

# Crisis Management with Sustainable Energy

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# Economic Crisis in CEE

## Export oriented economies

Average GDP Growth in Poland, Czech republic, Hungary , Slovakia (2000-2007) : + 4,0% , 2009 est. : - 1-2%

Slovakia GDP in 2007 (+10,4 %) , est. 2009 (-2,5%).

Industrial production : more than 20% down in February 2009 in whole region.

Governmental action: stimulation of spending (sometimes indebting of population).

Governmental non-action : cutting costs of energy expenditures (avg. 15% of family budget, up to 30% of budget for poorest families) .

**RE and EE measures to create jobs, increase incomes, to fight poverty are still missing.**

### What do we had instead:

❑ Support for automotive industry – Scrap yard contribution for new cars in several EU MS (France, Germany, Cyprus, Italy, Luxembourg, Portugal, Romania, Spain, Austria and Slovakia).

❑ Germany 5 bill. EUR allocated.

❑ SVK 33 mil. EUR allocated (0,3% of 2008 SVK budget income) , 2.000 EUR/new car – gone in 3 weeks, Follow up 22 mil.EUR.

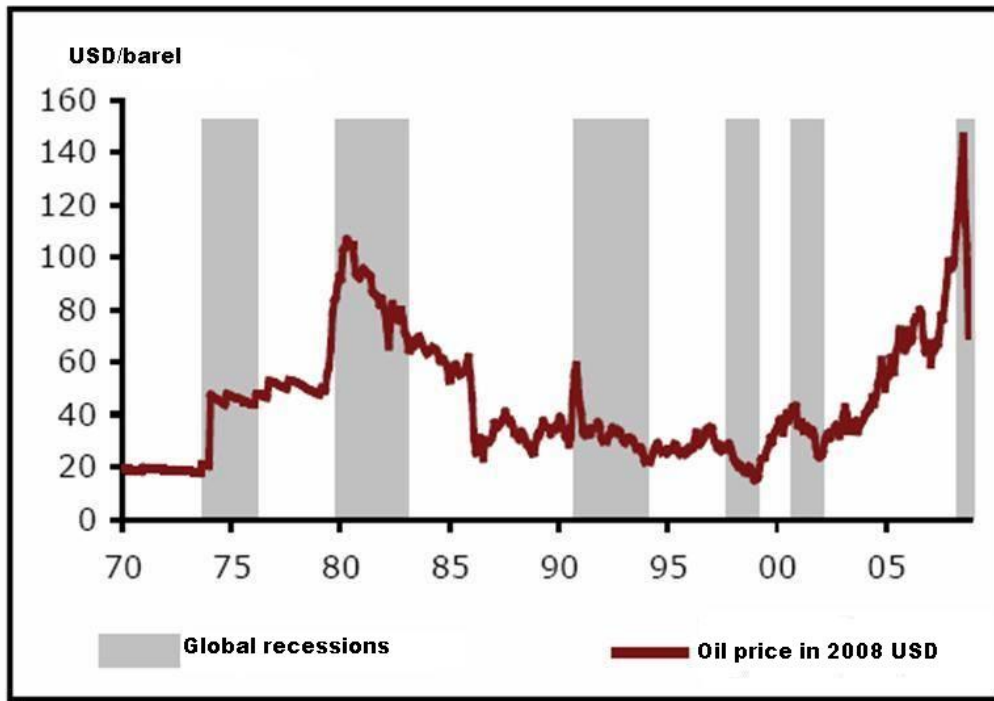
❑ If the contribution has positive effect on economy (budget) why not to adopt it for all other products and sectors? If it does not have financial benefits, why are we wasting time and money?

❑ What will happen after that (GDP, VAT, car manufacturing)? Will it goes forever?

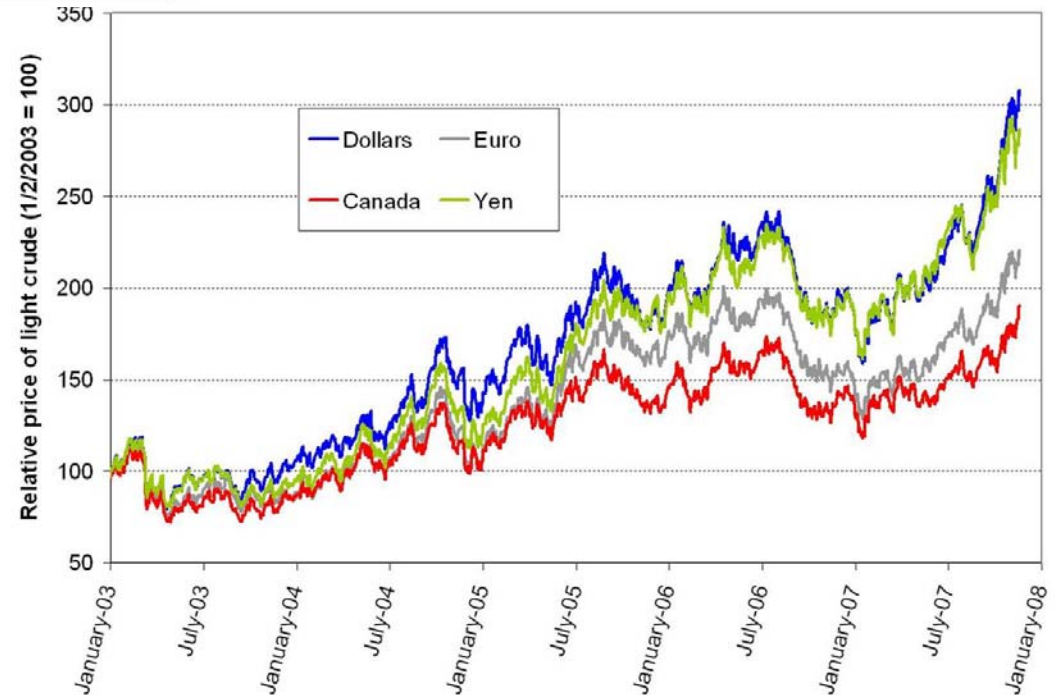
First results in SVK: indebting of poorest people in time when their jobs are in danger.

