

Korean Green Consumption and Production Policy for Transition into a Green Economy

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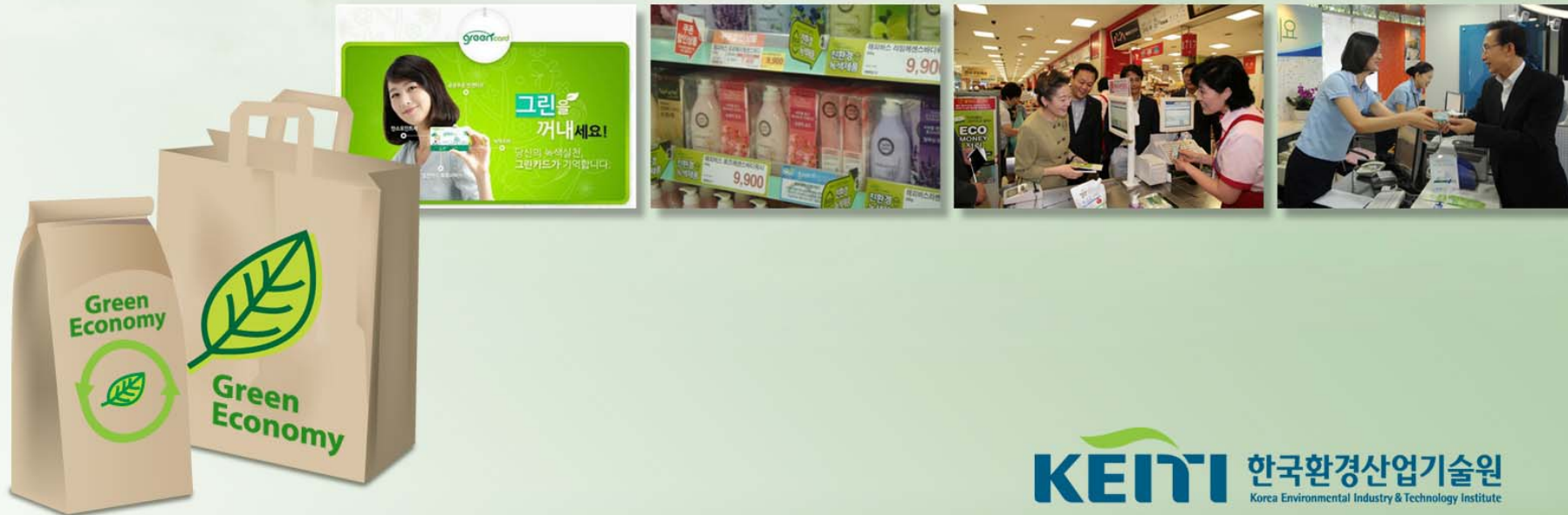
I BACKGROUND OF PROMOTION

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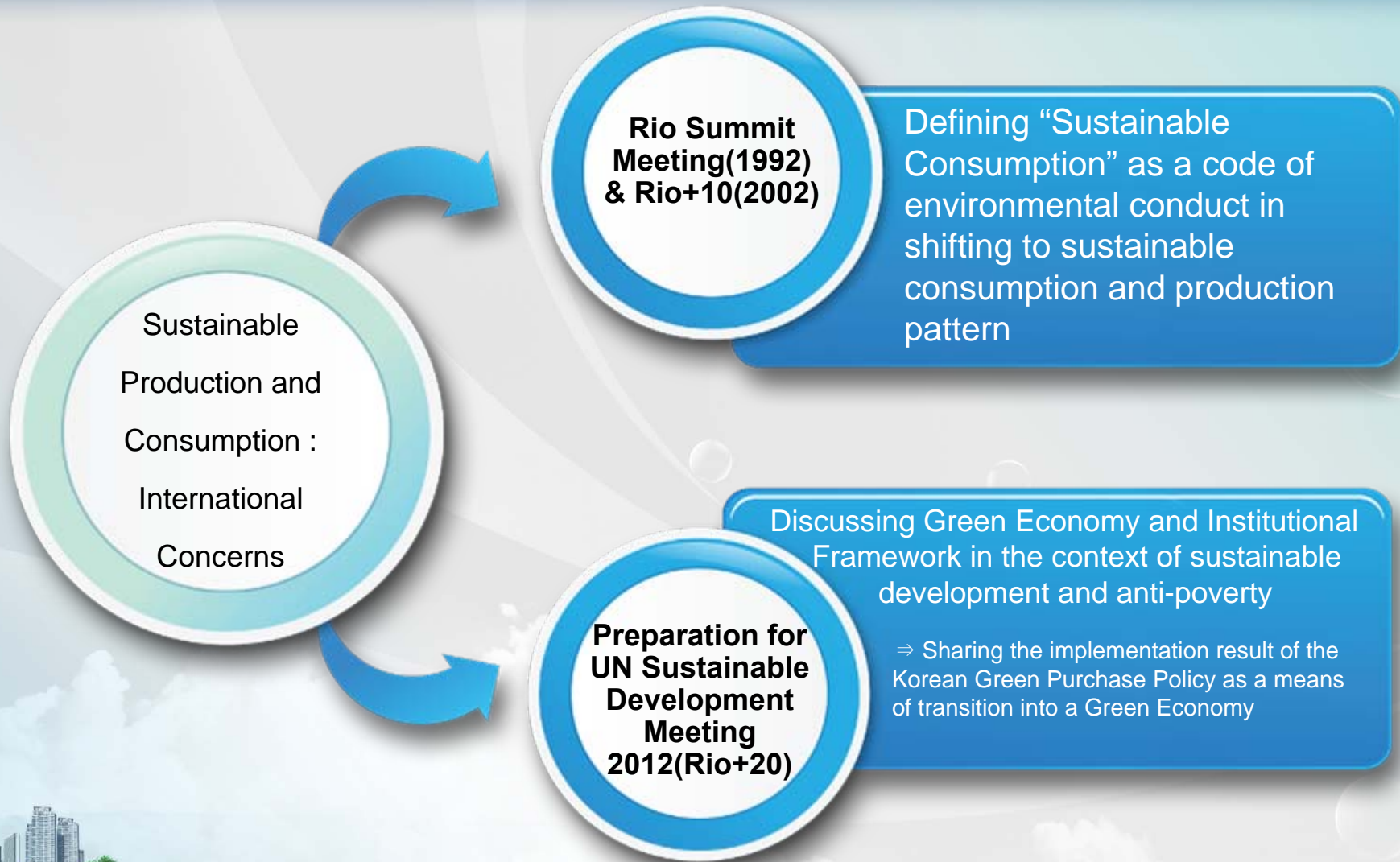
III CONCLUSION & PROPOSAL

