

Climate Change - Business Opportunity and Challenges

A stylized sun graphic in light blue, consisting of a central circle, a larger outer arc, and several rectangular rays extending upwards from the top arc.

Presentation at Seminar Organised by

Indian Chemical Council

November – 4, 2006, World Trade Centre, Mumbai

 **ERNST & YOUNG**

Quality In Everything We Do

Climate Change – Business Opportunity

- ❑ Global Carbon trade amounted to US \$10.9 billion in 2005
- ❑ US \$7.5 billion worth of carbon trade took place only in the first quarter of 2006
- ❑ India considered to be the largest beneficiaries of the carbon credit trade accounting for about US \$5 billion of the total world carbon trade

Source: IETA and Economic Times

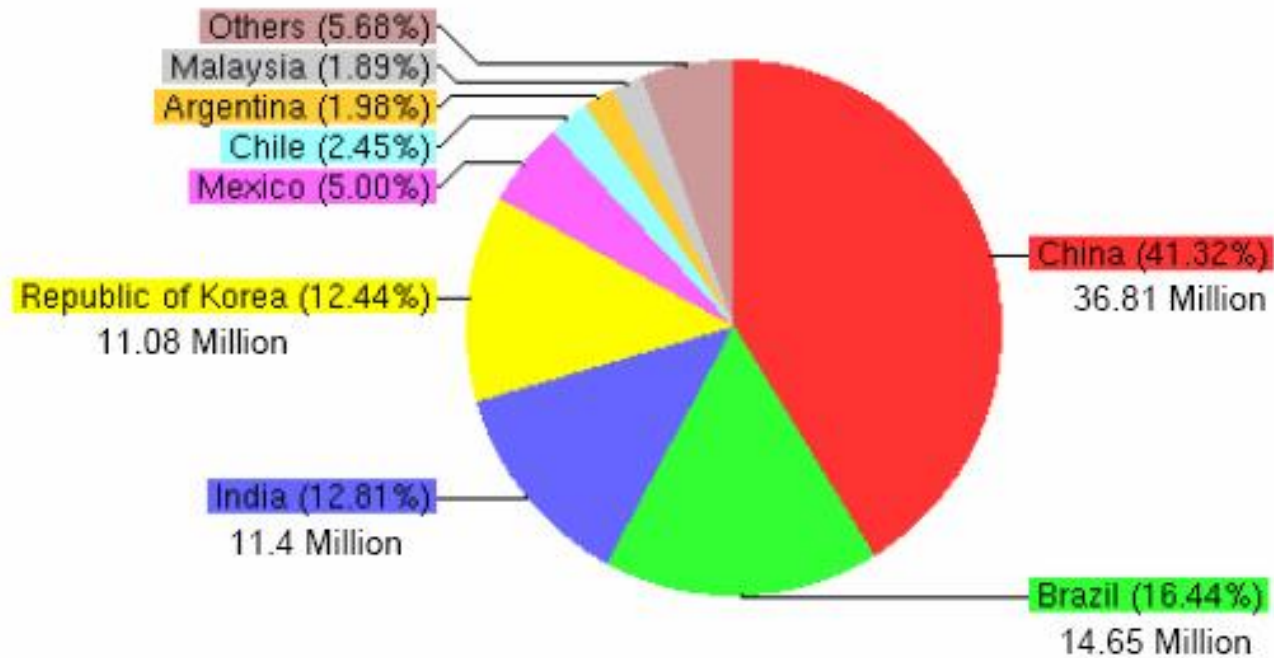
Climate Change – Business Opportunity

- 374 million CERs transacted; Valued at US\$ 2.7billion in 2005
- In the first quarter of 2006 US \$ 0.9 billion worth transaction of CERs took place
- Average price in 2005 : US \$ 7.23/CER
- Average price in 2006 : US \$ 11.45/CER
- Countries generating CERs
 - 2005 ~ 24
 - In 2006 ~ 30
- 2007 and beyond CDM – CERs and JI - ERUs

