Department for
Business, Energy
& Industrial Strategy

Clean Growth Strategy

May 2018

The Climate Change Act is the basis for UK action to cut emissions

Long-term target

The UK Climate Change Act commits the UK to an at least **80% reduction in Greenhouse Gas** (GHGs) **emissions** in 2050 compared to 1990 levels.

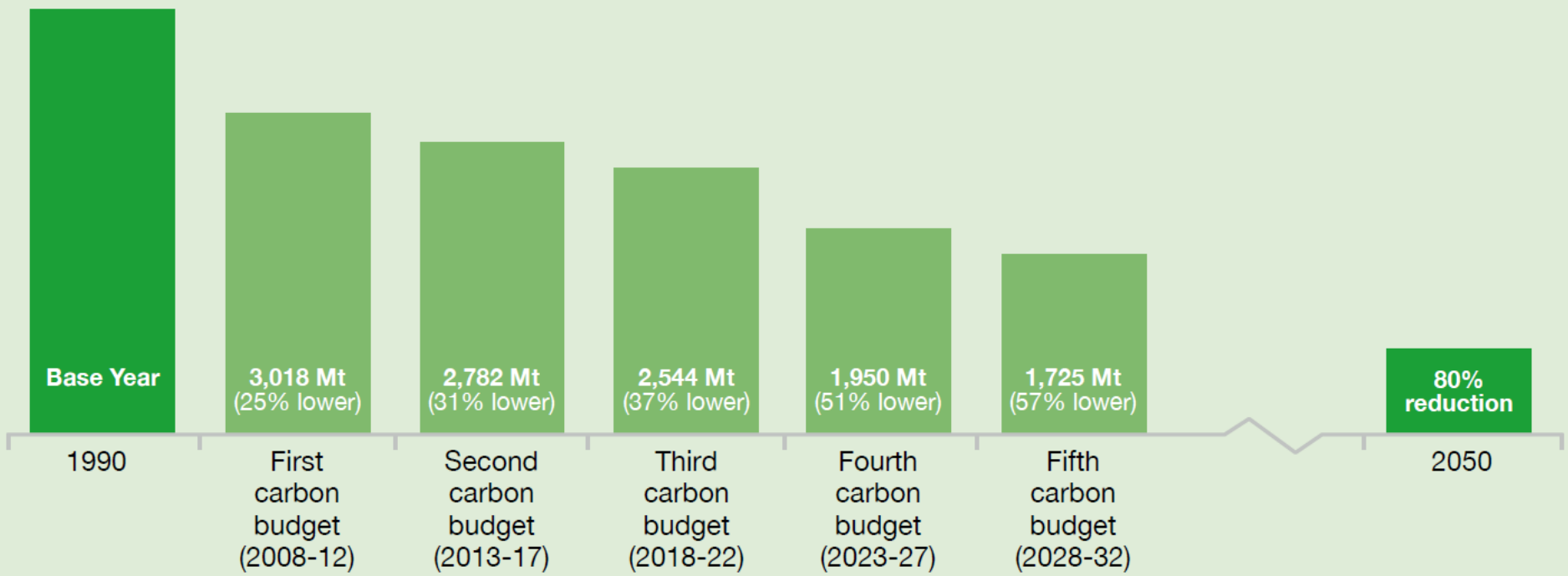
Carbon budgets

The Act requires that we cap GHG emissions over **successive 5 year periods.**

Scrutiny

The Act established an independent **Committee on Climate Change (CCC).**

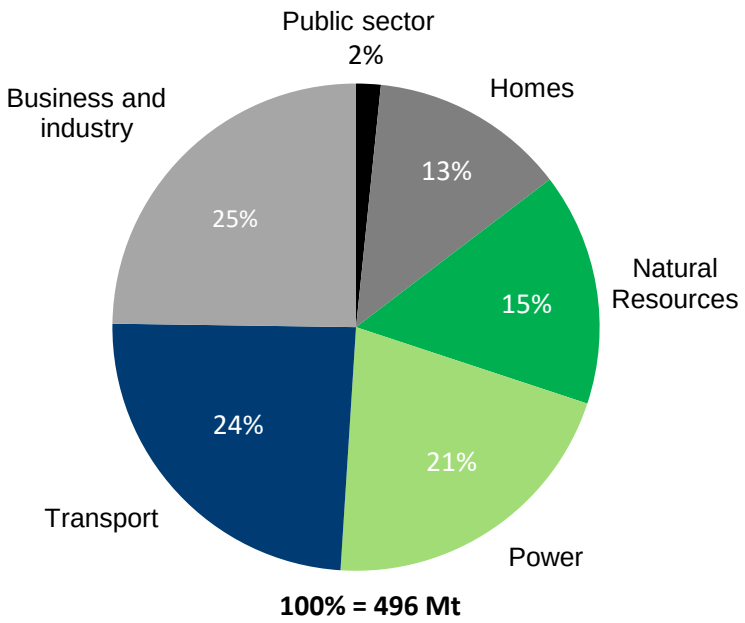
Our carbon budgets require increased pace of emission reduction



