

China could be \$1 trillion green tech market

September 10 2009, By ELAINE KURTENBACH , AP Business Writer

(AP) -- China potentially could be a \$500 billion to \$1 trillion a year market for environmentally sustainable "green technologies," a group of businesses and experts said in a report Thursday that urges governments to ease the way for such initiatives.

The report by the China Greentech Initiative, a group of more than 80 leading technology companies, non-governmental organizations and policy advisers, pinpointed opportunities from 300 potential green technology options for China, spanning energy, water, buildings, transportation and industry.

But government support is key, said Richard Gledhill, global leader of Climate Change & Carbon Market Services in London for PricewaterhouseCoopers, a consultancy that helped head the research.

According to the U.S. International Energy Agency, holding climate change to just a 2 degrees Celsius increase over the next two decades will require \$9 trillion in extra spending, he said.

"The private sector has a key role to play in delivering the required investment at the scale required to avoid dangerous [climate change](#). But it will only do this if there is a clear, long-term policy framework to underpin prospects of a reasonable return," Gledhill said.

The project defined greentech as technologies, products and services that benefit users as much or more than conventional alternatives, while limiting the impact on the natural environment and promoting efficient

and sustainable use of energy, water and other resources.

While such changes are needed worldwide, China's rapid growth and dizzyingly fast urbanization are contributing to a building boom that has created more than twice the floor space as in the U.S.

About 18 million people migrate from rural areas to the cities each year, so that by about 2050 China will have more than 200 cities with populations of more than 1 million people, the report said.

Such growth will require huge increases in use of [energy](#), [water](#) and materials that will force [China](#) to adopt new, environmentally friendly technologies, it said.

Both Chinese and foreign companies will find new opportunities, though they still face challenges, particularly in overcoming barriers to transfer of technologies and preventing piracy of intellectual property such as patents.

"We need to find new business models to accelerate investment since so much of the technology is owned by universities rather than businesses," Gledhill told a recent conference in Shanghai on [green technology](#).

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