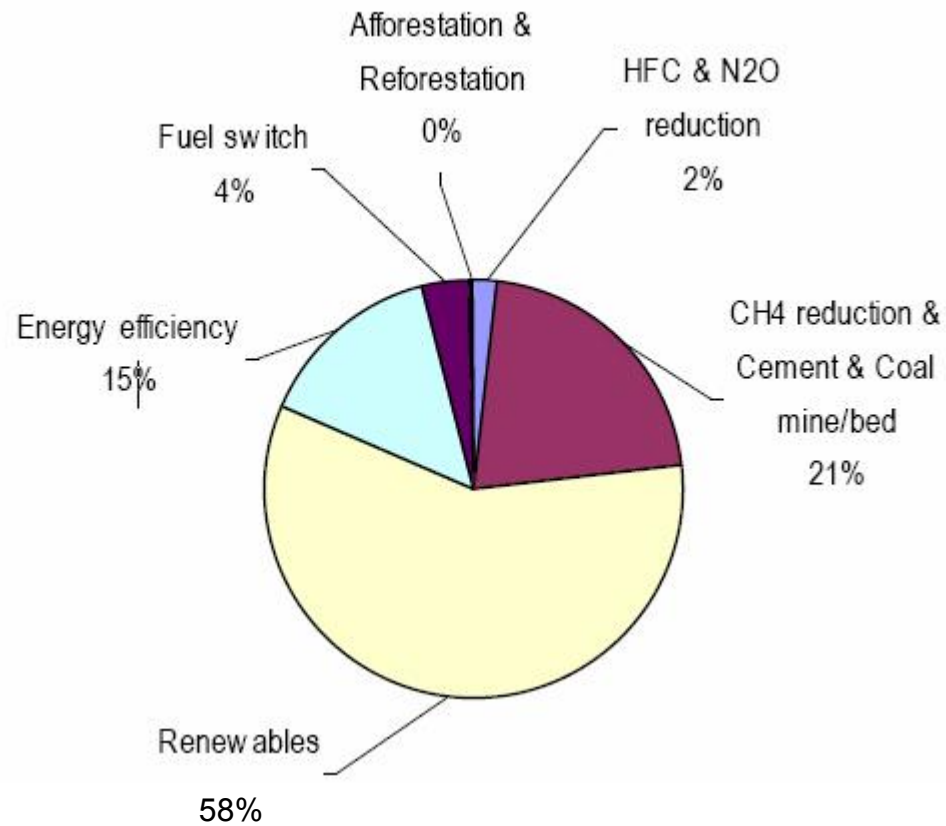
Source: IETA and Economic Times

CERs – The Journey so far...