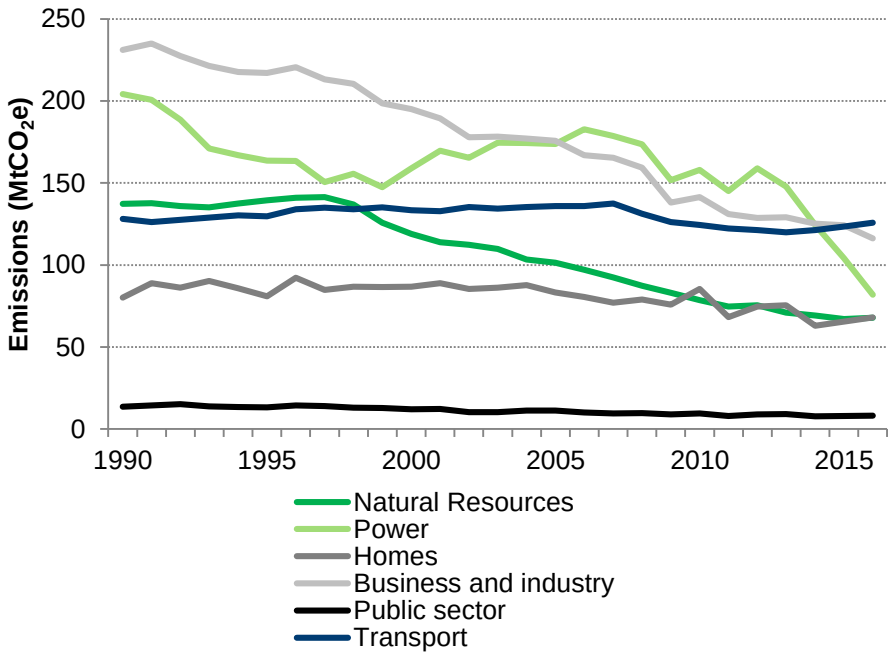
Source: UK legislation; BEIS

Delivering this change requires action across the economy…

UK emissions by sector, 2016

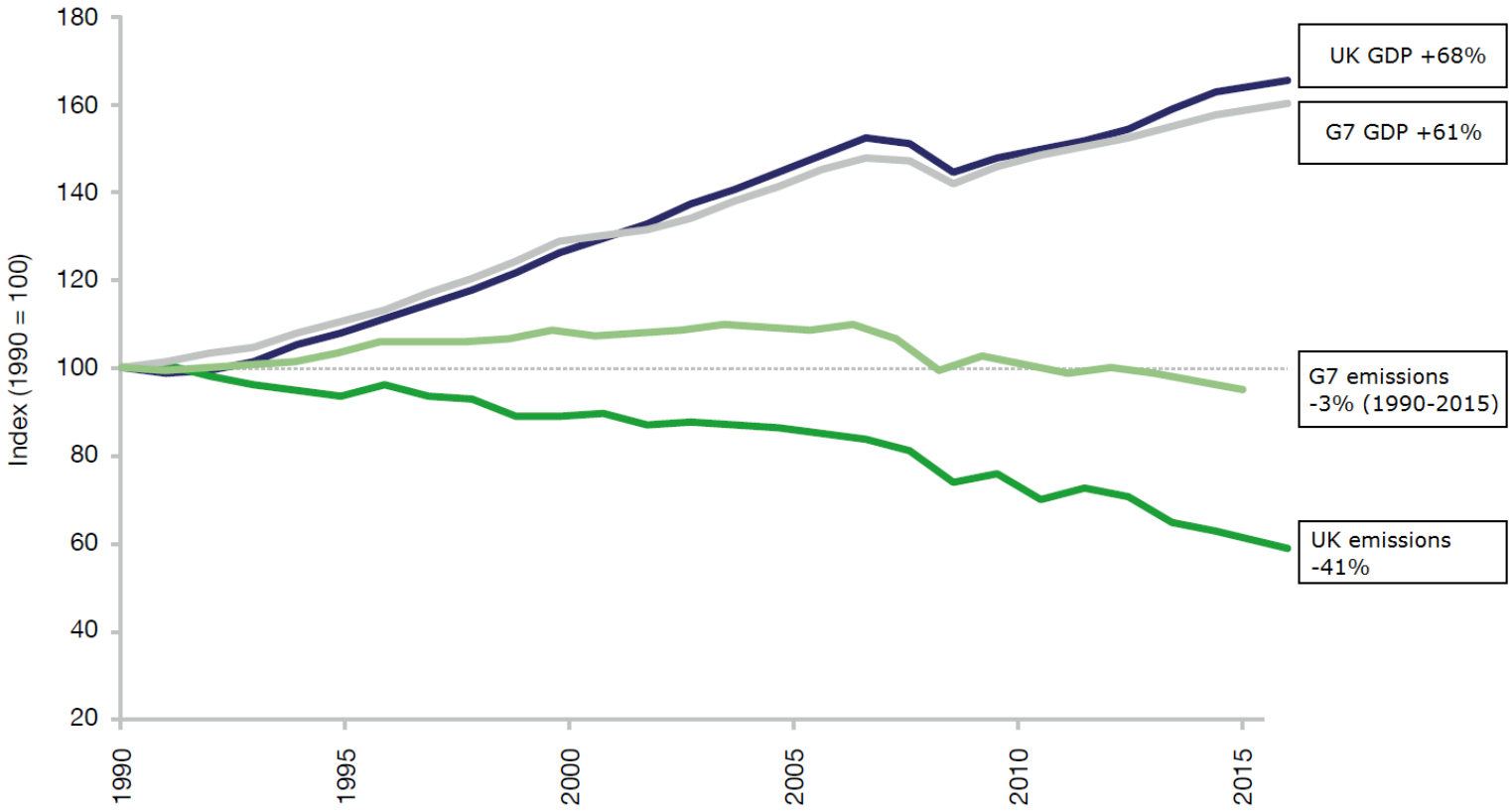


