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Global Footprint Network  
Advancing the Science of Sustainability

# The import of CO<sub>2</sub> emissions from China and India

**Sweden's contribution to reduction of CO<sub>2</sub>  
emissions - a global dimension**

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## **WORDS**

"Sweden must be proactive in bringing about strategic energy cooperation among the EU, China and India with the aim of supporting their efforts to limit their emissions of greenhouse gases."

Statement of Government Policy presented by  
Prime Minister, Mr Fredrik Reinfeldt, to the Swedish Riksdag (Parliament)  
Friday, 6 October 2006<sup>1</sup>

## **FACTS**

"China is now the world's fourth largest economy and growing very fast. India's economic salience is also on the rise. Together these two countries will profoundly influence the pace and nature of global economic change"

Dancing with Giants: China, India, and the Global Economy, World Bank, 2007

## **ACTIONS?**

The Swedish Government 2007-2009

### **Summary: The key findings and recommendations**

WWF is continuing the work to support the development of Sweden as a globally sustainable energy actor. As a first step after the election, where the new government promised to support a sustainable energy development in China and India, WWF asked the Global Footprint Network<sup>2</sup> to calculate the amount of CO<sub>2</sub> that is imbedded in the goods that Sweden import from China and India.

The research by the Global Footprint Network team, Alessandro Galli, Justin Kitzes, Mathis Wackernagel, showed that the import from China is equivalent to roughly 3 500 000 tonnes CO<sub>2</sub> and the import from India is equivalent to 1 200 000 tonnes CO<sub>2</sub>. ***The combined amount of CO<sub>2</sub>, 4 700 000 tonnes, from these two countries alone are equivalent to approximately nine percent of Sweden's total domestic CO<sub>2</sub> emissions.***<sup>3</sup>

A simplistic response to this challenge would be to say that Sweden should reduce the import from China and India. However this is neither realistic nor strategic. ***China and India are already today global factories and the CO<sub>2</sub> imbedded in the goods they export to the world is 3 381 000 000 tonnes. That is approximately the equivalent to 64 times the Swedish domestic CO<sub>2</sub> emissions.*** The export from China and India will continue to grow as their economies grow. The question is what direction these two economies will take, if it will be an energy inefficient and high carbon development path or if it will be an energy efficient and low carbon development path. The development path will to a significant degree will depend on the demand from countries that import the goods produced in these countries.

Right now global energy use is increasing rapidly, with demand expected to increase more than 50 percent by 2030 if current trends continue.<sup>4</sup> With China today the world's second largest consumer of energy, India the sixth and the Asia-Pacific region predicted to consume more than one-third of the world's energy by 2020,<sup>5</sup> political and business leaders must realise the importance of cooperation, support and new strategic alliances in the field of energy and beyond

Through EU Sweden has a unique opportunity to collaborate with both China and India. In 2006 China remained EU's second biggest trading partner (after the US) and, according to China's statistics, the EU is China's first trading partner (ahead of the US and Japan).<sup>6</sup> The European Union also remains India's largest trading partner, accounting for 21.77% of India's exports and 18.33 per cent of total Indian imports in the year 2003-04.<sup>7</sup>

With the emergence of China and India as global super powers it is necessary to approach the import from China and India, not as a climate problem, but as both a climate and economic opportunity. If Sweden through strategic actions can support a situation where China's and India's export becomes less carbon intensive a lot could be gained. In order to make this happen Sweden should first of all develop a strategy to support the efforts of China and India to limit their emissions of greenhouse gases. This is already something that Sweden has pledged to do.

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This focus and pledge is unique in the world to WWF's knowledge and it is something that WWF strongly support. However, so far WWF have not seen any concrete proactive action to

make this happen. WWF would like the Swedish government to clarify who the responsible person for this is and what resources are available, both in money and personnel.

Instead of action it seems as if the global perspective sometime is used to polarise between domestic focus and focus in China/India. This polarisation, supported by many different actors that for different historic reasons seem to prefer national or international investments, is something WWF find deeply troubling. If we are to address the global challenge of Climate Change in an equitable as well as cost efficient way we need to think and act with a global strategy. This will require that the Swedish Government link domestic actions with international initiatives. It can not be approached as a question of “either or”, but how domestic and international actions should be combined to deliver the reductions needed to stay below a 2°C increase in temperature (not only to meet the Kyoto commitments that are only a small step, but all too often the only focus), deliver energy security and maximum business opportunities. WWF see two key areas that must be addressed

*The first area: Improve the climate quality of the import from China and India.* This would happen if the government developed and implemented a strategy for sustainable import where tools like public procurement, distribution of relevant information about the needs in Sweden and support for progressive supply chain management are used to support leading companies in China and India. Sweden and Swedish companies could then play an important and strategic role in supporting their efforts to limit their emissions of greenhouse gases. It is important that these policies are developed in dialogue with China and India to ensure that it will support these countries development. In China the targets for energy efficiency and renewables in the 11th five year plan provide a very good starting point.<sup>9</sup>

It is also important that Sweden work through EU to ensure support and multiplication of the above measures. Therefore the targets for Swedish CO<sub>2</sub> import should also be formulated and achieved in order to ensure a multiplication effect. Sweden should not focus on the Swedish import from China/India alone but the import of other countries, especially in EU, from China/India.