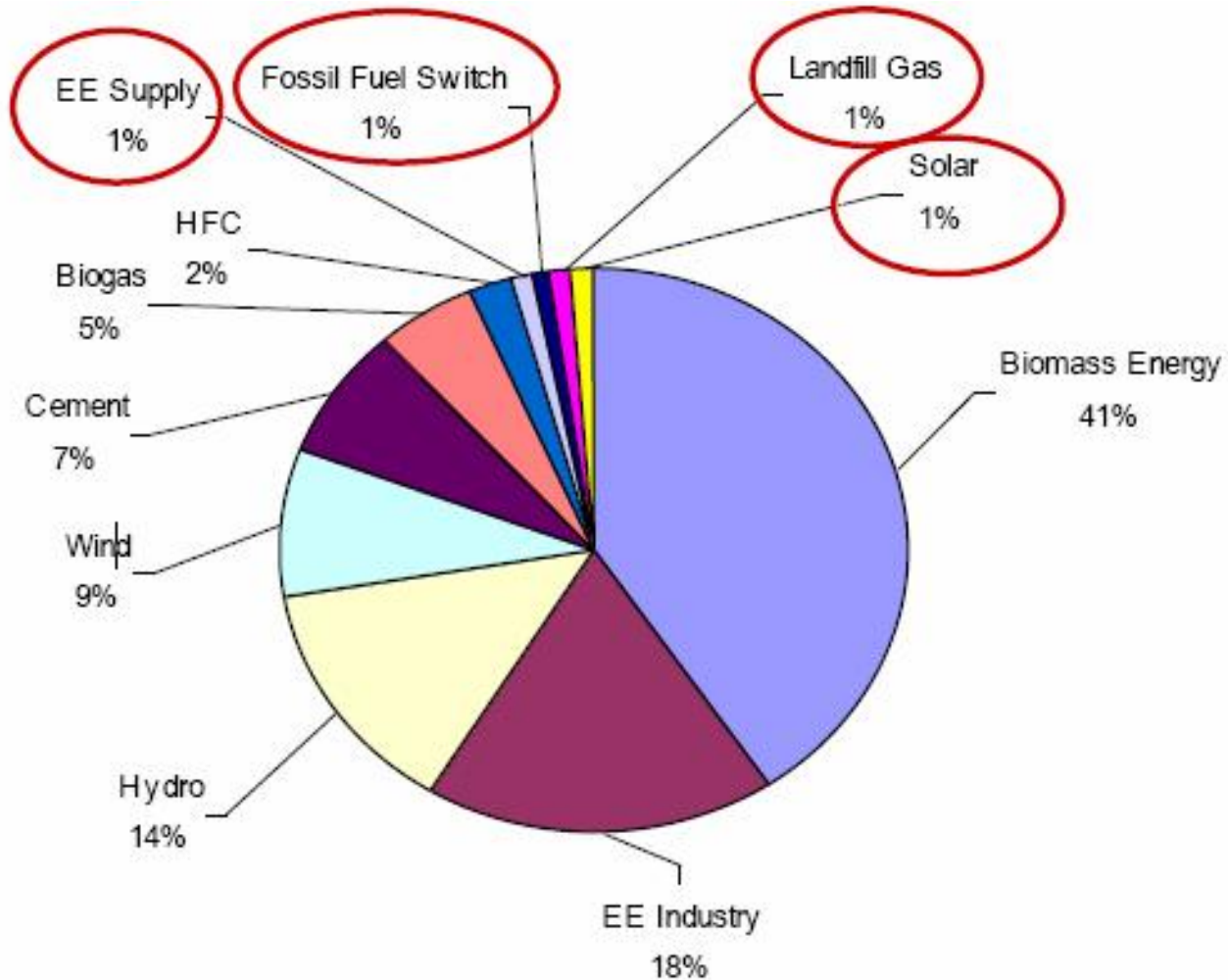
Expected average annual CERs from registered projects by host party. Total: 89,083,028



CDM Projects – Sectoral Distribution (Global)



CDM Projects – Sectoral Distribution (India)



