cadre juridique et diplomatique dont disposent les pays qui cherchent à résoudre les conflits de frontières maritimes. Dans ce livre, M. Baroudi passe en revue l’émergence et l’influence (croissante) de la Convention des Nations unies sur le droit de la mer (CNUDM), dont les règles et les normes sont devenues la base de pratiquement toutes les négociations et de tous les accords maritimes. Il explique également comment les progrès récents de la science et de la technologie, notamment dans le domaine de la cartographie de précision, ont accru l’impact des lignes directrices de la CNUDM en éliminant les conjectures de tout processus de règlement des différends fondé sur celles-ci.

Comme le titre l’indique, l’ouvrage se concentre en grande partie sur la Méditerranée orientale, où les récentes découvertes de pétrole et de gaz ont souligné le fait que la plupart des frontières maritimes de la région restent discutées. L’incertitude qui en résulte ralentit non seulement l’utilisation des ressources en question (et le réinvestissement des recettes pour lutter contre la pauvreté et d’autres problèmes de société), mais augmente également le risque d’un ou plusieurs conflits meurtriers. M. Baroudi fait toutefois remarquer que, tout comme ces problèmes et leurs conséquences existent dans le monde entier, leur résolution juste et équitable dans une région pourrait contribuer à restaurer la croyance qu’ont les peuples et leurs dirigeants dans le multilatéralisme, et servir ainsi d’exemple.

Si les pays de la Méditerranée orientale acceptaient, en vertu des règles de la CNUDM, de régler leurs différends de manière juste et équitable, écrit-il, “cela donnerait une chance de démontrer que l’architecture de sécurité collective de l’après-guerre reste non seulement une approche viable mais aussi une approche vitale… Cela montrerait au monde entier qu’aucun obstacle n’est trop grand, aucune inimitié si ancrée et aucun souvenir si amer qu’il ne puisse-t-être surmonté en suivant les règles de base auxquelles tous les États membres des Nations unies ont souscrit en y adhérant: la responsabilité de régler les différends sans violence ou menace de violence”.

Le livre rappelle, de manière générale et spécifique, qu’il existe des leviers permettant d’uniformiser les règles du jeu diplomatique, une contribution utile à un moment où l’ensemble du concept de multilatéralisme est attaqué par certains des pays qui ont autrefois défendu sa création. L’ouvrage est écrit dans un style engageant, empruntant à plusieurs disciplines -de l’histoire et de la géographie au droit et à la cartographie- le rendant accessible et d’intérêt pour tous, des universitaires et des décideurs politiques aux ingénieurs et au grand public.

En attendant sa parution papier, ainsi que sa traduction en français prévue dans les prochaines semaines, le livre est disponible au format e-book. Dans le contexte actuel qui a forcé les maisons d’édition à adapter leur stratégie de lancement, l’ouvrage a fait l’objet ce jeudi d’un lancement organisé par TLN via zoom, avec la participation autour de l’auteur, de deux représentants éminents du Département d’État américain – Jonathan Moore (premier sous-secrétaire adjoint principal, Bureau des océans et des affaires environnementales et scientifiques internationales) et Kurt Donnelly (sous-secrétaire adjoint pour la diplomatie énergétique, Bureau des ressources énergétiques).

Ενα Νέο Βιβλίο Δείχνει τον Δρόμο για την Ειρηνική

Επίλυση των Διαφορών Αναφορικά με τα Θαλάσσια Σύνορα

Ενας Οδικός Χάρτης Μπορεί να Βοηθήσει τα Παράκτια Κράτη να Επωφεληθούν του Υποθαλάσσιου Πλούτου

ΟΥΑΣΙΓΚΤΟΝ: Ο ειδικός σε θέματα ενέργειας, Ρούντι Μπαρούντι, στο νέο του βιβλίο αναδεικνύει μηχανισμούς μείωσης της έντασης, οι οποίοι συχνά ξεχνιούνται αλλά μπορούν να βοηθήσουν στην εκμετάλλευση πετρελαίου και φυσικού αερίου αξίας δισεκατομμυρίων δολλαρίων.

