



REGERINGSKANSLIET

Memorandum

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Ministry of Sustainable Development

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Statement by H E Ms Lena Sommestad, Minister for
Environment, Sweden at Natural Gas Vehicle Conference,
San Francisco, October 6, 2005

President Horne and President Kolodziej,

It is a great pleasure for me to visit the United States and
California and to have this opportunity to address this
knowledgeable audience on the segment on "*Charting a Course
For Sustainability*."

During this week in the United States I have had the opportunity
to address joint Swedish-US cooperation in several areas,
especially related to climate change. The reason I would like to
address you at this meeting is to share with you the Swedish
experience of Biogas development. We have already had a
seminar in Washington D.C on the topic and it attracted high-
level decision makers as well as industry and NGO

representatives. Later this afternoon we will hold a similar event in Sacramento.

I am also happy that I through the long established good relations with WestStart-CALSTART had an opportunity to speak to you today.

The United States of America is a very important partner for Sweden. The United States is not only Sweden's biggest export market. More than 200 000 Americans are also employed in Swedish-owned companies and more than 110 000 Swedes are employed in American-owned companies. So it is not surprising that our two countries already co-operate in a number of areas: trade, investment, commerce, culture, research and science.

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We live in an era of increased international interdependence. As Minister for the Environment, I am reminded of this interdependence on a daily basis. The most dramatic example is the threat of climate change. Greenhouse gasses know no boundaries and the effect of global warming can only be met by a global response.

There is no doubt; Climate change is one of the greatest challenges of our time. A few years ago, we often talked about climate change as a future threat – something that scientists told us *could* happen. Today, we know that climate change is already here. Temperatures are arising. Glaciers are melting. Hazardous and dramatic weather events have become more frequent. As a Minister, I can observe a significant change as regards the attitudes towards climate change, in recent years, not least among colleagues.

The threat of climate change is now recognized, everywhere, as a major political issue. There is also a growing public awareness. Citizens demand that we take action – and action is taken, not only by governments, but also by business. Our seminar here today is part of this process.

In view of the tremendous risks that we are facing, the long-term goal for all of us must be a fossil-free society. And to achieve this, new technologies – and the development of new technologies – are key. Biogas from waste is one innovative and promising example. We know that private business must play a

major role in the transition to a fossil-free society. But markets alone cannot make it. We must ask ourselves: - What could governments do to facilitate this transition to a fossil-free society?

Let me share with you some lessons learned in Sweden in recent years, when we have made a major effort to cut greenhouse gas emissions.

First lesson; ambitious targets are important. We have set a climate target that is even more ambitious than Kyoto – to reduce the country's greenhouse gas emissions by 4%, 1990-2010. The goal is to modernize Sweden and to make our society more resource efficient and competitive – a process of change that will drive innovation in environmental technologies, new jobs, economic growth and better quality of life.

The transport sector is Sweden's single largest source of greenhouse gases, and emissions are increasing. Therefore, we now focus on the transportation sector, and to make this political priority clear, we have projected a target for this specific sector

as well. The target is that by 2010, at least 5,75% of all fuels for vehicles are to come from renewable sources.

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I am convinced that the ambitious targets set by the Swedish government go a long way in explaining that we have managed to reduce our greenhouse gas emissions significantly, without negative impacts on growth and competitiveness. Since 1990, Sweden has reduced CO₂ emissions by 3%. At the same time, our economy has grown by some 30%.

A second lesson is that we should give priority to close cooperation with business. The successful development of the Swedish biogas technology is an illustrative example. To support the production of biogas from waste, as well as the use of biogas for cars, the government has supported investments in renewable technologies. We support locally designed, innovative programs that contribute significantly to cut greenhouse gas emissions. This approach, I must say, has been one of our great success stories. By supporting local projects, we have not only been able to make deep cuts in greenhouse gas emissions. We have also contributed to capacity building and we have promoted innovative companies.

To support renewables in the transport sector, the Swedish government has also used public procurement. In 2006, the target is that 35% of all cars bought by the central government should be environmentally friendly cars. In addition, the government has proposed a bill to increase the public's access to renewable fuels. According to the new legislation, all larger petrol stations in Sweden must offer renewable motor fuels, such as biogas or ethanol.

A third lesson learnt is, that we need long-term stability in policies and measures.

In Sweden, we have given high priority to tax incentives, with a major "green tax shift" to stimulate the transition to environmentally friendly technologies. This CO₂-tax in particular has been important. As regards the transportation sector, all CO₂-neutral fuels – such as biogas – are exempt from CO₂-tax and energy tax. We also offer tax relieves for environmentally friendly cars.

Today, Sweden has the largest fleet of biogas vehicles in the world. In the last few years, the market has grown with 15-20% a year. But a lot still remains to be done, and to us, cross-boarder cooperation is the next step!

We have a lot to learn! My visit to the United States and California is important and I am impressed by all political initiatives.

I am happy for the presence of the Swedish business community here today. Together we are working towards a large-scale implementation of the biogas technology. For this purpose we need to broaden our co-operation internationally. The co-operation between WestStart-CALSTART and Business Region Göteborg is a good example of this. A range of interesting opportunities for exchange of technical concepts and knowledge are opening up. California has been a major source of inspiration. One area of particular interest is the Californian hydrogen highway initiative.

To conclude: It is my firm belief that by working together we will be able to multiply the benefits. The Swedish government

gives high priority to developing our cooperation with the United States. In order to facilitate US–Swedish co-operation, Sweden has made a major effort by adding new personnel, focused on promotion, in Washington, New York, Los Angeles and Houston. In addition, let us not forget the extensive network of honorary consuls, the Swedish Trade Council, the Invest in Sweden Agency and the Swedish–American chambers of commerce.

I hope my visit to the United States will result in more concrete co-operation developing between Sweden and the United States.

Thank you.