*The second area: Review the climate quality of the export to and investments in China/India.* Here it is important to move away from the traditional definitions of environmental goods and services.<sup>10</sup> Focus should be on how a low carbon development can take place and a resource efficient infrastructure created. Methods to calculate CO<sub>2</sub> in the export should immediately be developed. Both for export of energy intensive goods such as paper and steel, where Sweden is a significant exporter, and for new solutions in urban planning that reduce CO<sub>2</sub> emissions, this can include everything from buildings to ICT solutions. With regards to the first area SCB has already produced an interesting report that could be used as a starting point.<sup>11</sup> For the second area, an overview of potential products and services that could be of interest already exists in earlier studies.<sup>12</sup>

In order to become proactive in bringing about strategic energy cooperation among the EU, China and India WWF recommends the Swedish government to, before summer 2007, implement a ten point programme for climate innovative trade and investment. This might be ambitious by Swedish traditional standards, but it is only a first step to a serious strategy to address the climate challenge.

*Ten point programme: An innovative trade & foreign policy for sustainable energy solutions*

1. Improve the climate quality of the import from China and India (see above).

2. Review the climate quality of the export to and investments in China/India (see above).
3. Initiate six-eight collaboration projects with China and India with the aim to develop sustainable energy solutions.
4. Support twelve strategic projects in China and India. These should reduce the emissions in these two countries with the equivalent of at least ten percent of Sweden's emissions.
5. Collaborate with at least three leading Swedish companies to develop support for export of sustainable energy solutions.
6. Create a fund, minimum 250 million SEK, that will be used to support sustainable energy solutions.
7. Support the creation of twin-cities in Sweden and China/India where collaboration and implementation of sustainable energy solutions is the goal.
8. Review the possibilities to change in investment criteria for pension funds (especially AP 1-4 + AP6 of the five "buffer funds" plus AP7 in the Swedish pension system.)
9. Ensure the implementation of at least 12 strategic investments and initiatives, including fiscal reforms, administrative changes and subsidies, in Sweden that support companies that later can export sustainable energy solutions.
10. Evaluate Swedish trade and investments in sustainable energy solutions through the implementation of a system that can calculate the CO<sub>2</sub> effects of export to/import from and investments in/from China/India.

All of the above measures should be developed in collaboration with China and India as well as EU and other relevant actors.

### **Methodology**

For the calculations, Global Footprint Network considered the tonnage of various categories of products flowing from China and India to Sweden. Global Footprint Network multiplied 600+ product flows (tonnes) by world average energy intensity of each good (gigajoules per tonne) and the country-specific carbon intensity (tonnes CO<sub>2</sub> per gigajoule).

The energy intensities come from the International Energy Agency ([data.iewa.org](http://data.iewa.org)). These energy intensities reflect the average carbon efficiency (or inefficiency) of electricity and heat production in China and India (e.g., that electricity in China and India have a higher CO<sub>2</sub> emission per kilowatt hour than other nations). The use of the world average energy intensity, however, means that we are not capturing the relative efficiency of inefficiency of industrial production (e.g., that it may take more energy to make a product in China than it does elsewhere the world). To the extent that energy efficiencies of production in China and India are lower than the world average, this method may result in an underestimation of the total embedded CO<sub>2</sub>.

In a more detailed analysis, country-specific energy intensities in addition to the country-specific carbon intensities would be used.

Data sources are International Energy Agency ([data.iewa.org](http://data.iewa.org)) for carbon intensities, an internal GFN database for the energy intensities (collected over the years and currently published in the National Footprint Accounts), and UN Statistics COMTRADE for the product flow weights.

2003 is the most current year available, as there is a few year time lag in how frequently the COMTRADE database releases finalized numbers. 2003 is also the most recent year that Global Footprint Network has calculated its National Footprint Accounts.

# **BACKGROUND**

### **The situation: The rise of China and India**

China and India. Rarely has the economic ascent of two still relatively poor nations been watched with such a mixture of awe, opportunism, and trepidation. The postwar era witnessed economic miracles in Japan and South Korea. But neither was populous enough to power worldwide growth or change the game in a complete spectrum of industries. China and India, by contrast, possess the weight and dynamism to transform the 21st-century global economy.

Businessweek, A New World Economy, August 22, 2005

The world is changing fast and two new economic superpowers, China and India, have emerged as leading actors on the world scene. Or to be more correct, re-emerged, as China was the world's largest economy until 1820.<sup>13</sup>

In the recent past, much of the discussion regarding China's and India's role in the global economy has been in the context of the countries as competitors.<sup>14</sup> From a sustainability perspective the most important question, of course, is not whether China or India will emerge as the more dominant economy, but rather how these two emerging superpowers can contribute to the goal of sustainable development?<sup>15</sup> Three areas are important in this regard, first how China and India can support a sustainable development on their own, second how they can work together and third how, in collaboration with the rest of the world, their rapid development in different ways can contribute to global sustainability.