Το βιβλίο *Διαφωνίες επί των Θαλασσίων Συνόρων στην Ανατολική Μεσόγειο: Μια Πρόταση Επίλυσης* διανέμεται από το Ινστιτούτο Μπρούκινγκς και σκιαγραφεί το εκτενές νομικό και διπλωματικό πλαίσιο το οποίο διατίθεται για χώρες με διαφιλονεικούμενα θαλάσσια σύνορα. Ο συγγραφέας Ρούντι Μπαρούντι συζητά την αυξάνουσα επιρροή του Διεθνούς Δικαίου της Θαλάσσης υπό την αιγίδα των Ηνωμένων Εθνών (United Nations Convention on the Law of the Sea – UNCLOS), οι κανόνες του οποίου αποτελούν πια την βάση για την επίλυση όλων, σχεδόν, των διαπραγματεύσεων και συμφωνιών στην θάλασσα. Εξηγεί, επίσης, πως οι πρόσφατες εξελίξεις στον επιστημονικό και τεχνολογικό τομέα – και ειδικά στην χαρτογράφηση ακριβείας – έχουν αυξήσει περαιτέρω την επιρροή των κανόνων του Διεθνούς Δικαίου της Θάλασσας, αφαιρώντας κάθε ενδεχόμενη ασάφεια από οποιαδήποτε διαπραγμάτευση που βασίζεται στους κανόνες του Δικαίου.

Το βιβλίο εστιάζει στην ανατολική Μεσόγειο, όπου οι πρόσφατες ανακαλύψεις υδρογονανθράκων ανέδειξαν το γεγονός ότι τα περισσότερα θαλάσσια σύνορα της περιοχής παραμένουν ακαθόριστα. Η αβεβαιότητα την οποία δημιουργεί αυτή η κατάσταση όχι μόνο καθυστερεί την εκμετάλλευση των πόρων και την διοχέτευση του πλούτου προς όφελος των κοινωνιών, αλλά δημιουργεί και κινδύνους θερμών επεισοδίων και πολέμων. Τέτοιου είδους προβλήματα υπάρχουν σε όλη την Γή. Ο Μπαρούντι σημειώνει, ωστόσο, ότι η δίκαιη επίλυσή τους σε μία περιοχή μπορεί να ενδυναμώσει την εμπιστοσύνη στους πολύπλευρους μηχανισμούς σε κάθε περιοχή.

Σε περίπτωση, σημειώνει, που οι χώρες της ανατολικής Μεσογείου συμφωνούσαν σε μια δίκαιη επίλυση των διαφορών τους με βάση το Διεθνές Δίκαιο, «θα ήταν μια έμπρακτη απόδειξη ότι η μεταπολεμική αρχιτεκτονική συλλογικής ασφάλειας παραμένει όχι μόνο εφικτή αλλά και απαραίτητη… θα απεδείκνυε σε όλον τον κόσμο ότι κανένα εμπόδιο δεν είναι τόσο μεγάλο και καμμία ιστορική εχθρότητα τόσο βαθιά ριζωμένη ώστε να μην υπερσκελίζεται από τον βασικό κανόνα στον οποίο συναίνεσαν όλα τα μέλη των Ηνωμένων Εθνών με την συμμετοχή τους σε αυτόν — την ευθύνη να επιλύουν τις διαφορές τους χωρίς την χρήση ή την απειλή βίας.»

Το βιβλίο μας υπενθυμίζει πως υπάρχουν μοχλοί οι οποίοι μπορούν να αμβλύνουν τις διπλωματικές ανισότητες, και αυτό είναι ιδιαίτερα χρήσιμο σε μια εποχή όπου η όλη ιδέα της πολυπλευρικής προσέγγισης βάλλεται από τις ίδιες χώρες οι οποίες την δημιούργησαν. Ο τρόπος γραφής του βιβλίου ζωντανεύει ένα θεματικό πλέγμα ιστορίας, γεωγραφίας, δικαίου και χαρτογραφίας, καθιστώντας τα θέματα αυτά προσιτά στο ευρύ κοινό στο οποίο απευθύνεται, καθώς και σε πολιτικούς και διπλωμάτες.