Korean Green Consumption and Production
Policy for Transition into a Green Economy

I. BACKGROUND OF PROMOTION



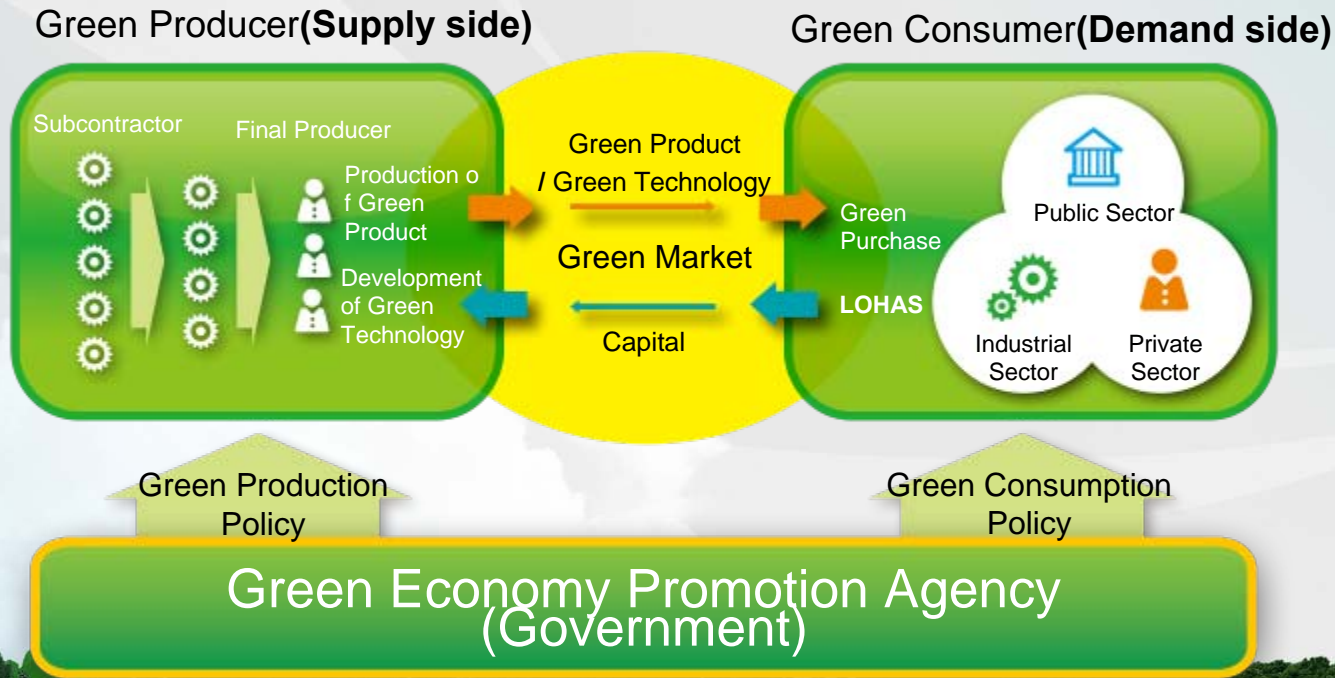
I. Background of Promotion



I. Background of Promotion

Korea needs the green purchase policy for transition into a Green Economy

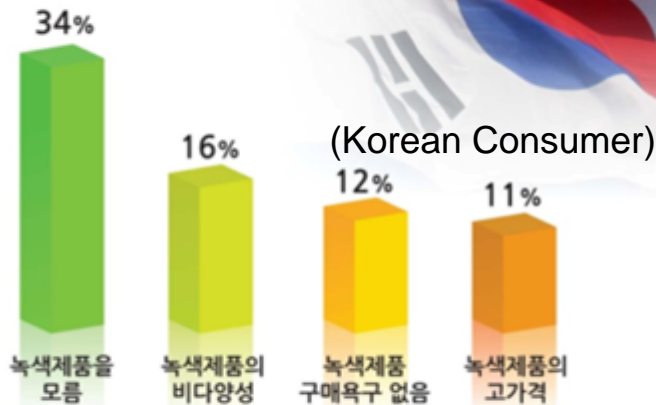
- **Change to Green Consumption Structure in each field of society together with Green Production and Distribution**
 - It is important for consumers to understand and fulfill Green Consumption to form the Green Market