Current Emissions & Projections - India

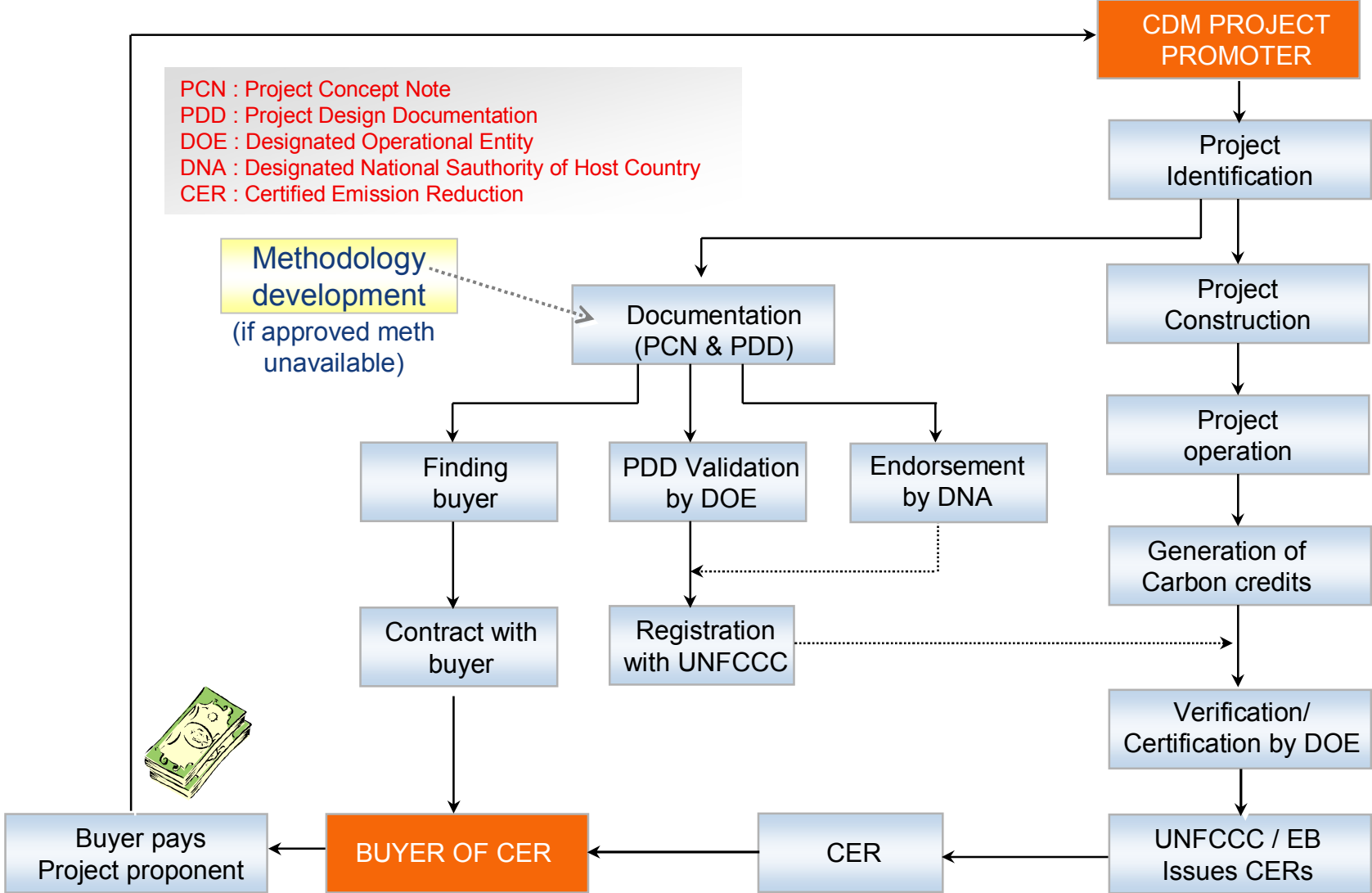
- On a CO₂ equivalent basis, CO₂ emissions account for 53% of the total emissions, CH₄ and N₂O contribute 39% and 8% respectively.
- The energy sector accounts for 87% of the total emissions, the rest coming from the land conversion (9%) and other industry
- Biomass burning and agriculture sector are the main sources of CH₄ and N₂O emissions. A small portion is contributed by the transport sector.

Source: ALGASa (Asia Least Cost Greenhouse gas Abatement Strategy) project (ADB 1999)

CDM – What it means for India??