Ο Μπαρούντι εργάζεται εδώ και τέσσερις δεκαετίες στον ενεργειακό τομέα. Ανάμεσα στις πολυεθνικές εταιρείες, κυβερνήσεις και διεθνείς θεσμούς που έχει συμβουλέψει στο διάστημα αυτό συγκαταλέγονται τα Ηνωμένα Εθνη, η Ευρωπαϊκή Επιτροπή, το Διεθνές Νομισματικό Ταμείο και η Παγκόσμια Τράπεζα. Οι εξειδικευμένες γνώσεις του βρίσκονται στους τομείς του πετρελαίου και φυσικού αερίου, τα πετροχημικά, τον ηλεκτρισμό, την ενεργειακή ασφάλεια και την μεταρρύθμιση του ενεργειακού τομέα για να αντιμετωπίσει περιβαλλοντικά ζητήματα, την αγορά του άνθρακα, τις ιδιωτικοποιήσεις, και τις υποδομές. Είναι Διευθύνων Σύμβουλος της ανεξάρτητης συμβουλευτικής εταιρείας Qatar Energy and Environment Holding, με έδρα την Ντόχα του Κατάρ.

Το βιβλίο αυτό είναι απόσταγμα πολυετούς προσωπικής έρευνας, ανάλυσης και υπεράσπισης θέσεων του Μπαρούντι. Την επιμέλεια του κειμένου ανέλαβε η Debra L. Cagan, (Distinguished Energy Fellow, Transatlantic Leadership Network) και ο Sasha Toperich (Senior Executive Vice President, Transatlantic Leadership Network).

Το βιβλίο *Διαφωνίες επί των Θαλασσίων Συνόρων στην Ανατολική Μεσόγειο: Μια Πρόταση Επίλυσης* εκδίδεται από το Transatlantic Leadership Network (TLN), μια ένωση δικηγόρων, παικτών του ιδιωτικού τομέα και αναλυτών οι οποίοι στοχεύουν στον διαρκή εκσυγχρονισμό των σχέσεων Ηνωμένων Πολιτειών και Ευρωπαϊκής Ενωσης. Η αρχική μορφή του βιβλίου ήταν ηλεκτρονική. Τώρα διανέμεται από τις Εκδόσεις του Ινστιτιούτου Μπρούκινγκς, που ιδρύθηκαν το 1916 για την έκδοση ερευνών του Ινστιτούτου, το οποίο θεωρείται από πολλούς ως το πιο αξιοσέβαστο ινστιτιύτο έρευνας των ΗΠΑ.

Πολλοί εξειδικευμένοι παρατηρητές πλέκουν το εγκώμιο του βιβλίου. Παραθέτουμε λίγα αποσπάσματα:

Douglas Hengel, Professional Lecturer in Energy, Resources and Environment Program, Johns Hopkins University School of Advanced International Studies, Senior Fellow at German

Marshall Fund of the United States, and former State Department official: “Μέσα από αυτό το στοχαστικό και γλαφυρό βιβλίο, ο Ρούντι Μπαρούντι μας δίνει ένα πλαίσιο… το οποίο μας δείχνει τον δρόμο προς μια δίκαιη και ειρηνική λύση… οι χώρες της περιοχής, καθώς και η Ευρωπαϊκή Ενωση και οι Ηνωμένες Πολιτείες, θα έπρεπε να ασπαστούν την προσέγγιση του Μπαρούντι.

Andrew Novo, Associate Professor of Strategic Studies, National Defense University: “… Ενα καλά ισορροπημένο, καινοτόμο και θετικό μήνυμα το οποίο μπορεί να βοηθήσει πολλά θέματα να προοδεύσουν που δεν φαίνονται να επιδέχονται επίλυσης. Χρσιμοποιώντας το Διεθνές Δίκαιο, γεω-στοιχεία υψηλής ακρίβειας και μια ισχυρή οικονομική λογική, ο Μπαρούντι προσφέρει ένα πειστικό επιχείρημα υπέρ ενός συμβιβασμού, εφόσον, φυσικά, οι εμπλεκόμενες πλευρές θέλουν να ακούσουν.”