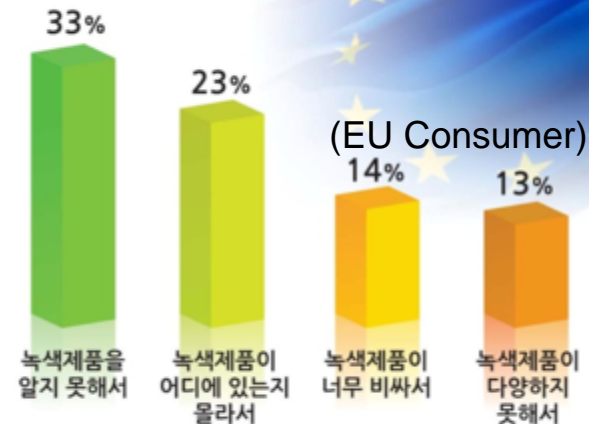
● Consumers still have low level understanding and practice of green consumption

- Major obstacles e.g. insufficient information on green products

< Results of Analysis of Obstacles to Domestic and Foreign Green Consumption >



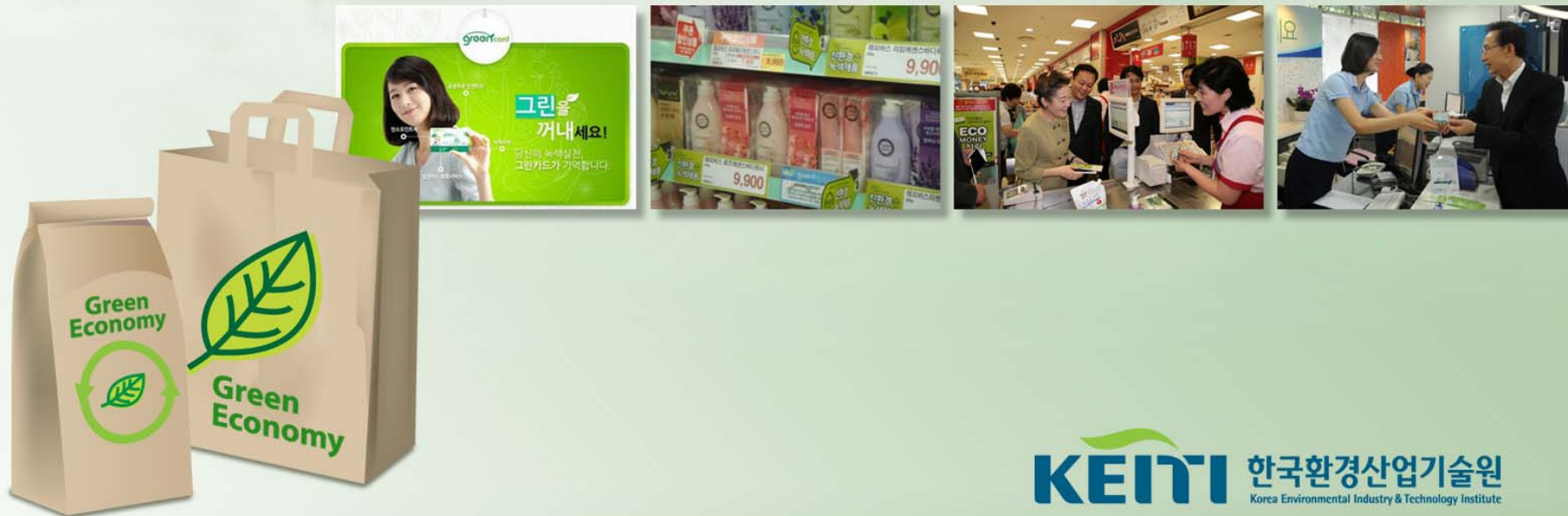
※ KETIT Green Consumption Survey, 2010



※ BCG Global Green Consumer Survey, 2008

Korean Green Consumption and Production
Policy for Transition into a Green Economy

II. Present Status and implementation Results of the Korean Green Purchase Policy



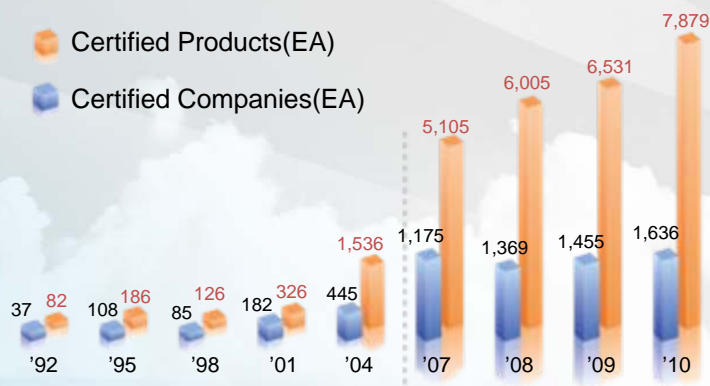
II. Present Status and Implementation Results of the Korean Green Purchase Policy

1 Enforcement of the Green Product Certification System

Eco-Label to Spread Green Product Production and Consumption

Eco-Label Certification for high-quality, environmentally excellent products since 1992

- Rapid growth since 2005 according to green purchasing by public institutions, spread of well-being and LOHAS, etc.



