

## Experience & key obstacle on economic diversification

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## Economic Diversification type

- 'keeping' type: economic diversification in the same level, cross way.
- 'developing' type: economic diversification in the high level, vertical way.

## The Case of developed countries

- With some special resources: Australia, New Zealand, Canada.
- Some Middle or Small countries: Finland, Singapore, Switzerland.
- Large countries: USA, some EU countries.
- Asian countries: Japan, South Korea.
- Why we need the international trade???

## Key point for 'developing' type

- Use the high tech and new tech to reform the traditional industries.
- Get more value by increase the technology level and deduce the negative influence by climate change.
- It can support the 'keeping' type & adaptation actions.

## Key factor that related with 'developing' type

- Environment sound technology transfer
- Develop the technology for developing countries need, and fit for sustainable development.
- WTO rule on intellectual property and subsidie for agriculture production



## Case 1 energy structure adjustment in China

- Economic development goal: two double in 2020 compare with 2000.
- Energy increase goal: one double in 2020 compare with 2000.
- Keep the energy elasticity low than 0.5
- Increase the share rate of natural gas and the renewable energy.



## Key measure for Case 1

- Build up the nature gas pipeline from northwest to east.
- Increase LPG import in the southeast coast area.
- Encourage wind power and other renewable energy development.
- More serious environment standard for coal use.



## Main obstacle for Case 1

- High cost for the import key equipment, thus no competition by nature gas power generation,even we calculate the environment cost to coal power generation.
- High cost for import the windy power equipment



## Case 2 increase the income level in rural area

- Main task of Chinese government is how to rise the income level, how to increase the income level, & how to reduce the income distance between high group & low group.
- In the resent years, the total production of rice exceed the total consumption demand, the government try to use the 'keeping' type to adjust the production structure, but with little achievement.



## Main obstacle for Case 2

- Lack advantage technology to reform the agriculture sector.
- The urbanization speed too slow.
- Centralized process is not good.



## What's the developed countries need to do

- Transfer the environmental sound technology by some special mechanism.
- To help the developing countries to develop the technologies that they needed & fit for the economic diversification.
- Make more flexibility on the rule for intellectual property and subside for agriculture production in WTO
- To help the education, training in developing countries especially for 'developing' type economic diversification efforts.



## What's the secretariat need to do

- Make efforts to Establish the mechanism for environmental sound technology transfer.
- To build up some mechanism to help the developing countries to develop the technologies that they needed & fit for the economic diversification.
- Establish a channel with WTO for intellectual property and subside for agriculture production issues

