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**FOR IMMEDIATE RELEASE**

**HONG KONG, November 3rd 2008.**



As CO2 capture and storage adds costs and yields no revenues, government action is needed to support and stimulate investment quickly on a scale large enough to affect global emissions. Delaying the widespread deployment of CO2 capture and storage beyond 2020 would translate into a yearly 1-ppm increase in long-term atmospheric CO2 stabilisation levels. This point was outlined by Chong Meng Tan, Executive Vice President of Shell Global Business-to-Business (B2B) at a seminar on Shell's Energy Scenarios to 2050 held at a Climate Change Business Forum (CCBF) Carbon Grill event on Monday at the Foreign Correspondents Club (FCC).

Chong Meng Tan, Executive Vice President of Shell Global Business-to-Business (B2B) and Wim Thomas, Head of the Shell's Global Scenario Group Energy Analysis came to Hong Kong to outline Shell's Energy Scenarios to 2050. Shell's scenarios chart two plausible ways the world's energy picture may evolve over the next half-century. The two scenarios are called Scramble and Blueprints. According to Shell, the world's energy and environmental challenges can be met in a more sustainable way with a common perspective of Blueprints rather than Scramble.

The CCBF Carbon Grill seminar was moderated by Tony Tyler, CEO of Cathay Pacific and EXCO Chair of CCBF, and the "Grillers" at the seminar were Nicholas Brooke, Chairman of Hong Kong Science Park and Mark Clifford, Executive Director of Asia Business Council. The Grillers asked challenging questions and raised pertinent issues on the subject of climate change and carbon emissions.

The Shell Energy Scenarios to 2050, chart two plausible ways the world's energy picture may evolve over the next half-century. The two scenarios are called Scramble and Blueprints. For the first time Shell is expressing a preference for one of them: Blueprints. In the Scramble scenario, nations rush to secure energy resources for themselves. The use of locally produced coal and home-grown bio-fuels increases fast. Taking the path of least resistance, policymakers pay little attention to curbing energy consumption – until supplies run short. Likewise, greenhouse gas emissions are not seriously addressed until major shocks trigger political reactions. Since these responses are overdue, they are severe and lead to energy price spikes and volatility.

The Blueprints scenario is less painful, even if the start is more disorderly. Numerous coalitions emerge to take on the challenges of economic development, energy security, and environmental pollution through cross-border cooperation. Much innovation occurs at the local level, as major cities develop links with industry to reduce local emissions. National governments introduce efficiency standards, taxes, and other policy instruments to improve the environmental performance of buildings, vehicles, and transport fuels.

The CCBF brings together leading companies committed to reducing their emissions. The CCBF is an initiative of the Business Environment Council and is led by founding Patrons members Cathay Pacific, Hang Lung Group, HSBC, Sino Group and Standard Chartered.

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Importantly, a Blueprints world with widespread use of technology for CO2 capture and storage results in the least amount of climate change, provided emissions of other major manmade greenhouse gases are similarly reduced. It also provides a more stable business environment to make long-term investments.

However, conclusions from the Shell energy scenarios illustrate how much work must be done to achieve a world resembling the one imagined in Blueprints. Deployment of CCS and a wide range of low-carbon technologies will be needed to meet the climate change challenge. For instance, the Blueprints scenario assumes CO2 is captured at 90% of all coal- and gas-fired power plants in developed countries by 2050, plus at least 50% of those in non-OECD countries. Today, none capture CO2.

Mr Tyler at the Climate Change Business Forum (CCBF) concluded that "Carbon-emission regulation will burden certain companies, industries, and sectors more than others, and, likewise, will deliver advantages unevenly. The rules of the game will be set by regulatory policy and it will be the companies who prepare now and create reduction strategies that will find the competitive advantage. I think Shell's scenarios will help many company's plot their path forward".

End.

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For more details on the Climate Change Business Forum visit [www.climatechangebusinessforum.com](http://www.climatechangebusinessforum.com) and contact [bonnie@bec.org.hk](mailto:bonnie@bec.org.hk)

#### **Notes to editors**

Shell has estimated that each year we delay the widespread deployment of CCS beyond 2020 will translate into a 1-ppm increase in long-term CO2 stabilization levels. In other words, assuming deployment by 2020 can result in a 550 ppm stabilisation, then deployment by 2021 will mean that that 551 ppm is the best we can achieve, and so on.

#### **Climate Change Business Forum**

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#### **Royal Dutch Shell plc**

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