Production amount of certified products (trillion Won)





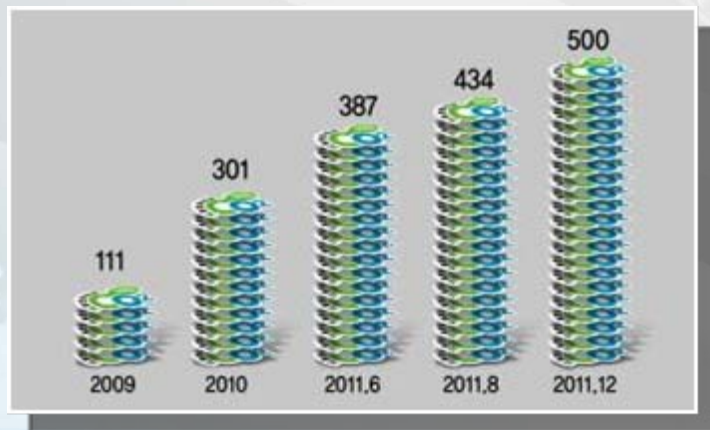
Enactment of Green Purchase Act

II. Present Status and Implementation Results of the Korean Green Purchase Policy

Enforcement of Carbon Footprint Labelling Certification for Low-Carbon Society

● **GHG from the entire process of production has been attached to product after being converted into CO₂ emission since February, 2009.**

- Carbon emission certification(Step 1, )
- Low-carbon product certification(Step 2, ) from Nov. 2011



<Progress of increase of carbon footprint labelling-certified products>

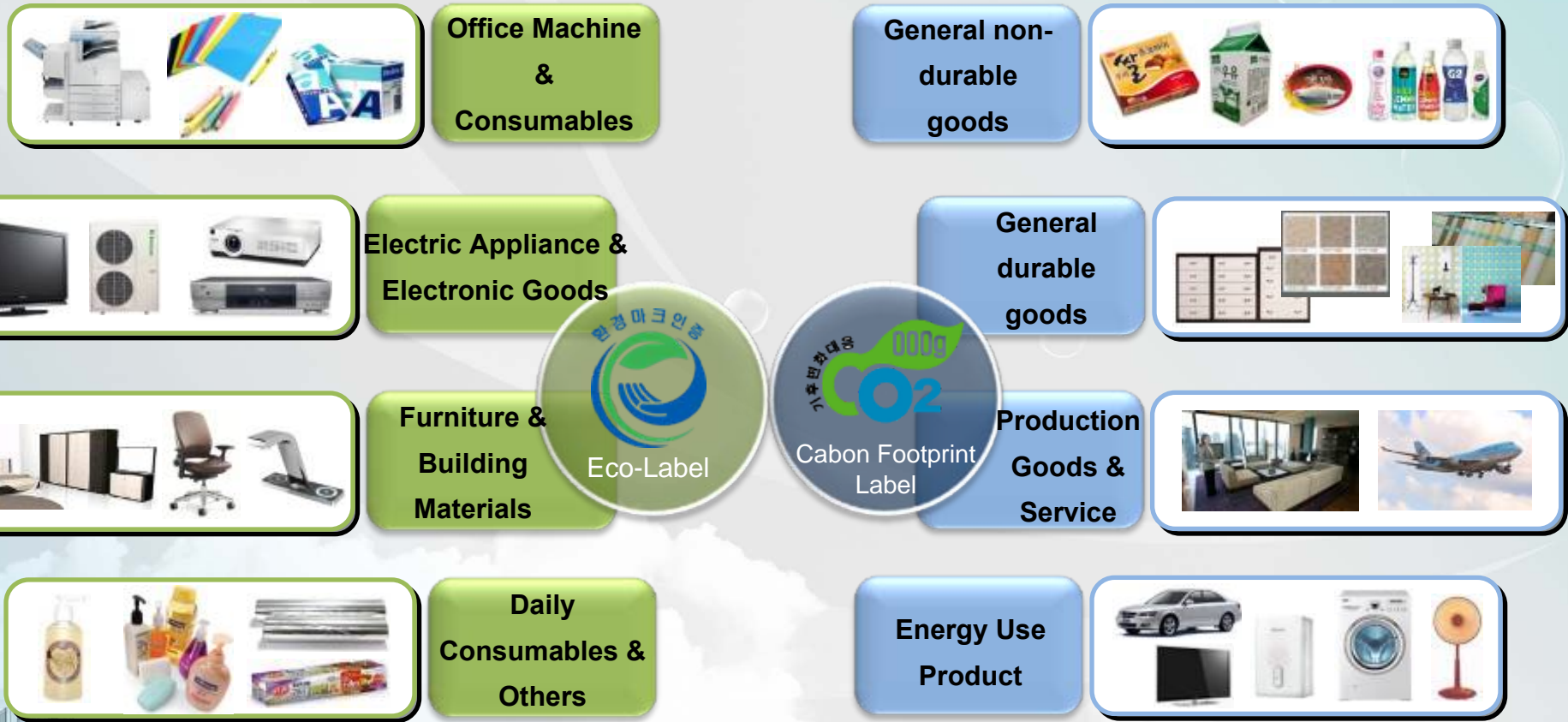


<Status of carbon footprint labelling-certified products in each product group>

II. Present Status and Implementation Results of the Korean Green Purchase Policy

Reference Present Status of Products Certified as Green Product

e



II. Present Status and Implementation Results of the Korean Green Purchase Policy

2 Operation of the Green Store Designation System



Using the distributor – which is the link between production and consumption – as hub for the PR and Sale of Green Products



II. Present Status and Implementation Results of the Korean Green Purchase Policy

Spearheading efforts to make large distribution stores, distribution systems, products for sale, etc., eco-friendly

- Designating as green store after evaluating the entire area of a store with floor area of more than 3,000 m² such as building, facilities, distribution, product and waster, operation, etc.(Oct. 2011)
- Expanding the range of green store designation to local small and medium stores, farm produce stores, etc., in the future(2012)

II. Present Status and Implementation Results of the Korean Green Purchase Policy

3 Green Purchasing by the Public Sector

Public green purchasing shows the function of model of green purchase by the general consumer or industrial sector.