Significant investments in infrastructure are planned in both countries the coming year, but many of these investments are planned to follow unsustainable western development models that are resource inefficient and incapable of delivering an equitable welfare distribution.<sup>16</sup>

Over the next decade it can be assumed that the economic focus will gradually shift from the current dominant economies of the EU, Japan and the US, to the China-India axis as these countries become economically more powerful. The direction in which China and India moves is therefore set to significantly influence the movement of the world economy as a whole.<sup>17</sup>

In every country, energy policy and the investments which occur in the energy sector, are closely linked to issues such as climate change, local pollution, welfare creation, national security and public participation in key decisions. The manner in which such policies are formulated and implemented will therefore play a significant role in shaping the society.

The increasingly prominent role of the private sector in the global economic arena also raises the question of how the business focus can be shifted. The focus need to shift from mitigation of environmental impacts through implementation of minimum standards, to the promotion of corporate leadership and solutions that deliver the sustainable goods and services the world requires. Instead of incremental improvements of existing technologies we must ask how the services we need can be provided within the carrying capacity of the planet.

## **The focus: Sustainable urbanisation**

The world does not have the resources for another 5 billion people or so to behave the way that Americans do today.

The Economist, A survey of the world economy, September 16, 2006

Midway through the first decade of the 21st century, the world is rapidly approaching a situation where, for the first time in human history, more people will live in cities than rural areas.<sup>18</sup> Exactly when this point will be reached is unclear, but it is estimated that humanity is likely to cross this historic threshold sometime during 2007.<sup>19</sup>

Over the coming decades, virtually all of the population growth in the world will take place in urban environments, resulting in a situation where approximately two billion additional people will live in cities by 2030.<sup>20</sup> As a result, the demand for investment in urban solutions that can improve quality of life without consuming excessive natural resources will increase over time. Parallel to this trend, global energy use is increasing rapidly, with demand expected to increase by more than 50 percent by 2030 if current trends continue.<sup>21</sup>

With China being the world's second largest consumer of energy, India the sixth and the Asia-Pacific region predicted to consume more than one-third of the world's energy by 2020,<sup>22</sup> political and business leaders realise the importance of cooperation, mutual support and the formation of new strategic alliances in the field of energy solutions and beyond.<sup>23</sup>

In China the urbanization rate currently stands at 1.4 per cent, which means that about 20 million farmers become urban residents each year. This is four times the Swedish population, or a third of the UK population. At this pace, the country's rate of urbanization will reach 55-60% by 2020. That means up to 60% of its projected 1.5 billion 2020 population, or 900 million people, will live in cities. Currently, about 30% of the 1.3 billion Chinese dwell in cities - about 390 million people.<sup>24</sup> Chinese cities and towns are expected to absorb about 300 million people from rural areas in 20 years if the urbanization drive maintains a growth of 1 per cent annually.<sup>25</sup> This is equivalent to the whole US population or more than twice the population of Japan.

In India the number of "million plus" cities increased from 5 in 1951 to 23 in 1991 and to 35 in 2001. About 37% of the total urban population live in these million plus cities.<sup>26</sup> Today India has 286 million people living in over 5000 cities and towns with over 40 per cent of them living in 60 metropolitan urban agglomerations. There are 62 million urban people living in slums and squatter settlements today. It is projected that urban population of India will grow to 468 million by 2020.<sup>27</sup>

The way China and India invest in new urban solutions will drive technology development and institutional innovation not only in the two countries but globally. In the case of energy it is important to ask what steps that are required in order to move beyond mere incremental improvements in efficiency and reduced emissions in the power sector, to the implementation of innovative and sustainable approaches such as technology-based alternatives to business travel and new urban planning models?<sup>28</sup>

## **The issue: Sustainable energy solutions**

On current trends, we are on course for a dirty, expensive and unsustainable energy future," IEA Executive Director Claude Mandil said at the report's launch in London. "In response, urgent government action is required. The key word is urgent.

International Herald Tribune, November 7, 2006.

The old energy economy is well-organized, well financed, and politically influential. The new energy economy is entrepreneurial and decentralized, undercapitalized, and lacks substantial political power. Yet its economic potential is enormous. How do we tap it?

Clinton Global Initiative, September 15-17, 2005

Saving energy, or to be precise increasing energy efficiency and finding new innovative system solutions, has been identified as a strategic priority by WWF. About half of the solution to stay below 2°C global warming by 2050 can according to WWF be delivered via the much more efficient use of the energy we use. Technically about 90-95% of all primary energy, and thus carbon emissions, could be saved while providing same services and benefits if only the most efficient and best available technologies could be deployed. Efforts to make energy use more efficient provide triple dividends by promoting social development, enhancing competitiveness, and delivering energy security.

Since many of the existing barriers to a widespread dissemination of efficient technologies are regulatory, educational and financial but not technological, setting the right economic incentives and establishing an appropriate policy and regulatory framework is essential. Enhanced energy efficiency and energy conservation therefore must be promoted as a pre-condition for any sustainable energy future.