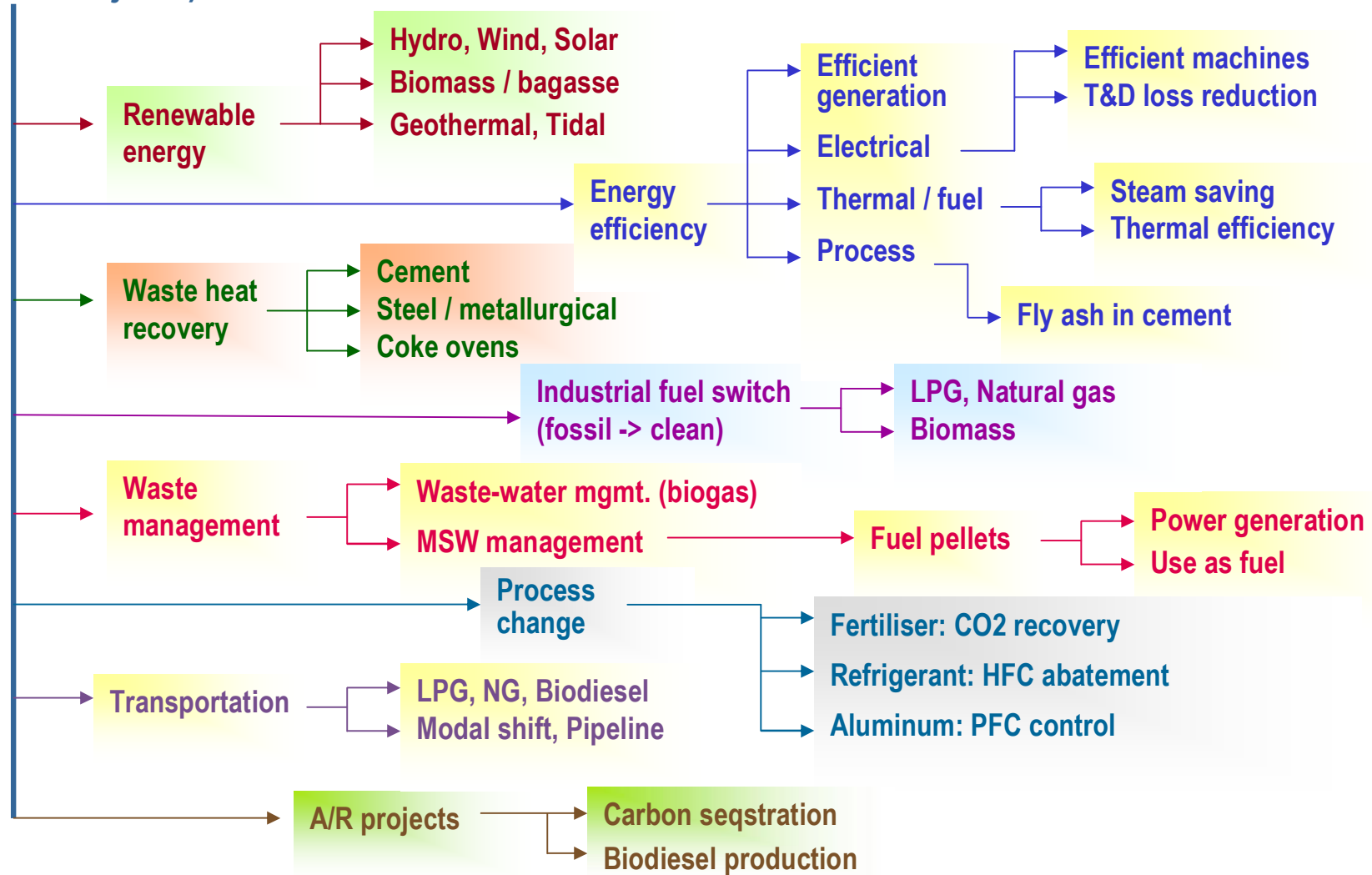
- **ET TOP 200 List**
71 Companies
- **Seminars/ Events on CDM in last 365 days**
> 30
- **News items in leading news papers**
Almost daily
- **Employment Generation**
Difficult to estimate thoughEY Example
- **Service Sector to Support Climate Change Initiatives**