(Public purchase scale : 9% of GDP)

Public green purchasing have been made compulsory since 2005 in compliance with the 「Law on green product purchase promotion」

(total of 814, 28,642 if affiliated and subsidiary organizations are included)

- Green market grew more than 6.5 times to KRW 1.64 trillion in 2010 from KRW 250 billion before the law was enforced



1 USD = 1,174 KRW

II. Present Status and Implementation Results of the Korean Green Purchase Policy

4 Green Card Initiatives

In 2011, the national green life incentive system was introduced for the “practice of greenhouse gas emission reduction” by applying the credit card system

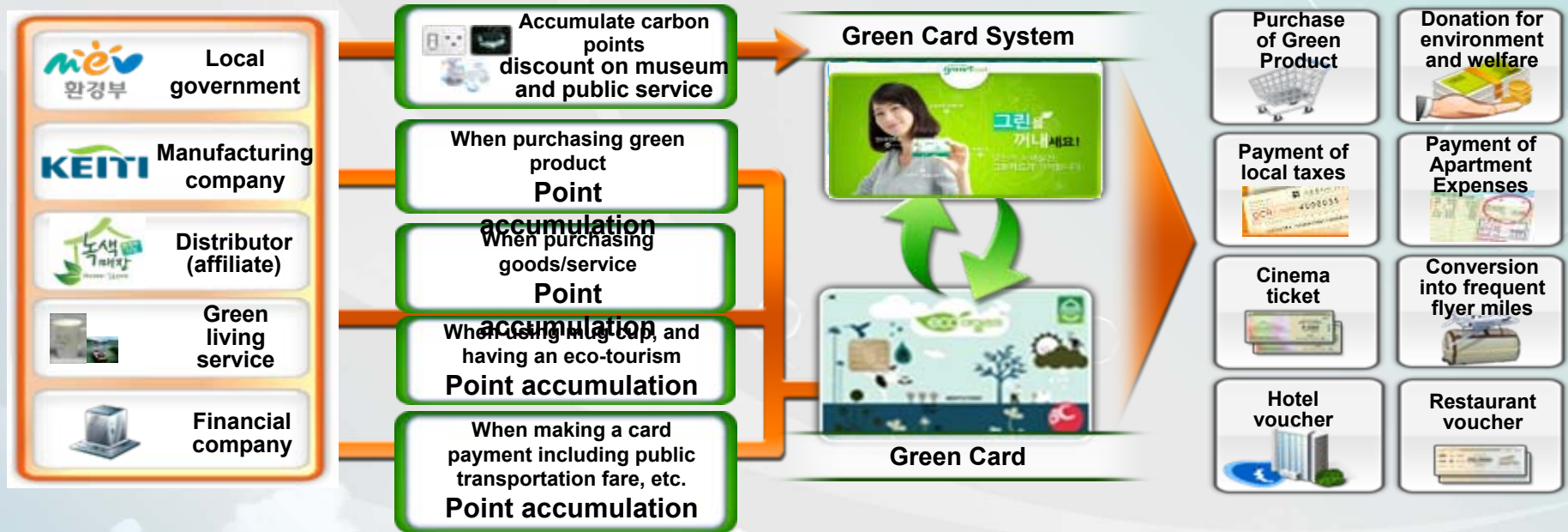
- Starting with the issuance of the first green card (2011.7.20) to President Lee Myung-Bak
- 200,000 cards (as of 2011.11.19) have been issued since July, 22.