Today energy and solutions markets are segmented by sector and region, but globalisation is increasingly making efficiency a matter of international cooperation. Still, even if key economies like the leading innovators in OECD, China and India will drive global decision making, implementation remains largely a matter of national choice.

## **The perspective: Turning challenges into opportunities**

"The poor as a market are 5 billion strong. This means that solutions that we develop cannot be based on the same patterns of resource use that we expect to use in developed countries. Solutions must be sustainable and ecologically friendly."

"The goal here is not to be alarmist. The BOP [Bottom of the Pyramid, where five billion people live] will force us to come to terms with the use of resources in ways that we have not so far. Whether it is in use of fossil fuels for energy and transportation, water for personal cleanliness, or packaging for safety and aesthetics, ecological sensitivity will become paramount. I believe that more innovative, sustainable solutions will increasingly emerge from serving the BOP markets than from the developed markets."

C.K. Prahalad, The fortune at the bottom of the pyramid

Today most environmental challenges are seen as problems and costs by business and politicians. In order to solve the climate challenge it is necessary to question this perspective. It is not possible to treat the climate challenge in the same way as many other environmental challenges have been dealt with. For many other challenges technology solutions has been available that has been possible to implement after initial resistance from the industry creating the problem. Lead-free gasoline, chlorine free paper, phase-out of CFC, reduction of SO<sub>2</sub>-emissions, etc all have one thing in common, the companies creating the problem could through extra investments address the challenge though quite simple technology already available.

With Climate Change it has not proven successful to ask the energy companies to solve the problem. Most of them are stuck in a supply driven approach that they are unable to get out of, at least as quick as necessary. The solutions needed also involve more significant changes in society and thereby also include many more actors. Therefore new sectors must be involved. Instead of looking how energy companies can reduce their emissions, something that seems to lead to few places beyond research in capture of CO<sub>2</sub> and more nuclear power, a demand side focus must be the starting point.

WWF will explore innovative ways of promoting integrated solutions that move beyond the supply- and demand-side management issues dominating current western discussions. In this regard, WWF will explore solutions which for example allow buildings to become net producers of energy, and allow businesses to move from being large consumers of electricity to being self-sufficient. Furthermore, WWF would also support companies that provide comprehensive low-energy solutions for cities and key industries. The type of solutions in which WWF is interested, will require collaboration between actors such as city planners, construction companies, IT companies, renewable energy providers and the financial sector.

In all cases, companies will be encouraged to demonstrate that the business models proposed can be profitable, either today under current rules and regulations, or if supported by new rules and regulations that they support. The goal is to ensure that we stay below a 2°C increase in global temperature, while at the same time phase out polluting and unsustainable energy solutions.

In order to achieve sustainable energy development, the framework that regulate investment in urban areas need to support, rather than undermine, companies that can provide solutions to the challenges of today. For China and India this is not only a matter of satisfying domestic demand in this regard, but also the opportunity to become a key exporter of sustainable goods and services.

Goods and services that help reduce resource use and support sustainable energy solutions should be given priority in all regulation. Rich countries together with China and India should also develop a joint strategy to reach sustainable consumption and production patterns, where the rapid change in China and India is used as an opportunity to develop sustainable energy solutions, not only for India and China but for the world as well.

## Appendix 1

### CO<sub>2</sub> embodied in trade from China and India to Sweden (2003)

| Exporter | Importer | Embodied energy in export (GJ/yr) | National Carbon Intensity (gCO <sub>2</sub> /KWh) | Conversion Factor (KWh/GJ) | National Carbon Intensity (gCO <sub>2</sub> /GJ) | CO <sub>2</sub> embodied in trade (gCO <sub>2</sub> /yr) | CO <sub>2</sub> embodied in trade (tCO <sub>2</sub> /yr) |
|----------|----------|-----------------------------------|---|----------------------------|--|--|--|
| China    | Sweden   | 16 363 000                        | 770   | 278                        | 214 060  | 3,5027E+12   | 3 502 664  |
| India    | Sweden   | 4 870 000                         | 910   | 278                        | 252 980  | 1,2320E+12   | 1 232 013  |
| China    | World    | 13 395 805 000                    | 770   | 278                        | 214 060  | 2,8675E+15   | 2 867 506 018  |
| India    | World    | 2 031 430 000                     | 910   | 278                        | 252 980  | 5,1391E+14   | 513 911 161  |

#### List of top 5 traded products for amount of embodied energy and CO<sub>2</sub> emitted

% of total exported CO<sub>2</sub> to Sweden

##### *China to Sweden*

|  |     |
|--|-----|
| Articles of artif. plastic materials, nes.     | 14% |
| Furniture                                      | 13% |
| Lighting fixtures and fittings and parts       | 10% |
| Clothing and accessories, knitted or crocheted | 3%  |
| Nuts, bolts, screws, rivets, washers, etc.     | 3%  |

##### *India to Sweden*

|   |     |
|---|-----|
| Clothing and accessories, knitted or crocheted  | 30% |
| Clothing of text fabric, not knitted crocheted  | 14% |
| Clothing accessories of text.,not knitted/croch | 6%  |
| Other carpets, carpeting and rugs               | 6%  |
| Made up articles of textile materials, nes      | 6%  |