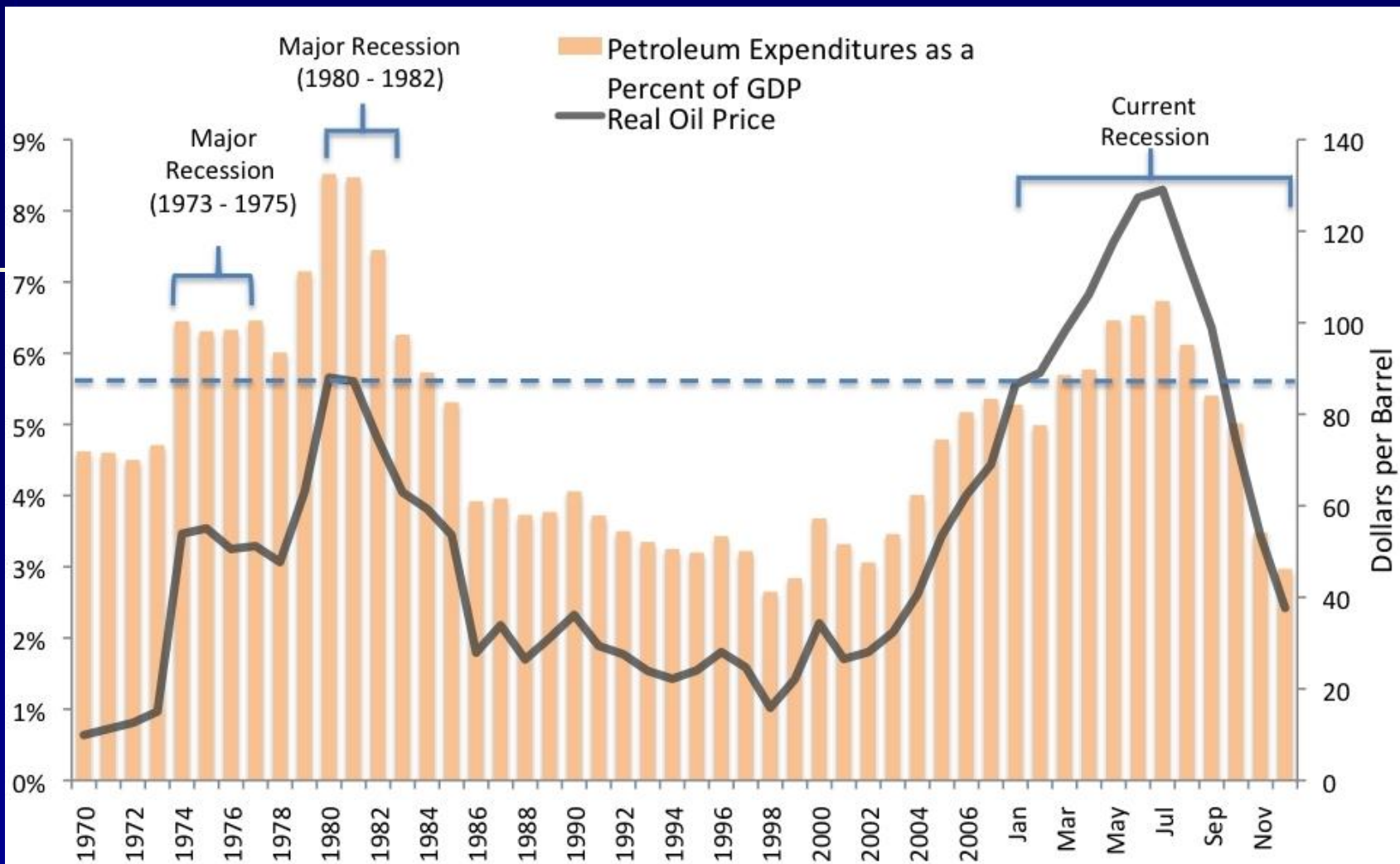
## High energy costs - roots of financial problems?

### Oil price vs. Economy



**Wikipedia:** The subprime mortgage crisis is an financial crisis triggered by a dramatic rise in mortgage ... The crisis became apparent in 2007.





Impact of energy costs on U.S. economy.

Source: <http://netenergy.theoil Drum.com/node/5304>

**If the energy costs were part of the problem – they must be also a part of the solution.**

**Czech republic: Economic crisis management through Kyoto flexible mechanisms , EE and RE measures (April 2009) :**

- ❑ Czech CO2 emission were 24% down from Kyoto target (-8%) in 2008.
- ❑ Selling of 40 mil. AAUs (Kyoto allowances) to Japan = income (unofficial) 0,4 bill. EUR. Amount to be spent on RE and EE measures.
- ❑ 30.000 new jobs will be created , CO2 reduction – 1,1 mil. tons.
- ❑ Target group: 200.000 families.
- ❑ Subsidies between 30% up to 60% for investments into heat pumps , isolation of houses, solar collectors, biomass boilers, etc.