Green energy’s $10tn revolution faces oil crash test

In 2014, when the price of oil last crashed, the world’s governments had no agreement in place to fight climate change. The following year leaders signed the Paris accord. Green investments have soared since then. Some $1.2tn has been poured into renewable energy, and global electric vehicle sales reached 2mn last year. Bloomberg NEF expects as much as $10tn poured into clean energy by 2050. The accord also marked a cultural watershed, with emissions targets now policed by a growing environment movement that’s shaping politics from Germany to India. In a sign of the times, activist Greta Thunberg and Tesla Inc founder Elon Musk are now two of the most famous people in the world. So when this week Saudi Arabia and Russia joined in a price war that wreaked havoc on global markets already rattled by the coronavirus, it looked like the major oil-producing nations reasserting their supremacy in the short term. Instead, it may prove to be another step in a longer-term trend towards ending oil’s power to hold the world to ransom. The price of a barrel of oil remains an important economic indicator. But the relentless push to move away from fossil fuels suggests that its geopolitical impact is likely to be softer than in the past, with the imperative to combat global warming assuming its place. “The impact of the oil price on broader economic growth has been decoupling ever since the 1980s,” said Shane Tomlinson, deputy chief executive officer at environmental think tank E3G. “We could see exceptional movements in the oil price in the next few months, but I don’t think that changes the fundamental need to address climate change.” Oil’s fall to some $35 a barrel from $55 just last week has major implications for addressing climate change. Low prices incentivise more use of oil; it squeezes the budgets of oil companies, putting clean-energy projects in doubt; and some governments feel pressured to prop up struggling oil companies. All that drives up emissions, which is bad news for global warming. However, if low prices are sustained this time, there might be big positives for fighting climate change. Renewable energy is a more mature industry than five years ago. As it becomes a less risky investment, it has attracted big investors who are showering a lot of cash and building some projects that rival the capacity of conventional power plants. At the same time, oil exploration is becoming less viable economically, with an increased risk that even those projects that go ahead no longer yield good returns and with worries about stranded assets growing. “Now it doesn’t make sense to reduce your investment in renewables if the oil price crashes,” said Mark Lewis, head of sustainability at BNP Paribas Asset Management. “It’s more logical to reduce your investment in oil.” That reality points to a broader change in investor sentiment since Paris that aff ects companies and governments alike. A number of large investors have come together under groups such as Climate Action 100+ to demand companies put sustainability at the heart of their business models, and that isn’t likely to change. Tesla has eff ectively become a proxy for how the green economy is viewed by investors. Musk has demonstrated that a mass-market electric car is viable, prompting all the major carmakers to follow his lead. He’s building his latest plant outside Berlin, in a show of his intention to take the fight to the heart of Europe’s leading luxury car producer. Tesla is after all the world’s second-most valuable carmaker by market value after Toyota Motor Corporation. For governments worldwide, pressure for policy measures has mounted as the issue increasingly resonates, in part due to the kind of direct action and media campaigning espoused by Greta Thunberg. Low oil prices off er one reason to heed that voter call, since it’s a good time to end fossil-fuel subsidies or to raise taxes on consumption of fossil fuels. Such a move can also help avoid the sorts of destabilising anti-government protests seen in France, Iran and Ecuador when energy-price increases were proposed. It could even be done in a way that “protects or even benefits poorer households and communities,” said Helen Mountford, vice president of climate and economics at the World Resources Institute. The goal of reaching out to “left-behind” communities is a dynamic driving policy from the post-Brexit

UK to South Africa and swaths of Latin America that suff ered waves of unrest late last year. During the last down cycle, between 2014 and 2016, when oil briefly dipped below $30 per barrel, India cut annual fossil-fuel subsidies from $29bn to $8bn and even raised taxes on consumption. Some of the money raised was diverted to renewable-energy subsidies, after setting an ambitious goal to deploy as much as 175GW of mainly solar and wind power by 2022 – about twice the power generation capacity of the UK. “Many countries are pursuing electrification and decarbonisation to make them less dependent on the volatility of oil markets,” said Adnan Amin, former director general of the International Renewable Energy Agency. “This kind of event will only reinforce that momentum.” Also since 2014, the power of Opec’s 14 nations to shape the market has been weakened by the impact of US shale production. (Opec’s Vienna base is home to an Austrian government that now includes the Greens as junior coalition partner.) The US – which is not a member of the group – became an oil exporter again on the back of its shale revolution, surpassing Russia and Saudi Arabia in 2018 to regain its status as the world’s biggest producer. President Donald Trump has cheered America’s energy resurgence as an example of taking back control. However, the collapse in oil prices weakens the shale industry’s ability to pump at a profit and even pushes some of the producers toward bankruptcies, adding to economic uncertainty surrounding the virus that may hurt Trump’s re-election bid, says Amin. Since Trump unilaterally pulled the US out of the Paris agreement, it could yet tilt the presidential race in favour of a candidate more in favour of climate action. In Brussels, meanwhile, European Commission President Ursula von der Leyen doubled down on European Union plans to achieve climate neutrality by 2050, despite the emergence of what she called “unforeseen challenges.” “Today it’s no longer the question if there will be a European Green Deal or whether the EU will become climate- neutral but the question is how we’re proceeding and how far-reaching will the transition be,” Von der Leyen said on Monday. That stance is understandable given that EU citizens say they want the bloc to focus on tackling climate change and preserving the environment as its No 1 priority, according to a recent Eurobarometer survey for the European Parliament. “Clearly we cannot ignore what’s going on globally,” said EU Environment Commissioner Virginijus Sinkevicius on Bloomberg TV. The global “climate emergency didn’t go anywhere.”

