

Greener Skies and Low-Carbon Flights

Go All-Out to Build Higher Ability in Meeting Climate Change

- **Speech at Greener Skies Conference**
- **by Wei Zhenzhong, Director General, CATA**
- Sept 27, 2011 at Hong Kong**

Honorable Chairman and all my colleagues,

First of all I would like to give my heartfelt thanks to the organizer of this conference for inviting me to share opinions on problems concerning aviation and environment.

As is known to all, changes are happening and will continue to happen to the climate on this globe. Climate changes will have great impact on water resources, natural ecological system and coastal belts. It will also affect future social and economic development. As a result, many countries in the world are trying, based on their own conditions and reality, to control emissions of greenhouse gases by regulating their industrial structure, saving energy consumption, improving energy efficiency, optimizing energy structure, increasing carbon sinks, conducting research on the technology of carbon capture and sequestration and so on.

The Chinese Government attaches great importance to the work of addressing climate changes. For this purpose we have worked out a whole series of important strategies, policies and countermeasures

to address climate changes and officially issued *China's National Climate Change Programme*. In March 2011, our National People's Congress approved the *Outline of the Twelfth Five-Year Plan for National Economic and Social Development of the People's Republic of China*. It puts forward our goals in addressing climate change and defines that carbon dioxide emissions per unit of GDP should be 40%-45% lower in 2020 than in 2005 and 17% lower in 2015 than in 2010. Energy consumption per unit of GDP should be 16% lower in 2015 than in 2010. Forest areas will be expanded by 12.5 million acres and forest coverage will be increased from 20.36% in 2010 to 21.66% in 2015.

Civil Aviation Administration of China (CAAC) has also issued an industrial guideline for addressing climate change. It defines that by 2020 energy consumption and emissions per unit output by operators under CAAC (RTK energy consumption and RTK CO₂ emission) should be cut by 22% as compared with 2005 so that they will be up to the level in aviation-developed countries. Relevant statistics showed that civil aviation operators in China saved 50,000 tons of aviation fuel and cut CO₂ emissions by 158,000 tons in 2010 through trial operations in using bridge-loaded equipment in place of APU. Efforts to promote opening and use of provisional air routes enabled the airlines in China to use them in more than 250,000 operations, thus shortening flight distances by 10.8 million kilometers, saving

fuel consumption by 58,000 tons and cutting CO₂ emissions by 183,000 tons. Carriers in China are taking every possible step in the whole process of air transportation to minimize emissions, including active explorations and research in using bio fuels.

As observation of the environment shows, CO₂ emissions by aviation activities approximately account for 2% of the total in the whole world. Based on the potential growth of the present aviation industry, by the year of 2050 the aviation industry might have a negative impact on the environment goal set by the United Nations, i. e. temperature rise on this globe must not be 2°C higher than that in the previous industrial development period. For this reason, international organizations, governments in all countries and the aviation industry itself are all actively exploring for ways to address the problem of impact upon climate changes by air transportation.

However, the European Union is trying to include unreasonably international aviation in its own ETS scheme and declares this scheme will be valid starting from Jan. 1, 2012. It is totally a unilateral measure in violation of international laws. We resolutely oppose such an action because we cannot accept it at all.

In fact, inclusion of international aviation by EU in its ETS scheme oversteps the scope of EU jurisdiction. It is a serious encroachment on the sovereignty of other countries. It also goes

against the rules governing air charges and taxation specified in the International Civil Aviation Convention (i.e. the Chicago Convention). At the same time it does not meet the basic principles specified in the United Nations Framework Convention on Climate Change and the Kyoto Protocol.

This emission-reduction measure proposed by EU is not a direct means for reducing emissions. It has no positive meaning whatsoever in really promoting energy saving and emission reduction in the whole world. In contrary, it will only impose a heavy financial burden on the enterprises in the form of more forced charges and bring artificially to airlines additional costs that will not help emission reduction in any way.

