Claim: China Will Be Key To Creating A Global Circular (Green) Economy

The terms 'circular economy' and Sustainable Development are UN terms that are tied together as synonymous thoughts. It stresses efficiency and cutting waste. As a Technocracy, China is agressively leading the global community in its path. □ TN Editor

Interest in the "circular economy" has grown over the past decade in recognition that current rates of resource consumption are unsustainable. The shift to a more sustainable model of economic growth requires a circular economy in which products are recycled, repaired, or reused, and waste from one process is used as an input into others.

In 2015, the Paris Climate Agreement and the Sustainable Development Goals both highlighted the urgent need for "transformative" approaches to reduce greenhouse gas emissions and resource use. At the same time, a circular economy is being made possible by advances in information technology. Digital "Ebay-style" marketplaces for waste products and materials are, for example, being piloted in the United States and "trace and return" software is allowing firms to track products in the economy to optimise use and facilitate repairs and upgrading.

Until recently, the circular economy has largely been considered a rich-country agenda. Although pressures from resource extraction and waste are often more immediate in developing countries. Despite these countries often being considered more "circular" than wealthier ones, few studies have assessed the opportunities and risks for lower-income countries that are shifting towards a circular economy.

A new briefing paper by Chatham House addresses this gap. It argues that shifting towards an economy focused on reuse, remanufacturing and recycling may provide an urgent boost to growth and jobs in developing countries.

Careful approaches will be needed to manage potential trade-offs between the benefits and drawbacks of circular approaches, including those around the climate impacts of some "waste-to-energy" technologies that incinerate rubbish to generate electricity.

The paper also argues that the European Union (EU) and other leading countries can do more to work with developing countries and improve international cooperation in support of the circular economy. Here, China has a key role to play as the decisions it takes on its domestic economic agenda, on trade policy and on overseas investments will have a profound impact on the direction of travel.

China's circular economy strategy

As a major manufacturer and processor of natural resources, China sees some of the worst effects of unchecked resource extraction and waste production. In 2014, China generated 3.2 billion tonnes of industrial solid waste, only two billion tonnes of which were recovered for recycling, incineration and reuse.

The growing waste crisis has had lethal consequences; 73 people were killed in a landslide at a waste dump in Shenzhen in 2015. Even when waste is managed, reliance on poor-quality processes can make matters worse. China has seen dozens of protests by local residents over waste-incineration projects.

However, the government has been taking action. It has set targets, introduced financial measures and passed laws to promote a circular economy. It is one of the few governments to have a circular economy strategy and law, and the concept has featured prominently in both the 12th and 13th Five-Year Plans.

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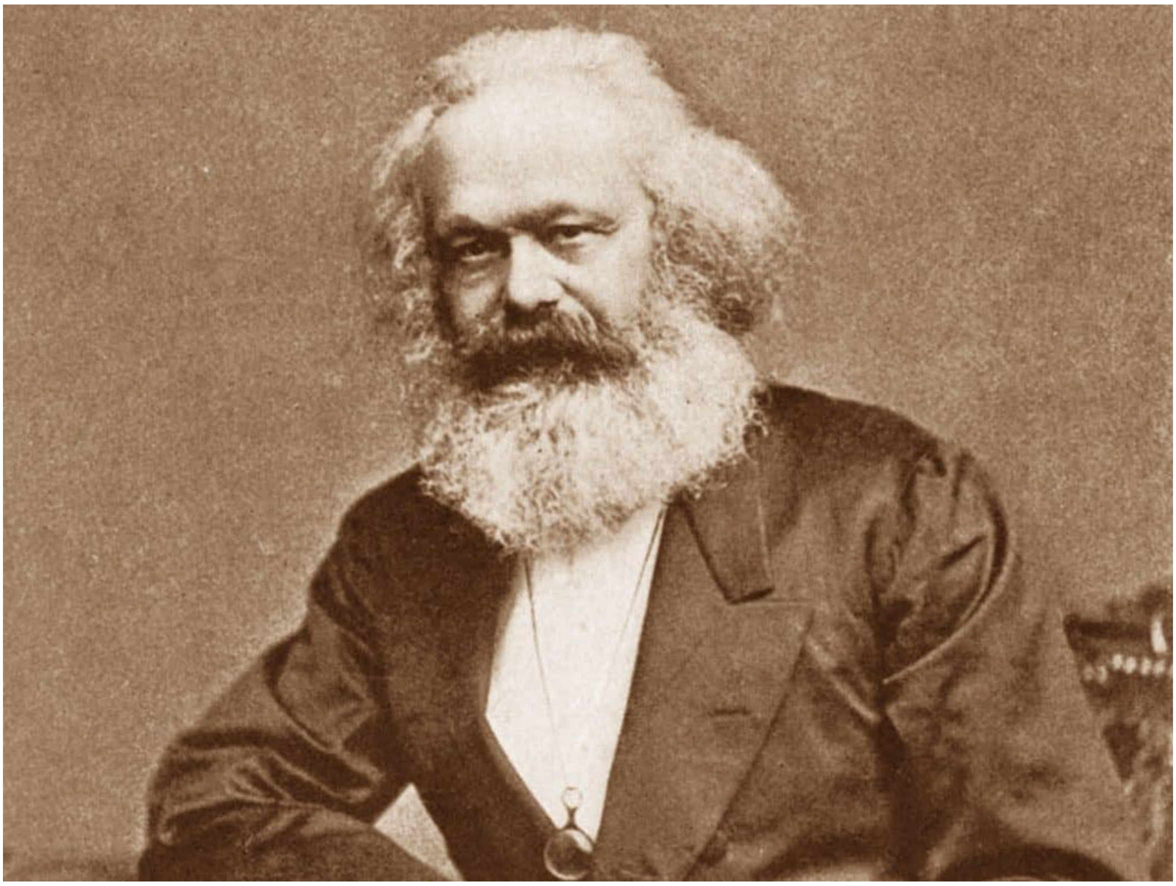