<President Lee Myung-Bak receives No. 1 Green Card>

II. Present Status and Implementation Results of the Korean Green Purchase Policy

Major Incentives for Green Card



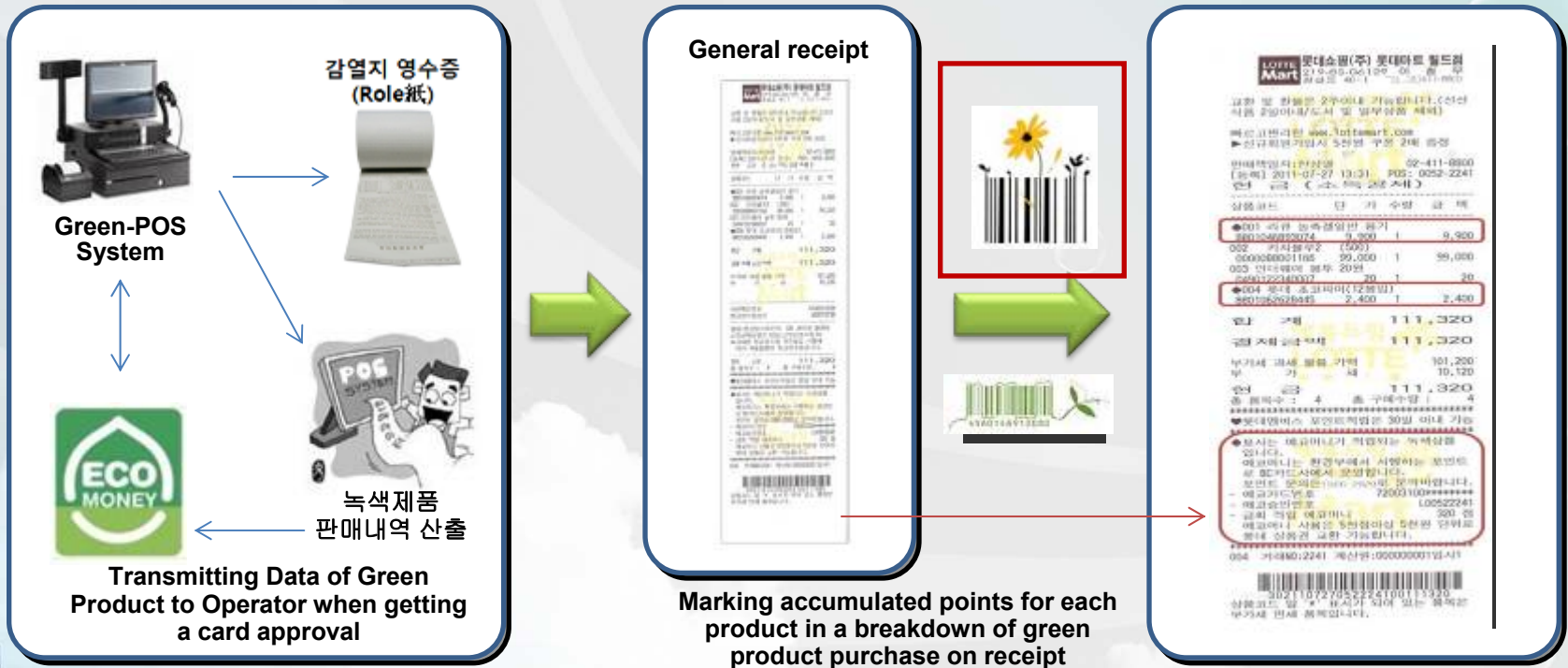
- **(Carbon Point)** Government awarding points to each home according to the reduction of greenhouse gas emission
- **(Green consumption)** Manufacturer providing 1~5% green points with purchase of green products
- **(Public Incentive)** Local government giving benefit to green card consumer
- **(General Card Service)** Accumulating 100~200 points with use of public transportation

II. Present Status and Implementation Results of the Korean Green Purchase Policy

Construction and PR of Green Payment System(POS*) for auto-accumulation of green consumption incentives in distribution store

* Point of Sales

Constructing green product DB, Marking green product and save point



II. Present Status and Implementation Results of the Korean Green Purchase Policy

PR of Green Card in Distribution Store

Hanging
Banner
in store



Green
Card
banner in
store



Green
Payment
System



Green
product
warbler



Green
Card
PR
materials
on counter



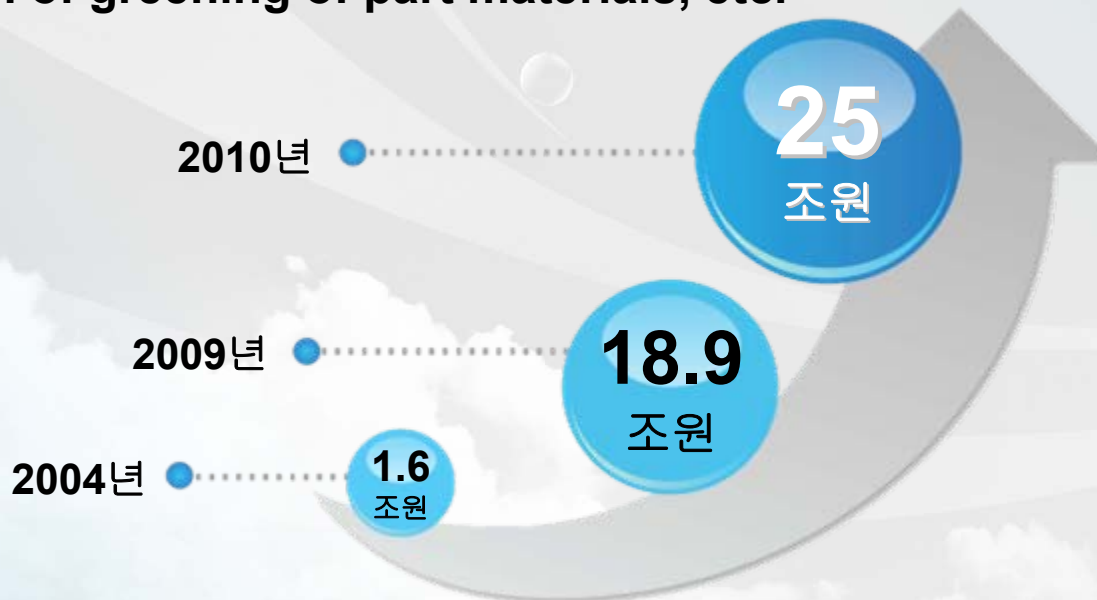
Demonstration
of Green Card
by the Minister
of Environment



