

COMPANIES RESPONSIVE TO CLIMATE CHANGE ENJOY BETTER SAVINGS: CDP

Companies working on emission reductions saved USD11.5bn in 2013, but prefer investments with quick paybacks due to regulatory uncertainty.

A report by CDP identifies that 50% of companies that engaged with policymakers to reduce emissions achieved monetary savings of USD11.5bn from their reduction projects while only 18% of companies who did not engage were able to enjoy monetary savings. Companies that engage with policymakers are reportedly three times more likely to save money.

Companies also identified that consumer demand for climate-friendly products is a large opportunity that can be met by

adapting to climate change. Despite the support, about 77% of companies reported that regulatory uncertainty was the reason they were unwilling to participate in carbon markets and invest in other long-term emission reduction initiatives as it could adversely affect ROIs. .

Seven of the ten sectors researched claimed investments fell from 2012 or 2011 levels, or from both, and reported focusing on investments with shorter payback periods.

[Read more](#)

CHINESE STEEL INDUSTRY LOSSES DEEPEN AS ANTI-POLLUTION COSTS ESCALATE

Government pollution controls and capacity cuts are likely to deepen losses in the sector.

The China Iron and Steel Association reports that 28% of steel companies recorded losses over the first 11 months of 2013. According to an analyst, China's anti-air pollution campaign is raising steel companies' environmental costs and curbing their earnings. The government also announced it will reduce overcapacity in the industry, which might deepen losses.

As losses mount, investors have become skeptical about the company's ability to repay debt resulting in sharp rises in

corporate bond yields.

Bonds issued by several steel makers have tumbled due in part because authorities recently told provinces and municipalities to cut air pollutants by as much as 25 percent.

[Read more](#)

GERMANY PROPOSES RENEWABLE SUBSIDY CUT TO EASE ENERGY COSTS

Germany's proposal to cut renewable energy subsidies by approximately 30% through 2015 is an effort to reduce the country's high energy costs.

The German economic minister is set to propose a reduction in subsidies for wind, solar, and other renewable power sources. The proposal requests a cut in feed-in tariffs for renewable power generators to EUR0.12/kWh by 2015 to the current EUR0.17/kWh.

The measures, which are set to become law on August 1, 2014, aim to reduce Germany's energy costs which are amongst the highest in the EU ([Sustainable Insights - Edition 16](#)).

The proposals, which favor off-shore wind and solar capacity enhancements over on-shore power projects, is reflected in the government limiting capacity expansion to 2.5GWs for on-shore and 6.5GWs for off-shore wind projects by 2020.

[Read more](#)