Emission reductions 1990-2016



The UK has led the world in decoupling growth from emissions

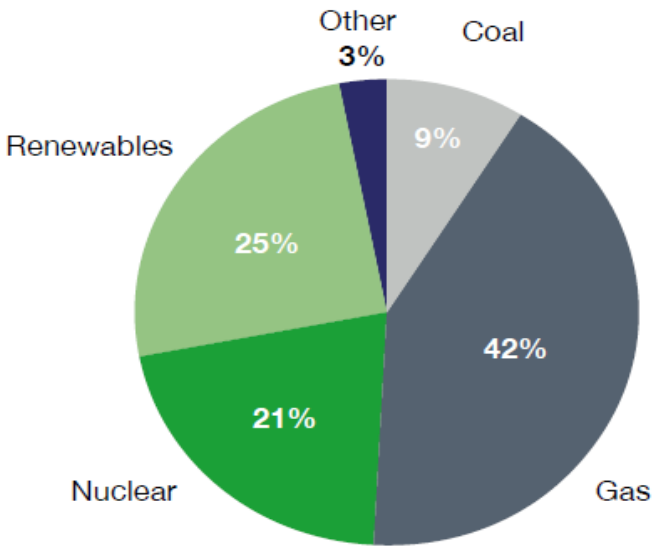
UK and G7: economic growth and emission reductions 1990-2016