Robotics, Karl Marx And The Collapse Of Profits And Capitalism

Finally, someone has correctly pegged the role of Marx, robotics, the destruction of capital and hence, the destruction of Capitalism and Free Enterprise itself. Zbigniew Brzezinski in *Between Two Ages: America's*

Role in the Technetronic Era, developed the idea that Marxism was a mere stepping stone to the end result of societal evolution, which he called the Technetronic Era, aka Technocracy. Thus, Capitalism will die and be replaced by Technocracy. Charles Hugh Smith has given the first clear explanation of how and why it will happen this way. — TN Editor

Whatever commoditized robots can produce is no longer profitable; rather, the production destroys capital.

Yesterday I discussed how robots only do work that's profitable, as any enterprise buying, programming and maintaining robots to do unprofitable work will soon be out of business.

What few observers seem to grasp is that automation goes through two distinct stages of profitability: when robots/automation first replace high-cost human workers, profits soar. Observers then draw projections based on the belief that these initial profits will continue essentially forever.

But this initial boost phase of profits gushing from automation is short-lived;as the tools of automation are themselves commoditized and become available to anyone on the planet with some capital and ambition, lower cost automated competitors come to market, destroying the pricing power of the first adopter.

Once an enterprise is competing only with other automated enterprises, profits fall to near-zero as lower cost competitors emerge. Competitive advantages are small once a field has been commoditized/globalized, and there is little pricing power left except for brands that establish some cache people will pay extra to have and hold.

But everything that's been commoditized will no longer be profitable, as the competitive advantage of replacing human workers with robots vanishes once competitors have also replaced their human workers with robots.

Karl Marx described this dynamic of profits cratering and then vanishing in the 19th century. Marx described the consequences of over-investment in commoditized production and the resulting over-capacity: when anyone with access to investors or credit can buy the same machinery—that is, the machines are interchangeable commodities such as sewing machines, power looms, etc.–the capacity to produce rises as every competitor attempts to lower the unit cost of each product by producing more.

In other words, the only competitive advantage in an economy of commoditized machines and products is to increase production by over-investing in productive capacity. If competition has lowered the price of products, those who can double their production will achieve profitable economies of scale.

Over-investment and overcapacity are intrinsic dynamics of production; those who fail to invest heavily in increasing capacity will become unprofitable. Once their capital is destroyed, they vanish in insolvency.

As Marx explained, every enterprise is driven to pursue the same strategy, and the end result is massive over-investment and overcapacity. The flood of products overwhelms demand, and prices fall below the production costs.

Over-investment leads to overcapacity that devalues whatever is being produced.

This leads to a counter-intuitive result: over-investment destroys capital.

The naïve faith that robots will generate so much wealth that humans will have no work has it backward: over-investment in commoditized robots and their commoditized production will destroy capital, not create it.

Recall that enterprises don't have profits, enterprises only have expenses. Robots will never be free, due to their intrinsic complexity and use of resources and energy. As robots and other tools of automation become commodities that anyone can buy, whatever robots can produce is devalued accordingly.