Source: The Global Footprint Network, Calculation from WWF Sweden (February 2007)

**Appendix 2**  
**Export to India from Sweden**

**TRADE PROFILE**

|                                    | 2003      | 2004      | 2005      | Jan-June<br>2005 | Jan-June<br>2006 | INDIA<br>Change<br>2006/<br>2005% |
|------------------------------------|-----------|-----------|-----------|------------------|------------------|-----------------------------------|
| <i>SWEDISH EXPORTS (SEK 1000)</i>  | 7 111 140 | 8 296 143 | 6 969 379 | 3 478 760        | 4 934 336        | 42                                |
| SHARE OF TOTAL SWEDISH EXPORTS (%) | 0,9       | 0,9       | 0,7       | 0,7              | 0,9              |                                   |
| FOOD                               | 4 689     | 6 135     | 4 866     | 3 105            | 3 364            | 8                                 |
| RAW MATERIALS; FUELS               | 242 055   | 163 494   | 419 880   | 146 053          | 238 327          | 63                                |
| WOOD                               | 29        | 176       | 527       | 282              | 255              | -10                               |
| PAPER PULP                         | 47 876    | 69 498    | 209 500   | 76 236           | 132 328          | 74                                |
| ORES                               | 187 883   | 86 568    | 203 148   | 65 123           | 101 849          | 56                                |
| FUELS                              | 1 292     | 1 053     | 935       | 827              | 1 424            | 72                                |
| CHEMICAL PRODUCTS                  | 227 594   | 285 250   | 285 197   | 134 479          | 195 139          | 45                                |
| PHARMACEUTICALS                    | 23 620    | 8 976     | 21 158    | 14 793           | 7 197            | -51                               |
| SEMI-MANUFACTURES                  | 619 323   | 747 876   | 962 281   | 544 022          | 604 379          | 11                                |
| PAPER AND BOARD                    | 196 387   | 181 629   | 180 999   | 84 941           | 112 100          | 32                                |
| WOOD MANUFACTURES                  | 3 449     | 6 378     | 7 203     | 3 278            | 3 905            | 19                                |
| PREFAB BUILDINGS                   | 0         | 6 358     | 7         | 0                | 4                |                                   |
| IRON AND STEEL                     | 328 240   | 435 080   | 644 151   | 394 039          | 403 537          | 2                                 |
| NON-FERROUS METALS                 | 42 969    | 70 773    | 70 469    | 34 623           | 39 498           | 14                                |
| ENGINEERING PRODUCTS               | 4 965 055 | 5 542 284 | 4 114 033 | 1 896 514        | 2 911 988        | 54                                |
| TOOLS                              | 45 189    | 44 783    | 39 318    | 16 771           | 23 774           | 42                                |
| MANUFACTURES OF METALS.N.E.S       | 29 938    | 36 412    | 46 786    | 12 631           | 26 549           | 110                               |
| POWER GENERATING MACHINERY         | 77 349    | 171 162   | 189 015   | 96 135           | 100 729          | 5                                 |
| AGRICULTURAL MACHINERY             | 4 300     | 7 017     | 3 698     | 1 882            | 1 526            | -19                               |

|                                    |           |           |           |           |           |     |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----|
| CONSTRUCTION AND MINING MACHINERY  | 60 491    | 72 771    | 73 761    | 43 924    | 112 294   | 156 |
| PAPER AND PULP MILL MACHINERY      | 31 358    | 44 410    | 25 967    | 13 470    | 19 776    | 47  |
| MACHINES FOR SPEC INDUSTRIES N.E.S | 113 021   | 126 793   | 144 192   | 53 073    | 81 185    | 53  |
| METAL-WORKING MACHINERY            | 43 183    | 82 188    | 154 776   | 46 578    | 62 861    | 35  |
| HEATING AND COOLING EQUIPMENT      | 63 180    | 74 405    | 124 193   | 58 921    | 65 397    | 11  |
| PUMPS AND CENTRIFUGES              | 22 505    | 33 622    | 52 254    | 27 970    | 24 568    | -12 |
| MECHANICAL HANDLING EQUIPMENT      | 88 695    | 64 119    | 87 771    | 41 663    | 90 941    | 118 |
| PNEUMATIC ETC HAND TOOLS           | 1 544     | 1 358     | 1 444     | 897       | 918       | 2   |
| BALL OR ROLLER BEARINGS            | 18 650    | 37 673    | 61 010    | 34 024    | 43 255    | 27  |
| NON-ELECTRICAL MACHINERY N.E.S     | 49 410    | 76 943    | 115 042   | 66 384    | 81 775    | 23  |
| OFFICE MACHINES, ADP EQUIPMENT     | 30 466    | 35 537    | 82 622    | 37 862    | 81 878    | 116 |
| TELECOMMUNICATIONS APPARATUS       | 3 469 245 | 3 842 990 | 2 189 575 | 1 058 216 | 1 632 743 | 54  |
| EQUIPMENT FOR DISTR ELECTRICITY    | 625 895   | 512 283   | 303 601   | 98 981    | 250 394   | 153 |
| APPARATUS FOR DOMESTIC USE         | 1 447     | 928       | 1 239     | 590       | 734       | 24  |
| MEDICAL INSTRUMENTS, APPARATUS     | 18 612    | 27 968    | 56 242    | 15 083    | 18 273    | 21  |
| ELECTRICAL MACHINERY N.E.S         | 40 005    | 25 284    | 34 789    | 5 243     | 8 107     | 55  |
| PASSENGER CARS                     | 1 803     | 1 593     | 2 965     | 1 672     | 459       | -73 |
| LORRIES, TRUCKS AND BUSES          | 1 376     | 0         | 13 975    | 4 349     | 5 233     | 20  |
| PARTS FOR MOTOR VEHICLES           | 68 057    | 138 569   | 177 939   | 89 471    | 116 093   | 30  |
| SHIPS AND BOATS                    | 0         | 0         | 0         | 0         | 9         |     |
| TRANSPORT EQUIPMENT N.E.S          | 6 405     | 7 399     | 1 906     | 798       | 2 144     | 169 |
| SANITARY ETC. AND LIGHTING         | 207       | 214       | 531       | 249       | 3 508     |     |
| EQUIPMENT                          |           |           |           |           |           |     |
| SCIENTIFIC ETC. INSTRUMENTS        | 50 959    | 73 766    | 125 616   | 68 352    | 52 534    | -23 |
| OTHER MANUFACTURED GOODS           | 1 052 424 | 1 551 105 | 1 183 123 | 754 586   | 981 138   | 30  |
| FURNITURE                          | 11 406    | 1 656     | 734       | 233       | 1 594     | 584 |
| CLOTHING                           | 2 629     | 674       | 553       | 188       | 1 858     | 888 |