Clean energy is also resilient energy

NASSAU — The Caribbean and its surroundings are on the front lines of climate change. The Bahamas, the archipelago that stretches over the crystal-blue waters between Florida and Cuba, have been battered in recent years by devastating hurricanes, which have increased in severity and frequency as a result of global warming. As is the case worldwide, there is an element of injustice to this. Given that the Bahamas and Caribbean countries emit relatively minuscule amounts of carbon dioxide, their residents bear very little of the blame for the climate crisis.

But the people of the region are now flipping the script, transforming themselves from victims of climate tragedies into global leaders in clean, secure energy. The Caribbean countries have compelling economic reasons for embracing the green-energy transition. For generations, they have relied on imported fossil fuels to power their economies, which means they have long had to deal with the uncertainties of world oil markets and thus significant cost fluctuations for electricity.

Thanks to advances in renewable energies, that economic challenge has created an opportunity. Unlike imported fossil fuels, which are subject to rising costs, the prices of solar power and other clean energy sources, along with the necessary battery storage systems, continue to fall. As these technologies have become more affordable and competitive with older, dirtier fuels, they have created a powerful incentive for island countries to move away from conventional fossil fuel-fired power plants. Moreover, this trend will only grow more pronounced from here on out, as the cost advantages of newer, cleaner energies make them increasingly attractive relative to fossil fuels.

For regions like the Caribbean, solar and battery storage systems do more than simply reduce the costs of electricity; when deployed in the right way, they also improve climate resilience. As the Bahamas and other countries across the region have demonstrated over the past few years, solar- and battery-powered microgrids can provide critical services for island communities during and after severe weather events that otherwise would knock traditional energy sources offline.

But in order for these new energy solutions to provide real resilience, they themselves need to be able to withstand the storms, which tend to ravage power lines and disconnect communities from centralised sources of energy generation. Thus, in the case of solar, much depends on the methods used to secure solar panels to the ground and to rooftops.

We already know that it is possible to construct photovoltaic (PV) systems capable of surviving even the most severe category of hurricane. Through a collaboration between the Rocky Mountain Institute, the government of the Bahamas and the country’s national utility, the Bahamas Power and Light Company, we have developed and installed a solar parking canopy at the National Stadium in Nassau that can withstand the winds of a category-five hurricane. We have also built the country’s first category-five resilient solar and battery storage microgrid on Ragged Island, and are now focusing on designing and delivering sustainable and resilient microgrids for critical facilities on Abaco, following the destruction wrought by Hurricane Dorian in September 2019.

As the planet continues to warm, increased moisture in the air will translate into even more severe and frequent tropical storms and hurricanes. What we saw with Dorian and Hurricane Maria in Puerto Rico in 2017 is likely to become commonplace. Fortunately, as the partnership in the Bahamas shows, many of the same measures needed to build resilience are also those needed to limit greenhouse-gas (GHG) emissions and slow the pace of global warming. Far from requiring a tradeoff, resilient PV systems check both boxes.

The Caribbean and Atlantic are hardly the only regions that will need to build more resilient energy infrastructure to prevent power disruptions. Communities around the world are increasingly confronting the challenges posed by severe and extreme weather, including the devastating fires in Australia, Indonesia and the western United States.

