

# Trade spinoffs expected from Kyoto Protocol

*S'pore's decision to join international agreement could open up opportunities for business*

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(SINGAPORE) Singapore will join the Kyoto Protocol aimed at reducing the greenhouse gas emissions that are damaging the world environment. But the move is unlikely to add to costs or crimp economic growth - fears that have been raised in other countries.

Instead, the move could open up new opportunities for Singapore companies to exploit the growing global market for energy-saving devices and clean technology.

For a start, Singapore will launch a mandatory labelling scheme to recognise energy-efficient electrical appliances. But manufacturers do not see this as a hurdle to profits, as most already follow a voluntary scheme.

'Singapore intends to engage in the ongoing international debate on how to manage greenhouse gas emission levels in a manner that is not harmful to economic growth,' Environment Minister Dr Yaacob Ibrahim said yesterday. 'By balancing environmental quality and sustainable economic development, Singapore will continue to prosper economically and provide a high-quality environment for residents, investors and visitors.'

Dr Yaacob urged companies to capitalise on the business opportunities arising from action on climate change. These could range from the development of alternative energy technologies to carbon trading, he said.

The Kyoto Protocol is a global treaty that requires countries to reduce their emissions of carbon dioxide and other heat-trapping gases to 5.2 per cent below 1990 levels. As of February this year, 161 countries had signed and ratified the pact. The US and Australia remain the two industrialised nations that have signed but have declined to ratify the treaty. They argue that doing so would be too costly for their economies, which are partly reliant on extracting and consuming fossil fuels.

Singapore is not in that position. But still, joining the treaty will place some demands on it. First, it will tackle the issue of energy efficiency - particularly the use of electricity-draining appliances that are essential to combat the country's tropical climate.

The Ministry of Environment and Water Resources will require that all air-conditioners and refrigerators carry energy-efficiency labels from mid-2007.

'This will allow consumers to make informed choices on appliances whose energy consumption forms a significant part of their utilities bill,' Dr Yaacob said yesterday. 'My ministry is now working with suppliers to ensure a smooth transition to the mandatory labelling scheme. We will also study the possibility of expanding the labelling scheme to include other energy-intensive appliances such as clothes dryers, dishwashers and water heaters.'

The labels will indicate energy consumption and rate the efficiency level of products. But manufacturers here say they have already taken major steps in this direction under a voluntary Energy Labelling Scheme implemented in 2002.

Jonathan Yeo, general manager of Mitsubishi's live-in environment and home electronics division, said all but the oldest of the company's air-conditioners and refrigerators are certified under the voluntary scheme. 'We have applied the labels religiously,' he said.

The tougher labelling regime that will be introduced will not force consumer prices up. Although testing costs several thousand dollars per unit, only a percentage of units are sampled, so the extra cost per unit sold is 'negligible', Mr Yeo said.

As of January this year, Singapore's National Energy Efficiency Committee (NEEC) had certified and labelled 121 air-con and 77 fridge models, or 27 and 20 per cent of available models respectively. The labelled models listed on the NEEC's website (<http://www.neec.gov.sg>) all come from established names, including Daikin, Panasonic, Carrier and Samsung for air-con units; and Fisher and Paykel, Amana and Bosch for refrigerators.

In another move aimed at promoting better use of resources, a voluntary water efficiency labelling scheme will be launched this year for products like washing machines and toilet cisterns.

And to curb packaging waste, the authorities are working with food and beverage producers on a voluntary agreement to cut the amount of material used.

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