Source: The Swedish Trade Council, <http://www.tradeprofiles.swedishtrade.se/default.asp?id=53>

**Appendix 3**  
**Export to China from Sweden**

TRADE PROFILE

|                                    | 2003       | 2004       | 2005       | Jan-June<br>2005 | Jan-June<br>2006 | CHINA<br>Change<br>2006/<br>2005% |
|------------------------------------|------------|------------|------------|------------------|------------------|-----------------------------------|
| <i>SWEDISH EXPORTS (SEK 1000)</i>  | 18 133 371 | 19 023 818 | 18 849 458 | 8 719 410        | 11 040 612       | 27                                |
| SHARE OF TOTAL SWEDISH EXPORTS (%) | 2,2        | 2,1        | 2          | 1,9              | 2,1              |                                   |
| FOOD                               | 39 100     | 71 838     | 128 964    | 55 561           | 65 702           | 18                                |
| RAW MATERIALS; FUELS               | 621 746    | 1 019 521  | 1 043 113  | 481 385          | 734 380          | 53                                |
| WOOD                               | 32 530     | 58 280     | 73 991     | 35 155           | 56 194           | 60                                |
| PAPER PULP                         | 385 759    | 536 500    | 497 822    | 267 313          | 344 704          | 29                                |
| ORES                               | 169 602    | 393 835    | 437 325    | 168 884          | 309 570          | 83                                |
| FUELS                              | 1 476      | 943        | 8 109      | 576              | 5 525            | 859                               |
| CHEMICAL PRODUCTS                  | 954 919    | 1 063 353  | 1 197 229  | 525 447          | 805 752          | 53                                |
| PHARMACEUTICALS                    | 396 046    | 270 036    | 258 969    | 131 942          | 196 105          | 49                                |
| SEMI-MANUFACTURES                  | 2 801 566  | 2 798 869  | 3 472 295  | 1 883 389        | 2 029 456        | 8                                 |
| PAPER AND BOARD                    | 1 112 870  | 1 340 362  | 1 419 735  | 744 131          | 708 287          | -5                                |
| WOOD MANUFACTURES                  | 48 399     | 25 287     | 21 123     | 6 775            | 6 412            | -5                                |
| PREFAB BUILDINGS                   | 18 308     | 0          | 391        | 0                | 716              |                                   |
| IRON AND STEEL                     | 1 390 835  | 1 155 153  | 1 725 127  | 989 172          | 1 073 440        | 9                                 |
| NON-FERROUS METALS                 | 46 646     | 87 965     | 89 841     | 48 013           | 116 264          | 142                               |
| ENGINEERING PRODUCTS               | 13 325 891 | 13 743 906 | 12 721 194 | 5 655 059        | 7 196 790        | 27                                |
| TOOLS                              | 85 088     | 51 376     | 37 634     | 20 516           | 18 554           | -10                               |
| MANUFACTURES OF METALS.N.E.S       | 134 313    | 134 483    | 112 626    | 50 169           | 48 165           | -4                                |
| POWER GENERATING MACHINERY         | 642 943    | 920 365    | 748 984    | 367 693          | 449 265          | 22                                |
| AGRICULTURAL MACHINERY             | 243 023    | 102 207    | 59 374     | 33 074           | 54 857           | 66                                |
| CONSTRUCTION AND MINING MACHINERY  | 337 942    | 295 883    | 363 691    | 116 719          | 205 909          | 76                                |