In other words, whatever commoditized robots can produce is no longer profitable; rather, the production destroys capital.
This leads to a startling conclusion: this destruction of capital must be subsidized by taxing whatever is still profitable, i.e. whatever cannot be commoditized or automated.

In other words, enterprises profiting from human labor that can't be replaced by commoditized (interchangeable) robots will be subsidizing intrinsically unprofitable robotic production that destroys capital.

Read full story here...

Time-Tested Economic Theory Being Thrown Under The Bus

As Technocracy and its Green Economy encroaches on Capitalism and Free Enterprise, traditional economic models are being forever corrupted with non-economic factors. Traditional economic analysis depends on factual historical data. Green Economic analysis factors in unknown and unprovable climate change factors. The result will be absolute gibberish. TN Editor

The risk posed by climate change would be factored into projections from the government's independent economic forecaster if Labour took office, the shadow chancellor will announce on Tuesday.

John McDonnell will highlight the human and economic costs of manmade climate change, calling it the "greatest single public challenge" and say the government should include the fiscal risks posed by global warming in future forecasts.

The landmark change would, for the first time, put climate change on an equal footing with other complex challenges affecting the public finances such as demography.

Under a Labour government, the Office for Budget Responsibility would be given total independence, McDonnell will announce, saying the forecaster would report directly to parliament rather than the Treasury.

Speaking at the Institute for Public Policy Research on Tuesday, McDonnell will say that meeting the challenges of climate change will require "a transformation of our institutions and how our economies are run".

McDonnell said that Labour "wants to ensure that the overwhelming challenge of climate change is addressed from the very centre of government. This includes the potential losses to the public finances.

"The public deserve to know what impacts we might expect on the national purse from the degradation of our environment. Sound, responsible economic management should already be accounting for this."

Labour Treasury sources said the party wanted to ensure that long-term impacts of climate change and environmental damage, including effects on food prices, flooding and loss of productivity in more frequent extreme weather, could have a direct impact informing economic policymaking.

McDonnell will argue that the effects of manmade climate change are already having an economic effect. Costs in recent years have included more frequent flooding, which the Environment Agency estimates now costs £2.2bn annually.

Over the summer, the Bank of England said it had begun its own investigations into the extent of the banks' exposure to the effects of climate change, announcing it was "initiating a review of climate-related risks in the UK banking sector".

Several other authorities in Europe, including in Germany and Sweden, have also been examining the financial consequences of climate change. But the UK would be the first country in the world to mandate the assessment done by an independent fiscal council.

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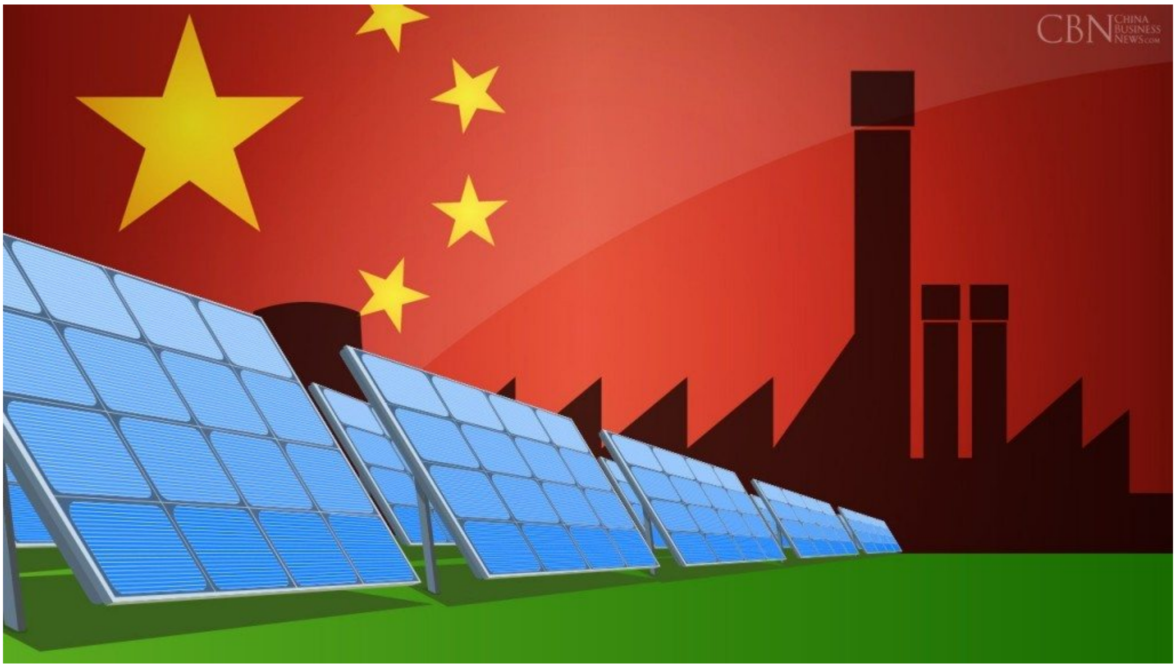