5 Evaluation of the Korean Green Purchase Policy

Expansion of Green Product Market Scale

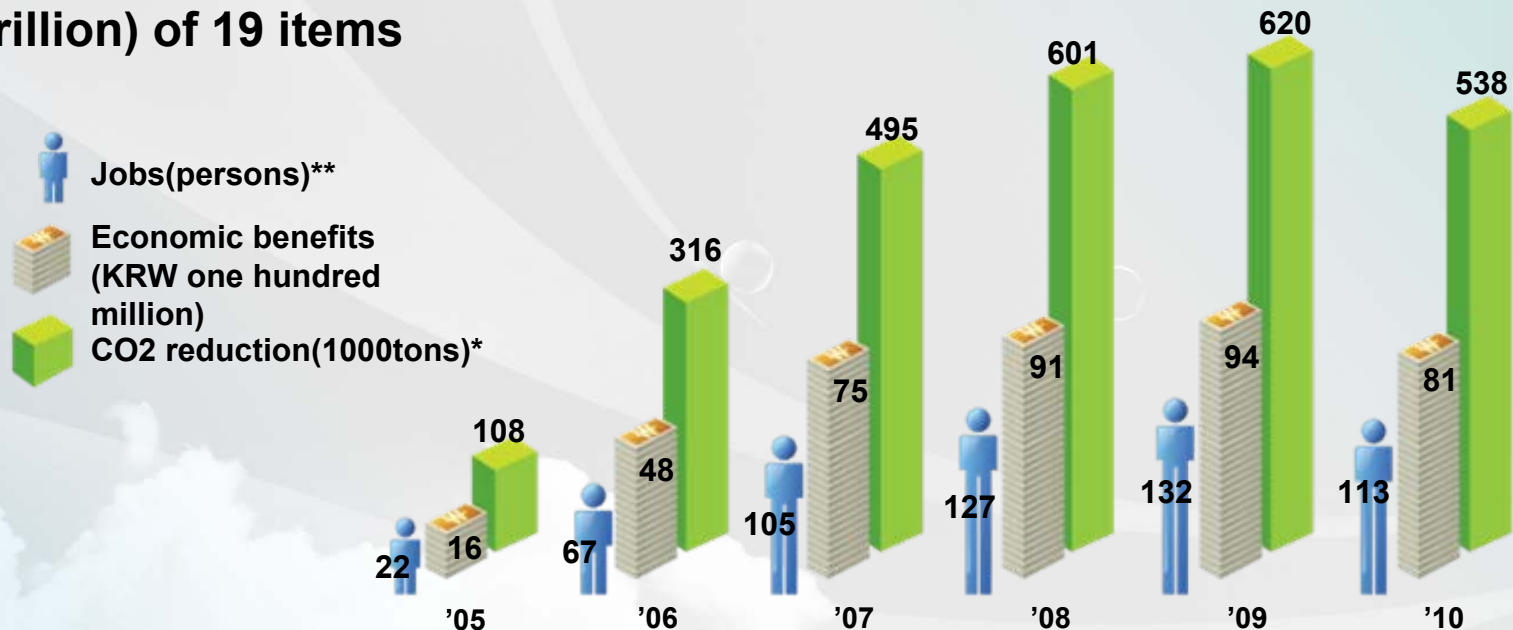
- Production of green products : KRW 1.6 trillion in 2004 → KRW 18.9 trillion in 2009 → KRW 25 trillion in 2010 → **KRW 40 trillion in 2015**
- Promotion of greening of part materials, etc.



II. Present Status and Implementation Results of the Korean Green Purchase Policy

GHG reduction and job creation according to green product purchase policy

- The public institution has reduced GHG by 2.76 million tons and created 585 jobs for 5 years through green purchase (KRW 4.8 trillion) of 19 items



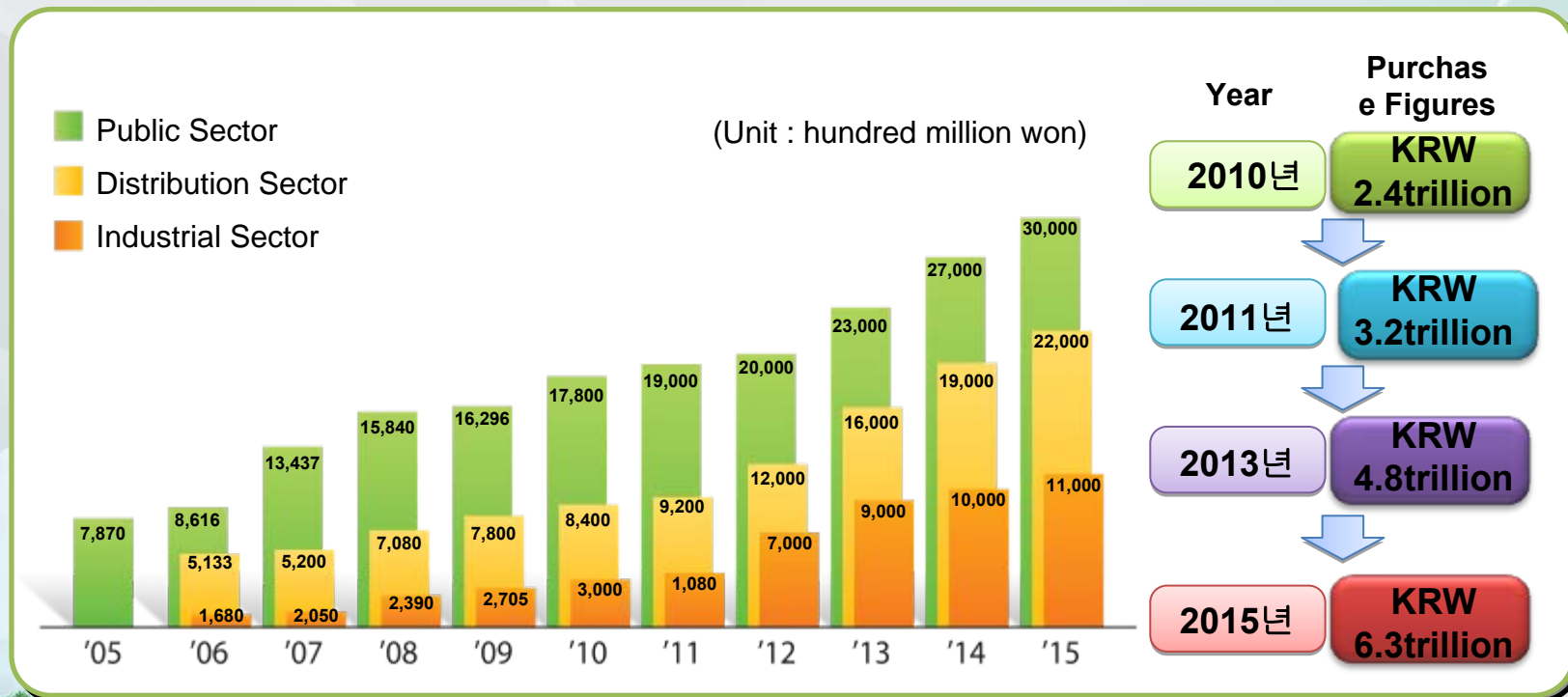
* Reduction of CO₂ emission : Effect of reducing CO₂ emission with purchase and use of 19 items such as computer, office machine, furniture, etc.