|                                      |           |           |           |           |           |     |
|--------------------------------------|-----------|-----------|-----------|-----------|-----------|-----|
| PAPER AND PULP MILL MACHINERY        | 482 203   | 680 360   | 289 561   | 126 211   | 186 079   | 47  |
| MACHINES FOR SPEC INDUSTRIES N.E.S   | 653 398   | 877 037   | 727 947   | 293 284   | 286 304   | -2  |
| METAL-WORKING MACHINERY              | 283 631   | 269 730   | 353 148   | 167 342   | 202 567   | 21  |
| HEATING AND COOLING EQUIPMENT        | 440 204   | 389 991   | 383 998   | 177 855   | 284 779   | 60  |
| PUMPS AND CENTRIFUGES                | 257 070   | 181 528   | 266 501   | 101 122   | 160 595   | 59  |
| MECHANICAL HANDLING EQUIPMENT        | 278 491   | 486 939   | 824 501   | 399 702   | 476 509   | 19  |
| PNEUMATIC ETC HAND TOOLS             | 8 888     | 6 386     | 12 507    | 4 333     | 6 342     | 46  |
| BALL OR ROLLER BEARINGS              | 128 665   | 173 665   | 319 262   | 181 531   | 180 323   | -1  |
| NON-ELECTRICAL MACHINERY N.E.S       | 554 996   | 588 468   | 681 095   | 279 081   | 576 667   | 107 |
| OFFICE MACHINES, ADP EQUIPMENT       | 113 345   | 138 508   | 98 508    | 35 426    | 46 391    | 31  |
| TELECOMMUNICATIONS APPARATUS         | 3 648 284 | 4 794 816 | 3 406 273 | 1 714 962 | 1 842 698 | 7   |
| EQUIPMENT FOR DISTR ELECTRICITY      | 2 621 835 | 1 381 759 | 1 977 084 | 735 540   | 825 130   | 12  |
| APPARATUS FOR DOMESTIC USE           | 36 934    | 15 239    | 17 975    | 6 940     | 17 950    | 159 |
| MEDICAL INSTRUMENTS, APPARATUS       | 183 505   | 201 243   | 159 053   | 73 285    | 67 885    | -7  |
| ELECTRICAL MACHINERY N.E.S           | 415 003   | 337 700   | 392 337   | 145 367   | 197 032   | 36  |
| PASSENGER CARS                       | 226 799   | 222 762   | 380 537   | 189 120   | 184 381   | -3  |
| LORRIES, TRUCKS AND BUSES            | 576 719   | 433 676   | 467 408   | 155 063   | 212 855   | 37  |
| PARTS FOR MOTOR VEHICLES             | 579 862   | 382 677   | 219 449   | 115 803   | 282 007   | 144 |
| SHIPS AND BOATS                      | 0         | 15        | 3 701     | 3 701     | 263       | -93 |
| TRANSPORT EQUIPMENT N.E.S            | 146 527   | 341 533   | 27 059    | 5 791     | 142 371   |     |
| SANITARY ETC. AND LIGHTING EQUIPMENT | 2 822     | 1 857     | 5 629     | 2 715     | 1 372     | -49 |
| SCIENTIFIC ETC. INSTRUMENTS          | 242 249   | 329 186   | 380 827   | 152 080   | 238 236   | 57  |
| OTHER MANUFACTURED GOODS             | 390 149   | 326 330   | 286 664   | 118 569   | 208 532   | 76  |
| FURNITURE                            | 26 963    | 20 104    | 17 824    | 8 135     | 23 341    | 187 |
| CLOTHING                             | 5 572     | 7 035     | 7 275     | 3 792     | 4 738     | 25  |