Source: UNFCCC; World Bank; BEIS

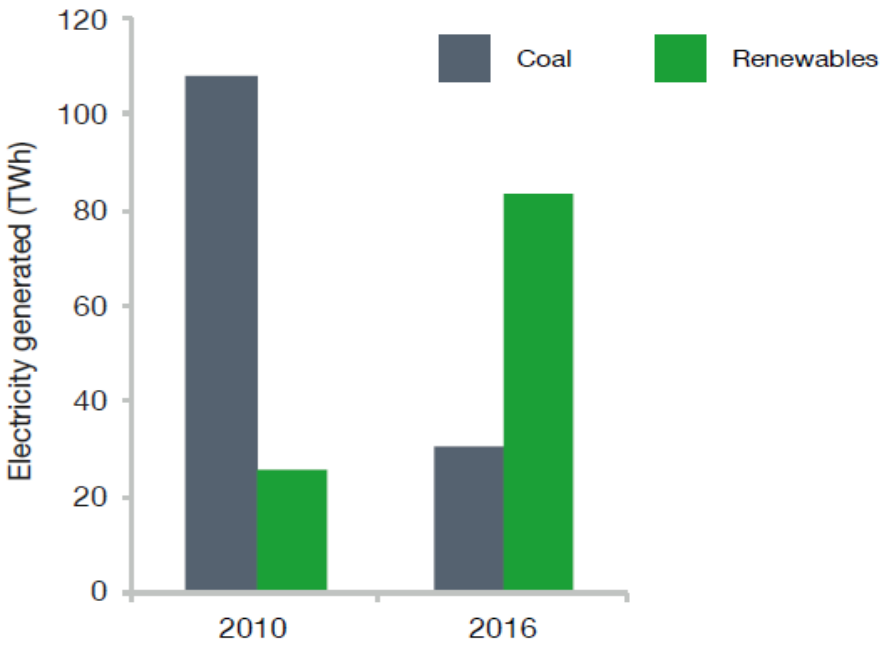
Case study: power sector

UK electricity generation mix 2016



Source: BEIS

UK generation from coal and renewables, 2010-2016



Source: BEIS

The Strategy sets out ambitious proposals to achieve our carbon reduction goals

- 50 ambitious policies and proposals
- Focus on areas with highest potential for driving reduced emissions and economic growth
- Supported by new cross-Government structures to drive action

Business: Aspiration to **improve business energy efficiency by 20% by 2030**

Transport: Ambitious **low carbon vehicles** strategy

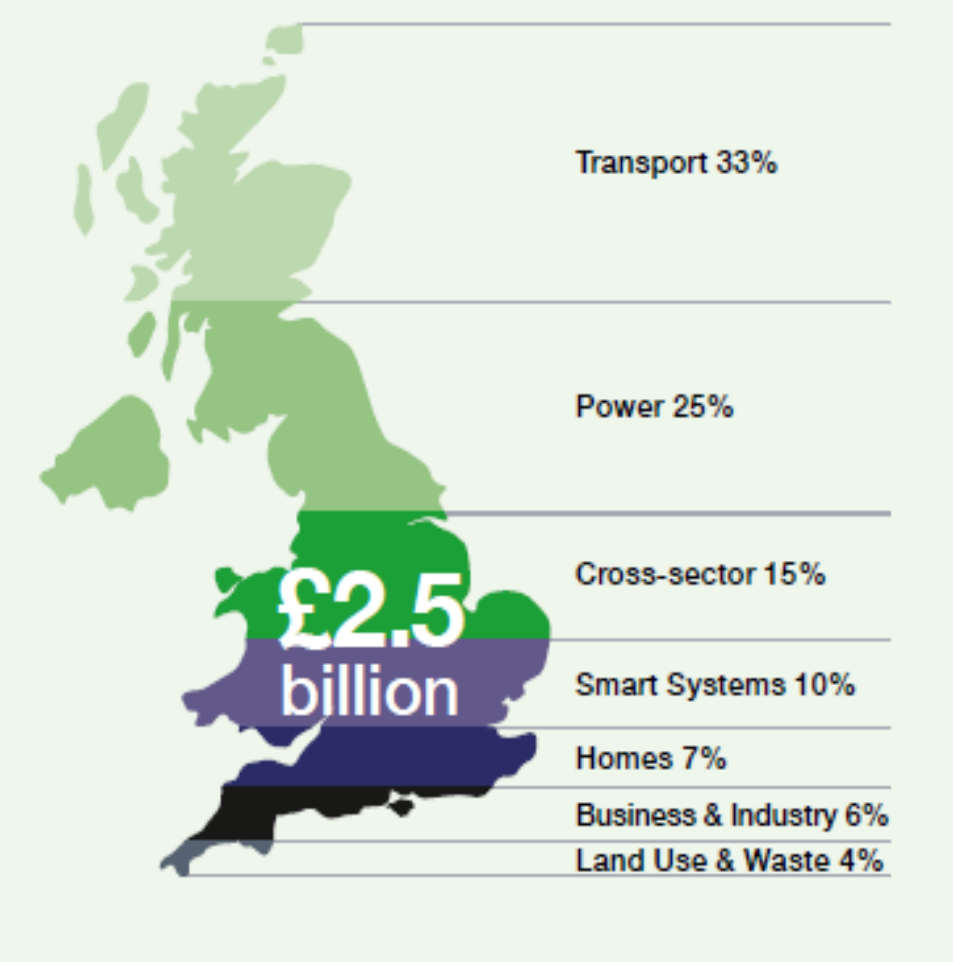
Homes: Comprehensive package to cut costs and emissions – working towards **2035 ambition**

Natural resources: Ambitious **25 Year Environment Plan;** action on **reducing waste / increasing recycling**

Power: International leadership on **CCUS;** delivery of **renewables auction** and **smart systems plan**

Public sector: Tighter targets for **central government**, voluntary targets for wider public sector