In all of these cases, clean, localised energy solutions offer unique advantages in terms of reducing emissions and keeping the lights on after a disaster. They point the way to a better future for our electricity system. By embracing the clean-energy transition, the Bahamas is setting an example for the rest of the world – and particularly for those countries that are responsible for the overwhelming share of global GHG emissions.

Jules Kortenhorst is CEO of the Rocky Mountain Institute. Whitney Heastie is CEO of Bahamas Power and Light. ©Project Syndicate, 2020.

Europe embarks on economic revolution with climate law

Bloomberg/Brussels

Europe wants to make it illegal by 2050 to emit more greenhouse gases than can be removed from the atmosphere.

European Commission President Ursula von der Leyen unveiled a draft law yesterday that would commit the region to become the first climate-neutral continent by the middle of the century. The legal proposal is the cornerstone of the bloc’s Green Deal, a far-reaching strategy that foresees a radical overhaul of the European economy over the next three decades.

“The Climate Law is the legal translation of our political commitment, and sets us irreversibly on the path to a more sustainable future,” von der Leyen said in a statement. “It offers predictability and transparency for European industry and investors. And it gives direction to our green growth strategy and guarantees that the transition will be gradual and fair.”

The draft measure proposes a binding target of net zero greenhouse gas emissions by 2050, with a revised target for 2030 to be put forward only later this year. That triggered criticism of the law by environmental activists, including Greta Thunberg, who called the law “surrender” because it doesn’t ensure more rapid action.

The commission has already started a deep analysis of the existing 2030 goal to cut emissions by at least 40% and aims to finish it by September, according to European Commission Vice President Frans Timmermans. Von der Leyen pledged to increase it to 50% or even 55%.

“Once we’ve done this work, we’ll propose an amendment to the climate law that we’re presenting today and we’ll put the 2030 target there as well,” Timmermans told a press conference in Brussels yesterday. The clash over the path to get to net-zero emissions highlights the challenges policy makers face as they seek to balance business interests with the ambitions of an ever-growing green movement. Fighting climate change has catapulted to the top of the EU’s agenda, with 93% of Europeans seeing global warming as a serious problem.

The Green Deal was designed to appease these concerns and become a new growth strategy for the 27-nation bloc. But regulatory proposals by the EU’s executive arm are subject to approval by member states, and the climate law reflects the

need to seek a compromise between competing national positions. With differing energy mixes, wealth and industrial strength, EU governments are set to wrangle over every bit of the climate strategy and the draft law that will set the basis for the clean-up.
However, the dynamics may change with the draft measure. It will pave the way for a new regulatory track where measures to cut emissions avoid a veto by a single country, a tool that was used several times by coal-dependent Poland to halt ambitious policies.
Once approved by national governments and the European Parliament, the climate law will start a regulatory frenzy. Everything from energy production to agriculture and the design of cities will be overhauled under the Green Deal strategy that von der Leyen has described as a moonshot. “I’m excited by this,” said Peter Vis, senior adviser at Rud Pedersen Public Affairs in Brussels. “Von der Leyen is setting the ambition without knowing how we will get there. But when Kennedy committed to putting a man on the moon he also wouldn’t know if that is possible.”
Here are the main elements of the draft law:
* EU-wide emissions and removals of greenhouse gases must be balanced by 2050 at the latest
* Member states must take necessary steps to enable collective achievement of the goal by the EU
* Commission will review the current 2030 emission-reduction goal by September, exploring options for a new goal of 50%-55%
* By June 2021, commission will assess how to amend various rules on emissions, including a law on the bloc’s carbon market
* By September 2023, the commission will every five years assess the progress made by member states following global stock-takes under the Paris Agreement to protect the climate
* Commission may propose new climate targets every five years following the assessments; trajectory to get to climate neutrality will start with the goal for 2030
The EU executive is also seeking more powers to make sure the

bloc delivers on the net-zero emissions goal, making it more difficult for governments and the EU Parliament to object to intermediate targets. It wants to regulate those goals via measures known as delegated acts. To oppose them, a qualified majority of votes is needed in the Council of the EU, which represents member states, and a majority in the Parliament.