** Job creation : Cited Employment inducement Coefficient (14 persons/KRW 1B) of the public administration and defense sector in 「Employment Coefficient of Each Industry (based on 2008)」 announced by the Bank of Korea

II. Present Status and Implementation Results of the Korean Green Purchase Policy

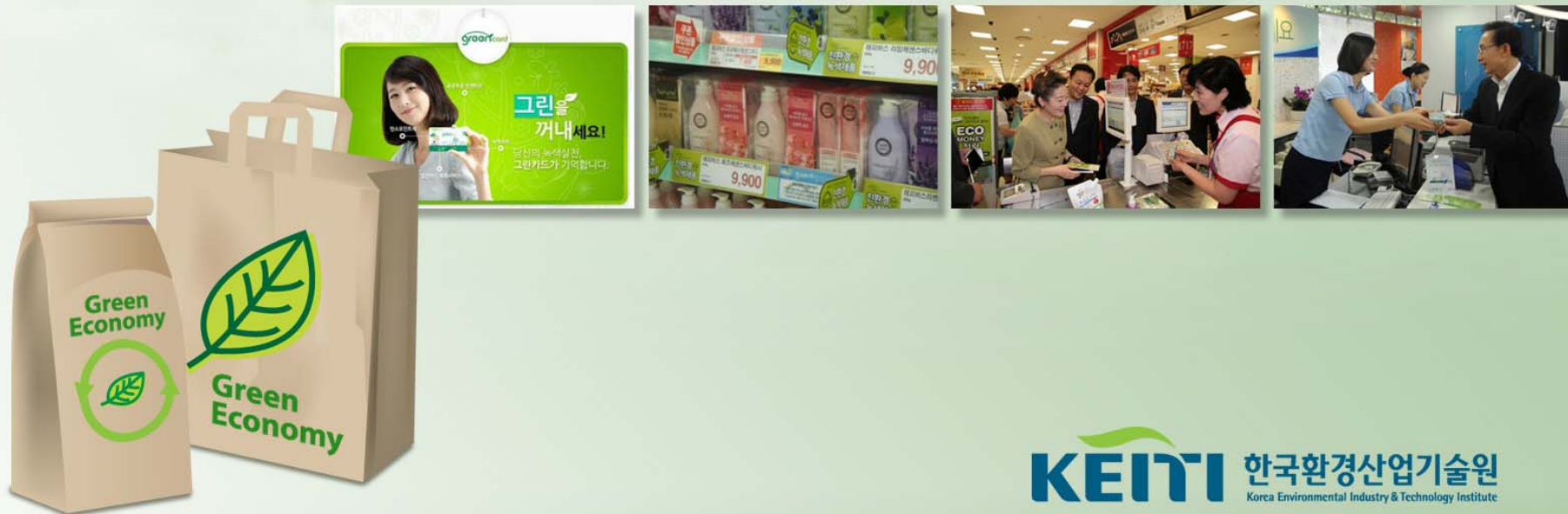
Expansion of green product market scale to KRW 6.30 trillion by 2015

● Outlook on the Progress of Green Product Purchase Scale



Korean Green Consumption and Production Policy for Transition into a Green Economy

III. Conclusion & Proposal



III. Conclusion & Proposal

Korean Green Purchasing Policy spearheading green production & distribution, green economy

- **Green consumption playing the role of driver in producing green products, developing green technologies, and constructing green distribution network**
- **Completion of Green Value Chain connected in the following order : Green Consumption → Green distribution → Green Production**

III. Conclusion & Proposal

Compliance with international society's recommendations,
Promotion of cooperation on green consumption and production

- **Political support for Asia-Pacific countries with Korean experience of Green Purchase System as a model of Green Economy**
- **Promotion of opening of international conference for green consumption and production with international organization* (Rio+20)**
* UNESCAP, UNEP, Consumer International etc.,.
- **Plan for political exchange with green purchase guideline, green product database, etc.**

감사합니다



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