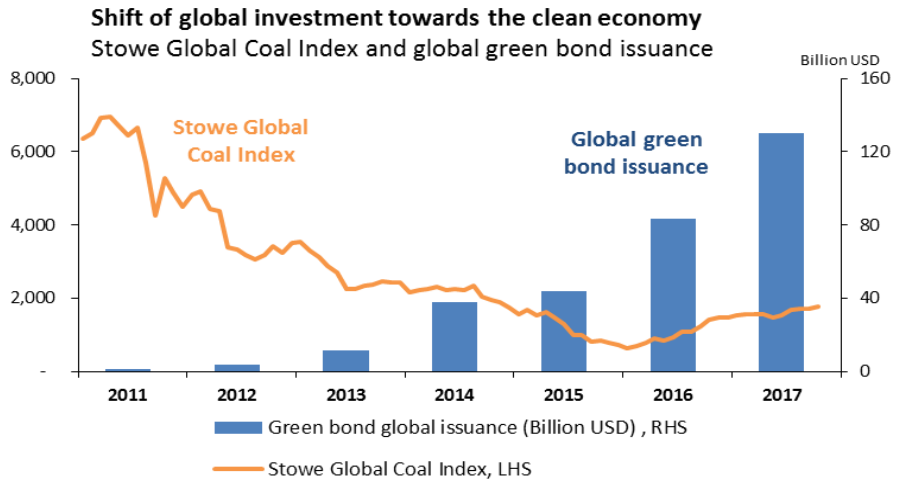
Innovation is central to our approach - £2.5 billion committed to 2020



If we are successful, the economic opportunities are huge

Large and growing global market…

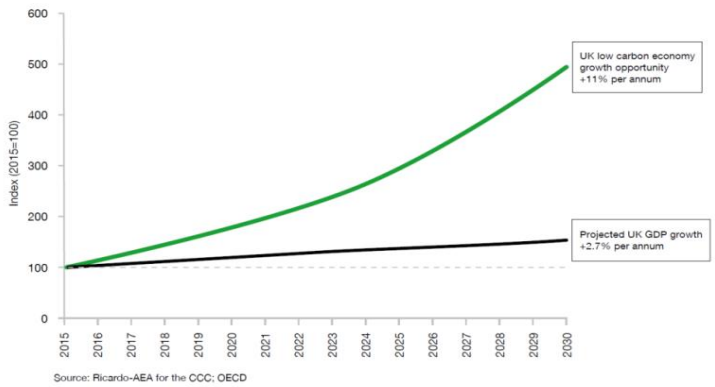
- Paris Agreement requires $13.5 trillion of public and private investment in global energy sector alone
- $10.2 trillion investment in power generation projected between now and 2040 – 85% will be in clean technologies



… which the UK is well placed to exploit:

- Around 400,000 jobs in low carbon businesses and supply chains
- UK low carbon economy could grow four times faster than rest of the economy to 2030 by one estimate
- World-leading expertise in offshore wind, smart systems, green finance, automotive

Potential growth in UK low carbon economy



Clean growth is central to our Industrial Strategy as one of four "grand challenges"

INDUSTRIAL STRATEGY

5 foundations of productivity

- **Ideas** – the world's most innovative economy
- **People** – good jobs and greater earning power for all
- **Infrastructure** – a major upgrade to the UK's infrastructure
- **Business environment** – the best place to start and grow a business
- **Places** – prosperous communities across the UK

AI & Data Economy
We will put the UK at the forefront of the artificial intelligence and data revolution

Future of Mobility
We will become a world leader in the way people, goods and services move

Clean Growth
We will maximise the advantages for UK industry from the global shift to clean growth

Ageing Society
We will harness the power of innovation to help meet the needs of an ageing society

Clean Growth Grand Challenge

"We will maximise the advantages for UK industry from the global shift to clean growth – through leading the world in the development, manufacture and use of low carbon technologies, systems and services that cost less than high carbon alternatives "

Early priority areas:

- develop **smart systems** for cheap and clean energy across power, heating and transport
- transform **construction** techniques to dramatically improve efficiency
- make our **energy-intensive industries** competitive in the clean economy
- put the UK at the forefront of the global move to high-efficiency **agriculture**
- make the UK the global standard-setter for **finance** that supports clean growth
- develop UK leadership in low carbon **transport** across road, rail, aviation and maritime

Next steps

- **Ambitious implementation:** led by via new Inter-Ministerial Group
- **Clean Growth at the heart of policy making:** using policy levers to drive clean growth as part of Industrial Strategy
- **Delegated leadership:** working with actors at all levels to drive action