The biggest challenge for Europe will be to secure investment for the environmental clean-up. The costs are dizzying: to reach the existing 2030 goal Europe needs investment of €260bn ($290bn) annually.

Earlier this year, the commission proposed a 1tn-euro plan designed to be the financing pillar of the Green Deal. It envisions earmarking around €500bn from the EU budget for the clean shift over the next decade, while separately leveraging €280bn of private and public investment and establishing a funding mechanism with another €143bn, also from public and private sources, to help regions facing the most costly clean-ups.

To ensure the Green Deal materialises to be Europe's new growth strategy, new markets must be developed, with both public and private finance flowing to small and large companies alike to help them deploy first new technologies, according to Marco Mensink, director general of the chemical industry association Cefic.

"The proposal for a climate law is an important first step to achieve investor confidence, which is crucial," Mensink said. "It is a start of an important journey; our sector must go through a deep transformation, within only one or two investment cycles, for which we need enabling conditions. Therefore, much more is needed."

US caves to Europe over broaching climate change at G20

The US gave into pressure from Europeans over environmental concerns, allowing the word “climate” into a joint communique at a conference overshadowed by a viral outbreak that’s shaken the global economy.
Delegates at the G20 meeting in Riyadh spent much of their time talking about a global slowdown exacerbated by the coronavirus outbreak, but struggled to come up with a united response, according to people familiar with the deliberations.
Countries such as Japan, and institutions including the Organisation for Economic Co-operation and Development, have been pushing for those with surpluses to spend more.
One of the main addressees of the calls for more spending is Germany. So far, the export-driven country has showed little interest in significantly boosting expenditures, arguing fiscal stimulus can’t bolster foreign demand.
On climate change, differences of opinion in the Saudi capital were more stark. The US, represented by Treasury Secretary

Steven Mnuchin, objected to including a reference to the subject, according to four people familiar with the communique-drafting process. The Saudi delegation, which is hosting the event, didn't show much enthusiasm for it either, according to two of them.

After several days of heated debate, including France finance chief Bruno Le Maire cornering Mnuchin late on Saturday in Riyadh as the G20 economic leaders dined, the US reluctantly agreed to a mention of climate change, according to two people familiar with the matter.

A Treasury spokeswoman didn't reply to a request for comment.

As of Sunday morning in Riyadh, it was also looking unlikely that representatives would leave Saudi Arabia with any breakthroughs on a global taxation system that would apply to multi-national companies including tech giants like Alphabet Inc's Google and Facebook Inc, according to the people.

Europeans have baulked at a US proposal that new global rules should be a "safe harbour" regime. Mnuchin sought to reassure his counterpart by insisting such a system would not mean the rules would be optional, but Europeans said they still needed to fully assess the proposal.

If there's no agreement, several European nations will go ahead with taxes on revenues of multinational digital firms. That could spark a transatlantic trade war as the US says such measures are discriminatory and has already threatened France with tariffs.

France and the US have held tense discussions on the subject since France introduced a 3% levy last year on the digital revenue of companies that make their sales primarily online. The move was supposed to give impetus to international talks to redefine tax rules, and the government has pledged to abolish its national tax if there is agreement on such rules.

In introducing a so-called global minimum tax – a measure intended to prevent large companies from shifting profits to low-tax locales to avoid paying them at home – the sides are closer to compromise as there's little difference among current corporate tax rates among major economies, and little concern that the minimum tax would be too low, one person said.

The Rich World Must Take Responsibility for Its Carbon Footprint

China and other developing economies are instinctively wary of developed-country proposals to combine domestic carbon prices with “carbon tariffs” imposed on imported goods. But such policies may be the only way for rich-world consumers to take responsibility for their carbon footprint in other countries.

LONDON – The climate activist Greta Thunberg has accused developed economies of “creative carbon accounting” because their measures of greenhouse-gas (GHG) emissions, and of achieved and planned reductions, fail to consider the gases emitted when imported goods are produced in other countries. As Chinese officials quite rightly point out, about 15% of their country's emissions result when goods are made in China but consumed in other, usually richer, economies.

China and other developing economies also are instinctively wary of developed-country proposals to combine domestic carbon prices with "carbon tariffs" imposed on imported goods. But such policies may be the only way for rich-world consumers to take responsibility for their carbon footprint in other countries.