‘Green’ China Leads The Global Drive For A Sustainable Economy

Granted, this is an industry press-release, but it underscores the globalist mentality that China is in the Green Economy driver’s seat for decades to come. Investment capital is flowing into China, which is an engineered Technocracy, because it is viewed as a safe haven for fellow Technocrats. □ TN Editor

China is making wholesale changes to promote a more sustainable future. BNP Paribas examines China’s drive for sustainability, and how investors can make the most of participating in its ongoing green revolution.

For institutional investors, accredited investors and expert investors only. This content represents sales and trading market commentary only and is not intended as research.

China’s tremendous economic achievements over the past four decades have come at a severe environmental cost. Since 2007, the country has been the world’s largest producer of CO_2 emissions, while smoggy skies and contaminated water have led to large-scale health problems, often resulting in premature death.

This problem is so severe that the World Bank estimates air and water pollution could cost China around 10% of its GDP. It is therefore no wonder that investors are concerned the country's energy-intensive growth model could be doing more harm than good.

Investors are right to worry about the prospects of companies in polluting sectors associated with the traditional growth model – steel manufacturers and coal miners, for example. But investors should also be aware of the abundant opportunities in China's new economy, especially for companies that stand to benefit from the government's comprehensive measures aimed at tackling the threat of climate change.

Stricter regulations, massive investment in cleantech infrastructure and commitment to green finance are all on the national government's agenda. Beijing is backing these plans with spending pledges on a truly unprecedented scale.

China is forecast to invest a total of $2.2 trillion across six sustainability-focused sectors by 2020, according to consultancy ENEA. That number is greater than the 2016 GDP of India – the seventh largest economy in the world.

Renewable power, waste and water management, and measures to reduce air pollution will all receive sizeable investment. The huge amount of capital going into clean energy assets makes China the world leader in the space, accounting for 30% of global investment in renewable energy and 27% in energy efficiency.

Beyond spending, China is introducing a range of measures to incentivise the corporate sector to conduct business in a more sustainable way, with tough penalties to ensure companies take environmental regulation seriously. This takes its most sophisticated form in an upcoming carbon-trading market, which will penalise heavy polluters while rewarding the most sustainable peers.

The financial services industry will also play an important role in helping

China meets its sustainable goals, as banks and investors will channel more and more capital into sustainable projects. Green finance is a way of thinking about investment that considers social and environmental metrics alongside traditional financial metrics. It is already a developed area of finance in Europe and the US, and a growing number of investors in Asia are incorporating sustainability metrics into their portfolios.

Investors looking to participate in China's drive towards a sustainable economy can take advantage of a growing range of index products that grants exposure to the green theme. The S&P New China Sectors Index, for example, removes old economy companies, leaving a selection of Chinese companies in new sectors – such as technology, consumer and healthcare. In effect, this acknowledges the fact that China is very different to a decade ago, and stands in sharp contrast to the most widely followed Chinese benchmarks – such as the Hang Seng China Enterprises Index (HSCEI), which is still focused on industrial companies and state-owned banks. Although new, the S&P New China Sectors Index has already provided impressive performance, gaining, for example, 48.09% since the beginning of this year, outperforming the HSCEI by 22.2% over the same period.

"Here lies one of the strengths of the S&P New China Sectors Index. Not only does it add environmental, social and governance considerations into stock selection," says Yoram Layani, managing director and head of institutional sales, Asia ex-Japan, at BNP Paribas, "but by focusing on new economy companies it also addresses the problem with popular China benchmarks, which focus too much on older industrial companies that have not been attractive for some time."

The FTSE China A50 Divest Invest Index uses more sophisticated screening techniques to increase exposure to green companies, which will create important differentiation between polluters and sustainability-focused companies ahead of the introduction of the carbon market later this year.

Similarly, the China Green Basket – a selection of 26 stocks that includes both A shares and Hong Kong-listed companies – offers diversified exposure to companies that focus on environmental protection and clean energy production. It can be invested as a single underlying instrument via a delta one product.