According to relevant papers issued by EU recently, 31 Chinese airlines will be included in its ETS scheme. Among them, ten carriers are currently operating scheduled passenger or cargo flights (Hong Kong and Macau excluded). Air China, China Eastern Airlines, China Southern Airlines and Hainan Airlines will be the worst affected. Should international aviation be included in EU ETS, airlines in China would have to pay an additional cost of about 8 hundred million RMB for their carbon emissions outside their quotas in 2012 alone. By 2020, it would bring about a direct loss of 3 billion RMB. Obviously, this means without doubt another heavy blow for badly-hit airlines

that have just walked with staggering steps out of the shadows of the global financial crisis.

What is worthy of attention is that according to ETS directives by EU the ratio of free quotas will be further reduced after 2020. It means that the costs to be paid by airlines that operate flights to Europe would further increase in the long run. Furthermore, should the price of the quotas go up, it would trigger speculation activities in the markets and most likely lead to “carbon bubbles”. By that time airlines might be subjected to greater unforeseeable losses.

It is a matter of course that the unilateral action of EU in forcibly including international aviation in its ETS scheme will not win support from people in the aviation circles all over the world. By now, international civil aviation organizations, international air transportation associations, many air transportation operators and trade organizations have voiced their strong opposition towards the EU ETS scheme. Regrettably, EU turns a blind eye to the interests of the developing countries. Disregarding the friendly support offered by Chinese and other airlines to the aviation industry in EU, disregarding the voices of opposition from every corner of the world, EU has no intention at all to modify or give up its action. It can be expected that once EU enforces its illegal policy “detrimental to other people without benefiting itself” , it will

inevitably incur counter-measures from governments on the impaired side, thus triggering “trade confrontation” , which none of us would like to see.

In March 2011, Chinese Air Transportation Association (CATA) wrote a letter to the European Commission, pointing out that “inclusion of international aviation by EU in its ETS system is an out-and-out violation of the basic principles of the international law. We express our strong opposition against this action.” On May 2, we dispatched a delegation to Brussels to talk directly with the European Commission. On August 1, 2011, thirteen airlines from Asia, Africa, North America and Oceania and eight CATA members jointly attended a seminar for “promoting greener skies, low-carbon flights and sustainable development of the air transportation industry to confront the EU ETS scheme”. On the basis of achieving a common understanding, they issued the Beijing Common Statement. All the delegates present at the seminar unanimously agreed that the EU ETS scheme goes against the rules and regulations of relevant international laws, constitutes a direct intervention in the sovereign rights of other countries, and affects seriously the healthy and sustainable development of the global air transportation industry. The Statement calls on the governments of all countries to give support and concern to our stand in “opposing inclusion of

international aviation by EU in its ETS scheme” and jointly push the sustainable development of the global air transportation industry. At present, CATA and its members are making active preparations to start legal proceedings on this case.

Honorable delegates, we strongly uphold that the aviation industry should make greater efforts to research and develop, both in theory and in application, the ways of updating energy-saving and emission-reducing technologies and getting them popularized, and go all out to promote fuel-saving technologies and measures throughout the journeys. Airlines should try to transform their mode of management so that it gets more accurate and detailed, with the goal of saving energy and bettering efficiency. They should be encouraged to take part in the work of improving air space planning in order to optimize the structure of air space and routes and shorten flight distances.

The Chinese air transportation industry has always held that addressing climate change is the common responsibility of all industries and all countries in the world. The problem of energy-saving and emission reduction in the scope of international aviation should be dealt with through consultations by governments of all countries and all members in the industry in order to work out a global objective and seek ways of reaching unanimity and common

solutions.

CATA will, as it has always been doing, further promote the concept of greener skies and low-carbon flight. It will do its utmost to make Chinese civil aviation more capable of addressing climate change. Let us uphold the principle of giving priority to ecology and promoting green development so that the fields and skies are getting greener side by side with sustainable development of the air transportation industry.

Finally I wish this summit a complete success!

Thank you all!