The "creative accounting" charge would be unfair if it were meant to imply deliberate concealment; the United Kingdom's government, for example, publishes an easily accessible carbon-footprint report. But the figures certainly support Thunberg's point. In 2016, the UK emitted 784 million tons of GHGs on a consumption basis, versus 468 million tons on a production basis. And from 1997-2016, the UK's consumption-based emissions fell by only 10%, compared to a 35% decrease in production-related emissions.

Likewise, the European Union's total consumption-based emissions are about 19% higher than those related to production. And while the United States' gap of 8% is smaller in percentage terms, on a tons-*per–capita* basis it is just as large.

China is easily the biggest counterpart to this developed-economy gap, with consumption emissions of about 8.5 gigatons per year, versus ten gigatons on a production basis. And while China's *per capita* emissions have already overtaken the UK's on a production basis, it will be several years before the country's *per capita* consumption footprint exceeds that of the UK.

So, if the developed world is serious about limiting potentially catastrophic climate change, it must take responsibility for emissions that its consumption generates abroad.

There are only two ways to do this. One is for the rich world to consume less. But although more responsible lifestyles – buying fewer clothes, cars, and electronic goods, or eating less red meat – should certainly play a role in making zero-carbon economies possible, such changes alone will not get us close to zero emissions. Nor will they necessarily close the consumption-versus-production gap, because consumption of domestically produced goods could fall as much as that of imports. And reduced imports by developed countries mean reduced exports for poorer economies, creating challenges for economic development.

The alternative is to ensure that imported goods are produced in a low- and eventually zero-carbon fashion. The ideal policy to achieve this would be a globally agreed carbon price, which would encourage producers in all countries to adopt low- or zero-carbon technologies. Absent this ideal, there are now growing calls in Europe and the US for a second-best solution – domestic carbon prices imposed in particular countries plus “border carbon adjustments,” meaning carbon-related tariffs on imports from countries that do not impose an equivalent carbon price on their producers.

The immediate reaction of policymakers in China, India, and many other developing countries may be to condemn such policies as yet more protectionism in a world already destabilized by US President Donald Trump’s tariff wars. And anti-Chinese political rhetoric in the US – sometimes including the absurd accusation that China is an irresponsible polluter even though its *per capita* emissions are half those of the US – creates a difficult environment for rational policy assessment.

But in most industries, the combination of domestic carbon prices and border carbon tariffs poses no threat to the competitiveness and growth prospects of exporting companies in developing economies. Imagine that European steel producers were subject to a new carbon tax of €50 ($54) per ton of CO_2 within Europe, which also applied to imports of steel from China or anywhere else. In that case, the relative competitive position of European and foreign steel producers seeking to serve European customers would be unchanged compared to the no-tax starting point. And Chinese or Indian steelmakers, or companies in other high-emission sectors, are as well placed as their European or US peers to adopt new technologies that reduce the carbon content of their exports (and thus their liability to border carbon taxes).

Indeed, domestic carbon prices plus border adjustments are simply an alternative route to achieving the international level playing field that ideally would be secured through a global carbon price applied simultaneously in all countries. There is one crucial difference, though: if carbon taxes are imposed at the importing country's border, rather than within the exporting country, then the importing country gets to keep the tax revenue.

That fact increases the incentive for exporting countries to impose equivalent domestic carbon taxes, rather than leaving their companies to pay taxes at the importing country's borders. As a result, domestic carbon taxes with border adjustments could well prove to be an effective stepping-stone toward common global carbon prices, even if explicit international agreement on a global regime cannot be achieved.

Furthermore, such an approach suggests a potentially attractive way to encourage wider acceptance of border tariffs as being legitimate, necessary, and unthreatening. To be sure, the revenues from any carbon taxes levied on domestic producers should be used within the domestic economy – whether to support investment in low-carbon technologies or as a "carbon dividend" returned to citizens. But there is a good argument for channeling the revenues from carbon tariffs to overseas aid programs designed to help developing countries finance their transition to a zero-carbon economy.

Thoughtful developing-economy negotiators should argue for such revenue transfers, rather than opposing a policy that developed countries will have to deploy. After all, richer economies must not only drive down their own industrial emissions, but also take responsibility for those that their consumption is generating elsewhere in the world.