By approaching the sustainability theme from different angles, forward-thinking investors can take advantage of BNP Paribas' strengths in this area to participate in China's green revolution.

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UAE: World Green Economy Organization Launches Financial Platform

The financing of Sustainable Development, aka Green Economy and Technocracy, is being driven by the Islamic nation, United Arab Emirates, in conjunction with China. The U.N. is backing the program. Note that the UAE is a founding member of the Asia Infrastructure Investment Bank (AAIB) that is normally attributed to China. Both China and the UAE are prime examples of Technocracy in action. TN Editor

World Green Economy Organisation (WGEO) has launched financial sector platform to mobilize green investments.

HH Sheikh Mohammed Bin Rashid Al Maktoum, vice president and Prime Minister of the UAE, launched the platform in Beijing to support the efforts of public and private sector enterprises in shifting towards a green economy.

United Nations Development Program (UNDP) is supporting the platform.

"We are pleased to announce the launch of World Green Economy Organisation's Financial Sector Platform which will serve as a forum to help raise sustainable finance, provide public and market leadership on green finance," said HE Saeed Mohammed Al Tayer, chairman of the World Green Economy Organisation (WGEO).

China has directly invested more than $50 billion and created the Asia Infrastructure Investment Bank (AIIB), a new multilateral institution designed to finance vital public works throughout Asia's emerging economies; and the UAE is a founding member of the AIIB.

The Financial Sector Platform will back financial institutions in their efforts to set up green financing businesses, encourage loans and provide support to public and private firms participating in green investment programs.

These platforms reflect the enormous efforts in the UAE to support the United Nations Sustainable Development Goals (SDGs) 2030 and the Paris Climate Agreement to support global efforts to mitigate climate change and find innovative solutions to challenges related to sustainable energy, water and the environment in general.

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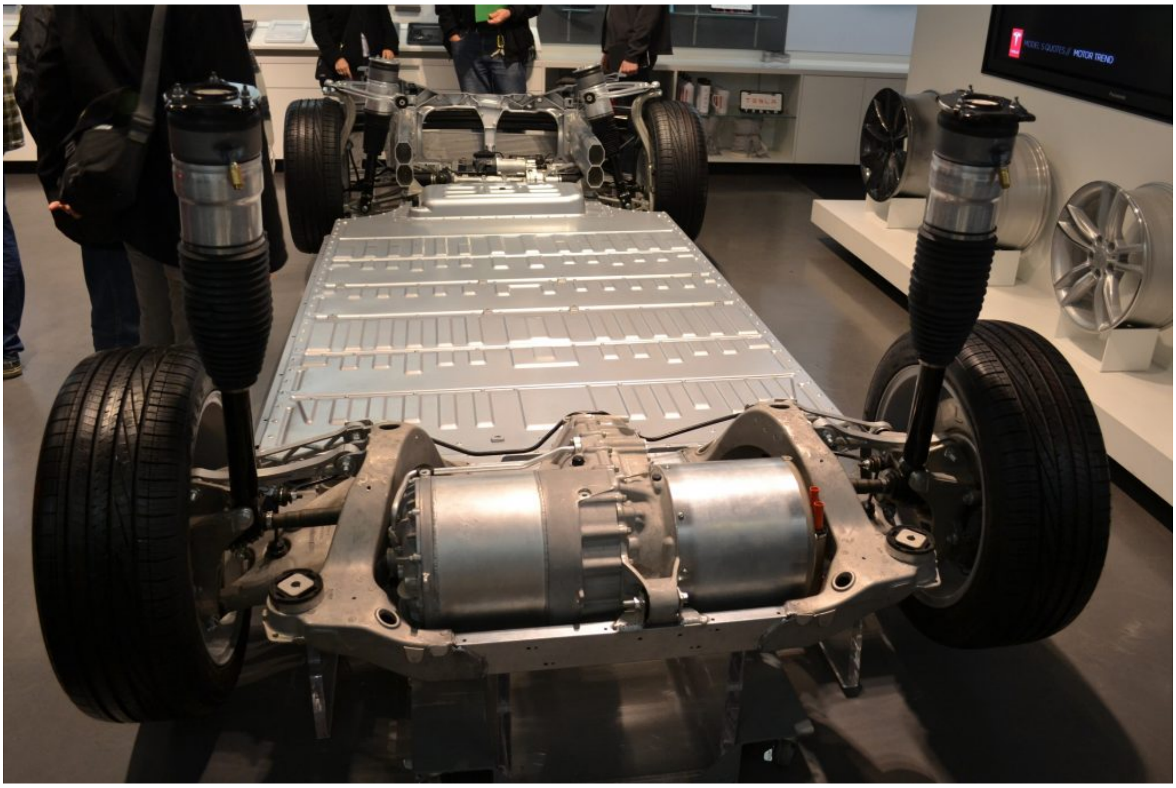

