



**International Chamber of Commerce**

*The world business organization*

## **The Secretary General**

### **ICC letter on behalf of world business to Energy Ministers attending the G8 Energy Ministers Meeting, 7-8 June, 2008 Aomori, Japan**

Dear Energy Ministers,

Energy underpins the economic fabric of the world and drives growth in developing countries. It is vital in lifting people out of poverty and increased access to modern energy improves quality of life. As you begin your deliberations leading to the G8 Hokkaido Toyako Summit, business stands ready to work collaboratively to define comprehensive and viable solutions to the growing challenge of rising energy demands and prices.

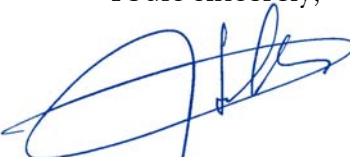
The International Chamber of Commerce (ICC) as the world business organisation which speaks on behalf of enterprises from all sectors in every part of the world stands ready to bring the voices, actions and experiences of businesses to work with governments to meet these rising concerns.

As the global demand for energy increases its pace, it is critical for business and policy-makers to work together to meet the 21st century's growing energy needs. Energy supply and use is an integral and cross cutting element of every country's economy and forms part of an interconnected and global market. These issues are of critical importance not solely to G8 countries but to the entire world and I commend the G8 Summit host government for inviting energy ministers from non-G8 nations to this vital meeting in Aomori.

Energy challenges should be addressed through integrated policies reflecting a broad range of issues. ICC has provided policy-makers recommendations and guidance on a number of key elements including development priorities and needs; social conditions and aspirations; environmental policies; energy security; and the promotion of innovation, technology development and energy efficiency. Please see the attached annex for further information.

ICC is ready to work with policy-makers in G8 Countries and all over the world to effectively address energy concerns while promoting growth, environmental protection, access to energy and sustainable development.

Yours sincerely,



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## **ACCESS TO ENERGY**

Access to reliable, affordable, economically viable, socially acceptable and environmentally sound energy is fundamental to economic growth and sustainable development. Energy contributes to meeting basic needs, such as clean water, food preservation, transportation, healthcare, sanitation, education and communications. Maintaining and growing the energy supplies required to provide access to those lacking it and to meet future demand with reduced environmental impacts will require significant investment in the long term in every element of the supply and use chain.

## **ENERGY EFFICIENCY**

Energy efficiency is a fundamental element in developing a sustainable energy future. Business supports energy efficiency and given the right fiscal and regulatory frameworks can do much to help governments achieve the triple objectives of growth, jobs and environmental improvement. Energy efficiency can not resolve all issues, but combined with an increased diversification of energy sources and technological advancements, it can make a significant impact in meeting the challenge of increased demand for the services energy provides and environmental protection. To further international cooperation and ensure the necessary frameworks are put in place to improve energy efficiency, ICC has recommended that policymakers follow certain key principles, such as: tapping market forces; favouring an open environment for trade and investment; encouraging voluntary energy labels and standards; integrating efficiency into other aspects of energy policy; developing reliable metrics; and adopting strategies that evaluate product life cycles.

## **ENERGY SECURITY**

Energy security is a critical concern for companies of all sectors operating in global markets. Business needs secure and reliable energy supply and infrastructure, which impacts the feasibility and cost of doing business from perspectives of investment, competitiveness and productivity. Energy security at the national level is governed by many aspects, including the extent and diversity of local reserves and the need for importation, regulatory frameworks as well as the stage of technological development. Thus it is critical that policies and frameworks to promote energy security at the international level complement national energy security issues. Diversification of the energy mix and interconnected primary energy systems, both primary and secondary will increase energy security considerations as well as reduce risk and increase flexibility. Secure and reliable infrastructure and transport mechanisms and associated policy and regulation are needed and long term contractual arrangements may be required. Strong long term energy technology research, development and deployment should be pursued by both governments and industry in the pursuit of more sustainable future energy systems. Enabling frameworks are a prerequisite for developing and attracting investment in sustainable energy systems and thus strengthening energy security.

## **FINANCING**

Mobilising required energy investments will be a key challenge in the coming future. Financing for energy investment cannot be taken for granted, and enabling conditions in any given country's energy sector will affect investment flows. For energy producing and large energy-intensive industries, capital equipment lifetimes range from 30 to 50 years. Thus energy frameworks must take these long time frames into consideration. Innovative financing solutions that create synergies between sources of finance are also necessary to encourage energy investment.

## **RESEARCH and DEVELOPMENT**

To expand and take advantage of the full potential of energy options, all relevant stakeholders should allocate resources to research and development of new technologies all along the energy chain. Businesses dedicate substantial resources in technology advancement and the development of innovation. Business should also be a partner in defining mechanisms to identify, develop, commercialise and transfer technologies aligned with national priorities and development strategies. In order to accelerate the development and deployment of technologies, large demonstration or pilot activities should be considered to develop capacity and increase the rate of uptake of key technologies.

## **CLIMATE CHANGE**

The basic challenge is to meet the world's growing demand for energy that is essential to sustain economic growth and improve living standards, while also addressing long-term concerns by mitigating greenhouse gas emissions and enhancing environmental protection. ICC believes the development and global utilisation of both existing and new, cost-effective, efficient energy technologies with low greenhouse gas emissions in all sectors is the most effective way to improve access to energy, promote energy efficiency and reduce greenhouse gas emissions.

For more information please visit  
[www.iccwbo.org/policy/environment/id1461/index.html](http://www.iccwbo.org/policy/environment/id1461/index.html)