Typical CDM project cycle

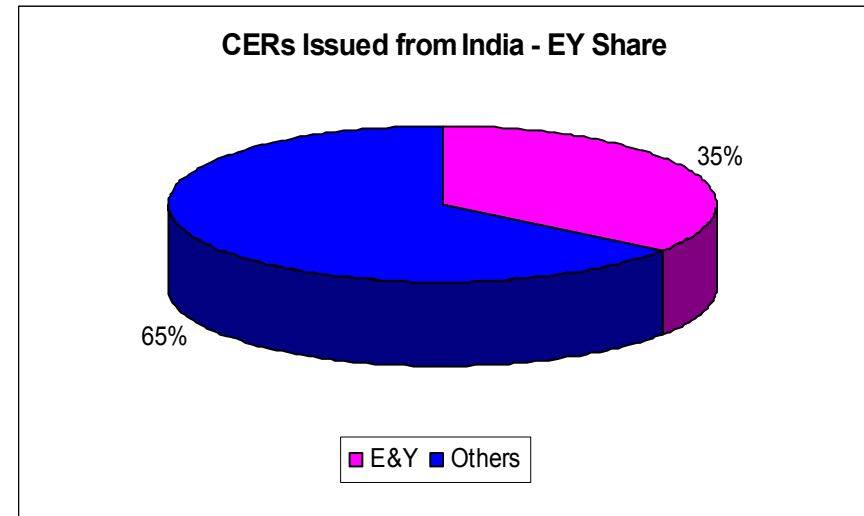
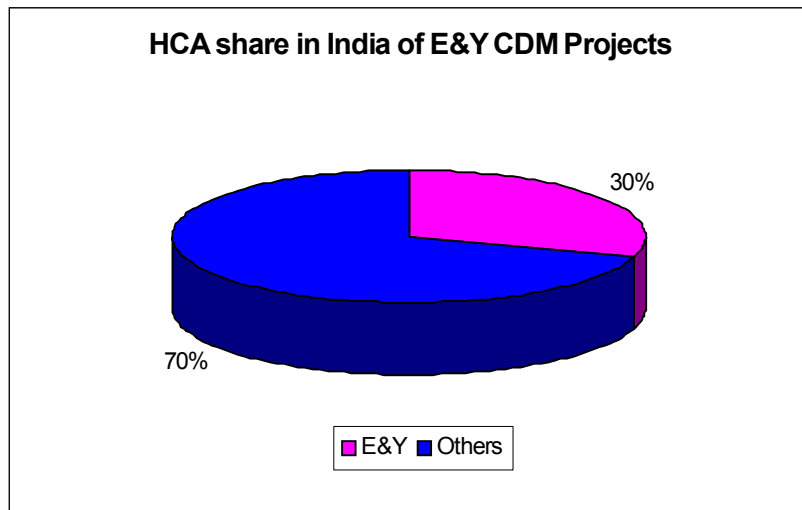
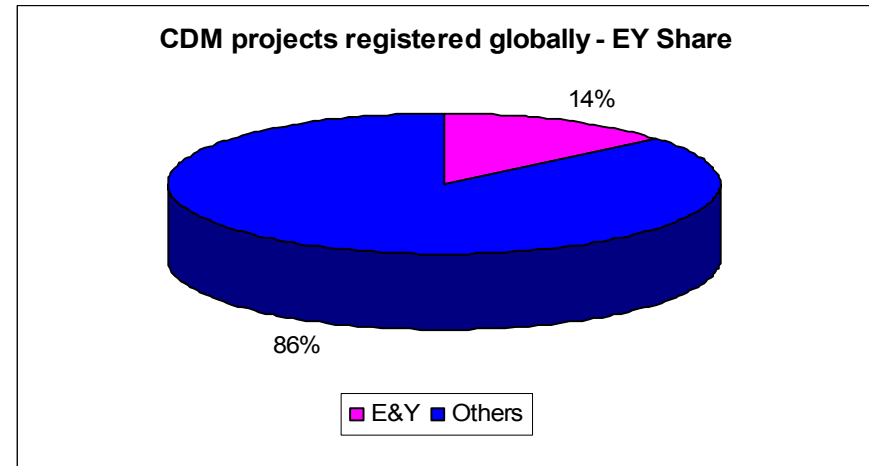
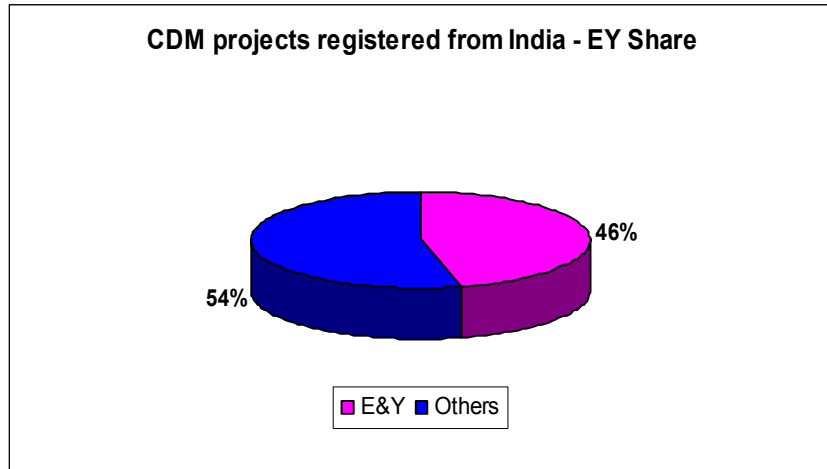


Typical CDM Opportunities

(CDM Projects)



CDM and E&Y Leadership



Managing Environment for Business Success

Environment & Sustainability Services (ESS), a part of **RABS** in India, helps clients in managing risks and leveraging opportunities in the areas of energy and environment

Key areas:

Climate change advisory / CDM projects

Corporate sustainability management and reporting

Environment, Health & Safety (EHS) assessments and due diligence

Sustainable energy solutions

Life cycle assessment

To know more about us

http://www.ey.com/global/content.nsf/India/ESS_-_Overview

Thank You



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