**Source: The Swedish Trade Council, <http://www.tradeprofiles.swedishtrade.se/default.asp?id=27>**

<sup>1</sup> <http://www.sweden.gov.se/content/1/c6/07/15/51/71d8a385.pdf>

<sup>2</sup> <http://www.footprintnetwork.org/>

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- <sup>3</sup> Calculations based the official numbers from the Swedish Environmental Protection Agency. <http://www.naturvardsverket.se/dokument/klimat/1320.shtml>
- <sup>4</sup> <http://www.iea.org/Textbase/nppdf/free/2006/Key2006.pdf>
- <sup>5</sup> Manning, Robert A., “The Asian Energy Market: A New Geopolitics?”, *Asian Energy Markets dynamics and trends*, Abu Dhabi: Emirates Center for Strategic studies and Research, 2004, p.31
- <sup>6</sup> [trade.ec.europa.eu/doclib/docs/2006/september/tradoc\\_122531.pdf](http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_122531.pdf)
- <sup>7</sup> <http://www.delind.cec.eu.int/en/trade/trade.htm>
- <sup>8</sup> <http://www.sweden.gov.se/content/1/c6/07/15/51/71d8a385.pdf>
- <sup>9</sup> Currently 7.5 percent of China's energy comes from renewable sources. The country's aim is to make this 10 percent by 2010 and 16 percent by 2020 and the energy consumption of per unit GDP will be lowered by 20%.and See: [http://english.gov.cn/2006-03/23/content\\_234832.htm](http://english.gov.cn/2006-03/23/content_234832.htm) and <http://www.china.org.cn/english/news/186171.htm>
- <sup>10</sup> For a discussion about environmental goods and services from a Indian/Chinese perspective see “Indian companies in the 21st Century” [assets.panda.org/downloads/wwf\\_report\\_\\_indian\\_companies\\_in\\_the\\_21st\\_century.pdf](http://assets.panda.org/downloads/wwf_report__indian_companies_in_the_21st_century.pdf)
- <sup>11</sup> “Energy use and CO2 -emissions for consumed products and Services”, [www.scb.se/statistik/\\_publikationer/MI1301\\_2005A01\\_BR\\_MIFT0602.pdf](http://www.scb.se/statistik/_publikationer/MI1301_2005A01_BR_MIFT0602.pdf)
- <sup>12</sup> Two examples: 2000:2 Svenska produkter som minskar koldioxidutsläpp Anna-Karin Hjalmarsson, ÅF [http://miljoteknik.vinnova.se/rapporter/r2000\\_2.pdf](http://miljoteknik.vinnova.se/rapporter/r2000_2.pdf) and IT and sustainable development - a central issue for the future Dennis Pamlin and Ewa Thorslund [assets.panda.org/downloads/itsustainabledev.pdf](http://assets.panda.org/downloads/itsustainabledev.pdf)
- <sup>13</sup> <http://worldbank.org/html/prddr/trans/octnovdec02/pgs4-6.htm>
- <sup>14</sup> [http://www.economist.com/surveys/displayStory.cfm?story\\_id=3689214](http://www.economist.com/surveys/displayStory.cfm?story_id=3689214)
- <sup>15</sup> [http://www.businessweek.com/magazine/toc/05\\_34/B3948chinaindia.htm](http://www.businessweek.com/magazine/toc/05_34/B3948chinaindia.htm)
- <sup>16</sup> See for example: The Economist, Now for the Hard Part – A survey of Business in India, June 3rd 2006, page 4
- <sup>17</sup> This shift from west to the east have upset some actors and there are tendency where the old economic superpowers are trying to create tensions between the to emerging super powers. See for example: <http://www.cfr.org/publication/9962/> , <http://www.cnn.com/2006/WORLD/asiapcf/03/02/bush.india.visit/index.html> , <http://www.blonnet.com/2005/07/01/stories/2005070100310900.htm>
- <sup>18</sup> It is predicted that by 2007 urban population will exceed the rural [http://www.un.org/esa/population/publications/wup2003/pop899\\_English.pdf](http://www.un.org/esa/population/publications/wup2003/pop899_English.pdf)
- <sup>19</sup> <http://esa.un.org/unup/>
- <sup>20</sup> [http://www.un.org/esa/population/publications/WPP2004/WPP2004\\_Volume3.htm](http://www.un.org/esa/population/publications/WPP2004/WPP2004_Volume3.htm)
- <sup>21</sup> <http://www.iea.org/Textbase/nppdf/free/2006/Key2006.pdf>
- <sup>22</sup> Manning, Robert A., “The Asian Energy Market: A New Geopolitics?”, *Asian Energy Markets dynamics and trends*, Abu Dhabi: Emirates Center for Strategic studies and Research, 2004, p.31
- <sup>23</sup> South Korean President Roh Moo-hyun said ”I find this trend [expanding economic cooperation] highly desirable and hope that the cooperation in energy and natural resources will go beyond merely increasing trade volume and develop further into technology sharing and joint development of natural resources.” during his UAE visit in May quoted in: <http://www.gulfnews.com/nation/Government/10039644.html>. Former Saudi Oil Minister and senior OPEC official Ahmed Zaki Yamani was quoted saying “For the first time we are focusing on Asia” in a keynote address to an annual London energy conference in 1998 by Manning, Robert A., “The Asian Energy Market: A New Geopolitics?”, *Asian Energy Markets dynamics and trends*, Abu Dhabi: Emirates Center for Strategic studies and Research, 2004, p.41.
- <sup>24</sup> [http://www.atimes.com/atimes/China\\_Business/HF03Cb05.html](http://www.atimes.com/atimes/China_Business/HF03Cb05.html)
- <sup>25</sup> [http://www.chinadaily.com.cn/china/2006-03/21/content\\_547967.htm](http://www.chinadaily.com.cn/china/2006-03/21/content_547967.htm)
- <sup>26</sup> Urbanisation in India, Pranati Datta, Population Studies Unit, June, 2006
- <sup>27</sup> Kumari Selja, Minister for Housing and Urban Poverty Alleviation at the inauguration of ministerial segment of the first Asia Pacific Ministerial Conference in New Delhi on 15th December 2006

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<sup>28</sup> ICT can for example make work more efficient both on a daily basis if people at relevant positions are allowed to work from home one to three days a week. Video and audio conferences can make it easier to build networks both within India and with other important emerging markets such as China, Russia, Brazil and South Africa as well existing economies like EU and US.