



# **Corporate Strategies and Financial Innovations Under the Background of Low-Carbon Economy**

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## I. Low-Carbon Economy

- Low-carbon economy means the mode of economic development based on low energy consumption, low emissions and low pollution, developing low-carbon economy has become the fundamental way and necessary choice for addressing global warming and insuring energy safety, which has been approved extensively around the world and become a new round of growth point and competition point in international economy.

## II. Corporate Strategies Under the Background of Low-Carbon Economy

1. Under the background of global warming and low-carbon economic development, both domestic and international policy environment and market structure are keep changing. Companies are facing three challenges.



- First, increasingly strict restrictions on carbon emissions by domestic and international rules and policies.
  - Second, increasing cost for corporate operation: the energy and resource prices are increasing
  - Third, increasing pressure of social responsibilities and higher expectations for clean development by social public.
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## 2. Low-carbon economy also means the development opportunities for enterprises.

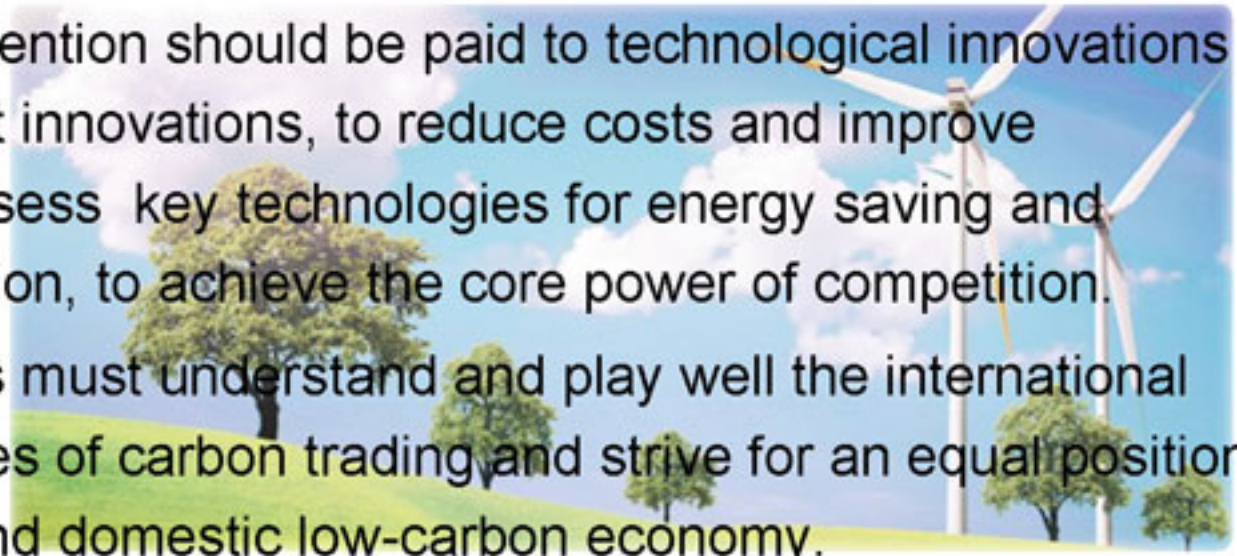
- First, the traditional and fixed competition pattern has been broken, providing more opportunities for enterprises to involve or transcend others.
- Second, the market is huge, under the double background of climate change and financial crisis, energy conservation, environmental protection and new energy become new and strong economic growth points in Europe, America and Japan.
- Third, the development of energy conservation, environmental protection and new energy industries might initiate a new technology revolution around the world and result in an overhaul of international competition pattern.

3. Under the background of low-carbon economy, enterprises must face the challenges and grasp the opportunities in developing strategies suitable for the situation.

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- First, they must realize profoundly that low-carbon economy is not only a moral topic or social responsibility but also an issue of market and policy orientation deciding the survival and development of themselves.
- Second, more attention should be paid to technological innovations and management innovations, to reduce costs and improve efficiency, to possess key technologies for energy saving and emissions reduction, to achieve the core power of competition.
- Third, enterprises must understand and play well the international and domestic rules of carbon trading and strive for an equal position in international and domestic low-carbon economy.



### III. Financial Innovations Under the Background of Low-Carbon Economy

Financial strategies should serve for corporate strategies through acquiring resources for corporate development and deploying resources based on corporate strategies. Financial management innovations should focus on resources conservation, efficiency improvement and risks prevention.



**China Energy Conservation and Environmental Protection Group (CECEP)** is the largest and the only central Enterprise engaging in energy conservation , environmental protection and new energy in China.

- CECEP is the company initiating CDM project development in China, it is CECEP that successfully conducted the registration of China's 1<sup>st</sup> project of Wind Power Generation, Biomass Power Generation and Waste Incineration Power Generation in United Nations. Up to now, CECEP has registered 17 projects, through which 1,640,000 tonnes of carbon emissions have been reduced annually with the generated revenue accumulating to RMB110 million.



- CECEP has obtained more than 100 billion yuan financial support of green credit from domestic and international major financial institutions, such as the World Bank, Asian Development Bank, China Development Bank, Export-Import Bank of China, China Construction Bank, etc.; due to the strategies and projects relating to energy conservation and environmental protection, over 10 billion yuan will be accumulated through the channels of State Capital, IPO and investment by strategic investors (including Social Security Fund), in addition to another 10 billion yuan through issuing Energy Conservation Bonds, Mid-Term Notes and Short-Term Commercial Paper, all of which have given a vigorous support to the development of CECEP.

- Though conducting collective financial accounting, collective fund management and overall budget planning, CECEP has greatly reduced the capital cost and eliminated financial risks, signifying the successful implementation of CECEP strategies.



# THANK YOU