



## Climate Profiles : Climate Profile Uk

### United Kingdom Climate Change Profile Part 1: A New Industrial Revolution?

**Early on, Great Britain realized that climate change would be one of the biggest challenges of the 21st century. Government and business have responded with innovative policies and investments. But can one of the world's richest countries really lead an industrial revolution towards a climate-friendly future?**



#### Picture Gallery (click on the picture to start)

Wind turbines in Scotland. The UK has Europe's biggest growth potential for wind power. Click on the image to see more climate problems and solutions in the UK (Photo: Reuters)

Tony Blair once called climate change "the biggest long-term threat facing our world." After ten years as prime minister, Blair left behind an ambivalent legacy. His efforts to turn the United Kingdom into the world's leading country in the fight against climate change, however, could earn him a place in history books.

In autumn 2006, the government-funded Stern Report on the staggering costs of climate change delivered a wake-up call to governments and businesses around the world still reluctant to take the expensive measures to fight global warming.

#### Related Articles

- [United Kingdom Climate Change Profile Part 2: Fact Sheet](#)
- [United Kingdom Climate Change Profile Part 3: Impact on Environment and Society](#)
- [United Kingdom Climate Change Profile Part 4: Strategy](#)

Following up, the British government introduced a Draft Climate Change Bill in March 2007 that aims to reduce national carbon dioxide emissions by 60 percent of 1990 levels by 2050. With its service-oriented, carbon-low industry, and an overarching public consensus on the threat of climate change, Britain is well-poised to reach such an ambitious goal.

#### Exploding Emissions from Air Travel

The question becomes how. Up to now, the focus of UK policymaking has been on raising public awareness about climate change, changing

consumer behavior, and reducing the industrial carbon footprint through mandatory emissions caps and trading. It is clear, however, that such efforts will have to be ramped up if Britain is to reach its targets.

One challenge will be reducing emissions from air travel, which now produces 5.5 percent of emissions created in the UK, home to Europe's busiest airport, London Heathrow. Given the current rate of growth in the era of discount airlines, air travel could account for as much as a quarter of all UK emissions by mid-century or earlier. Britain must also improve energy efficiency in homes, currently responsible for around 27 percent of all national emissions.

### **Business Opportunity of the Century?**

More "green" taxes are an option, but government is also considering alternatives. Britain has been the first country to propose the idea of domestic carbon trading, which would set limits on household annual carbon dioxide emissions, and allow people to trade their surplus. Former Environment Minister David Miliband said the concept could be preferable to "carbon taxes," because it would give households more flexibility and could eventually lead to substantial emissions reductions. Critics say such a scheme is not yet feasible.

Britain is also trying to cultivate the idea of climate change as not just a challenge, but also a profitable business opportunity. Since the advent of the EU Emissions Trading Scheme, London has become a central hub of the European carbon trading market, worth an estimated 14.6 billion euros in 2006. Meanwhile some of the largest British corporations - British Telecom, Virgin, HSBC, and BP, to name a few - have invested millions of pounds to develop products for a low-carbon economy, or have saved millions by improving efficiency, purchasing renewable energies and reducing emissions.

editor: Valdis Wish

publishing date: July 5, 2007

© Allianz 2007, All Rights Reserved