Con Job: Tesla Car Batteries Proven To Be Any Color Except Green

Elon Musk is running one of the biggest alternative energy scams ever. The Technocrat mind does not worry about conflicting facts that disprove their case. If all government subsidies were withdrawn, Musk's entire empire would collapse into bankruptcy within months, if not weeks. □ TN Editor

The car batteries used in a Tesla generate as much CO_2 as driving a gasoline-powered car for eight years. And that's before they even come off the production line.

This news, from a study by the Swedish Environmental Research Institute, will no doubt delight all those U.S. taxpayers who have been forking out billions of dollars to prop up Tesla's share price having been assured by their government that subsidizing overpriced electric cars represents a vital step towards "combatting climate change."

The report, commissioned by the Swedish Transport Administration and the Swedish Energy Agency, cannot easily be dismissed because it is a meta-analysis (ie a summary) of all the available studies on the subject.

> *The report shows that the battery manufacturing leads to high emissions. For every kilowatt hour of storage capacity in the battery generated emissions of 150 to 200 kilos of carbon dioxide already in the factory. The researchers did not study individual bilmärkens batteries, how these produced or the electricity mix they use. But if we understand the great importance of play battery take an example: Two common electric cars on the market, the Nissan Leaf and the Tesla Model S, the batteries about 30 kWh and 100 kWh.*
>
> *Even when buying the car has thus emissions occurred, corresponding to approximately 5.3 tons and 17.5 tons, the batteries of these sizes. The numbers can be difficult to relate to. As a comparison, a trip for one person round trip from Stockholm to New York by air causes the release of more than 600 kilograms of carbon dioxide, according to the UN organization ICAO calculation.*
>
> *Another conclusion of the study is that about half the emissions arising from the production of raw materials and half the production of the battery factory. The mining accounts for only a small proportion of between 10-20 percent.*

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UN Chief: Climate-Aware Businesses Will Dominate Tomorrow’s Economy

Vladimir Lenin said, “A lie told often enough becomes the truth.” Hitler followed suit: “If you tell a big enough lie and tell it frequently enough, it will be believed.” The world has believed the UN’s lies now accepts them as truth. This is the grand Technocrat delusion. TN Editor

Antonio Guterres, who took over the reins from Ban Ki-Moon at the start of the year, described climate change as the “defining element of our time”. In an interview with Channel 4 news this week, the former Portuguese Prime Minister warned the world could ill-afford to waste any more time on reversing the impacts of global warming.

“Climate change is, to an extent, the defining element of our time,” he said. “These are critical moments. We know that either we act now or we will create irreversible damage to our planet that will make our grandchildren suffer a lot.”

Business dynamism

Guterres was selected to lead the global body after seeing off a fierce challenge from the likes of former UN climate chief Christiana Figueres. He has pledged to work closely with Figueres' successes, former Mexican diplomat Patricia Espinosa to increase "strategic cooperation" with governments and the private sector to decarbonise the global economy.

Speaking on Wednesday (10 May), he expressed his belief that the US will remain an active player in the global low-carbon transition, despite a clear political disinterest in the early phases of the Donald Trump administration. Speculation has risen in the past week over a potential US withdrawal from the Paris Agreement – a landmark deal spearheaded by Guterres' predecessor – which aims to keep global average temperature to "well-below 2C" above pre-industrial levels.

A host of business leaders, investors and politicians have urged the White House to reconsider its apathy towards the deal. These calls were echoed by Guterres, although the UN chief stressed that the business community was readily equipped to take on the mantle should federal support falter.

"I can only encourage all countries, and of course the US, to stay in the Paris Agreement," Guterres said. "But today, governments are not the only entities that matter in climate change. We have seen more and more that those who are betting on technologies that allow us to fight climate change will be those that dominate the economy of tomorrow.

"I am a strong believer in the dynamism of the business community, the cities, the states, the American society, to make sure that the US stays the course in relation to the reduction of emissions."

Guterres' message reflect the beliefs of former President Barack Obama, who claimed earlier this week that the clean energy revolution in the US had been "locked-in" by the actions of the private sector.

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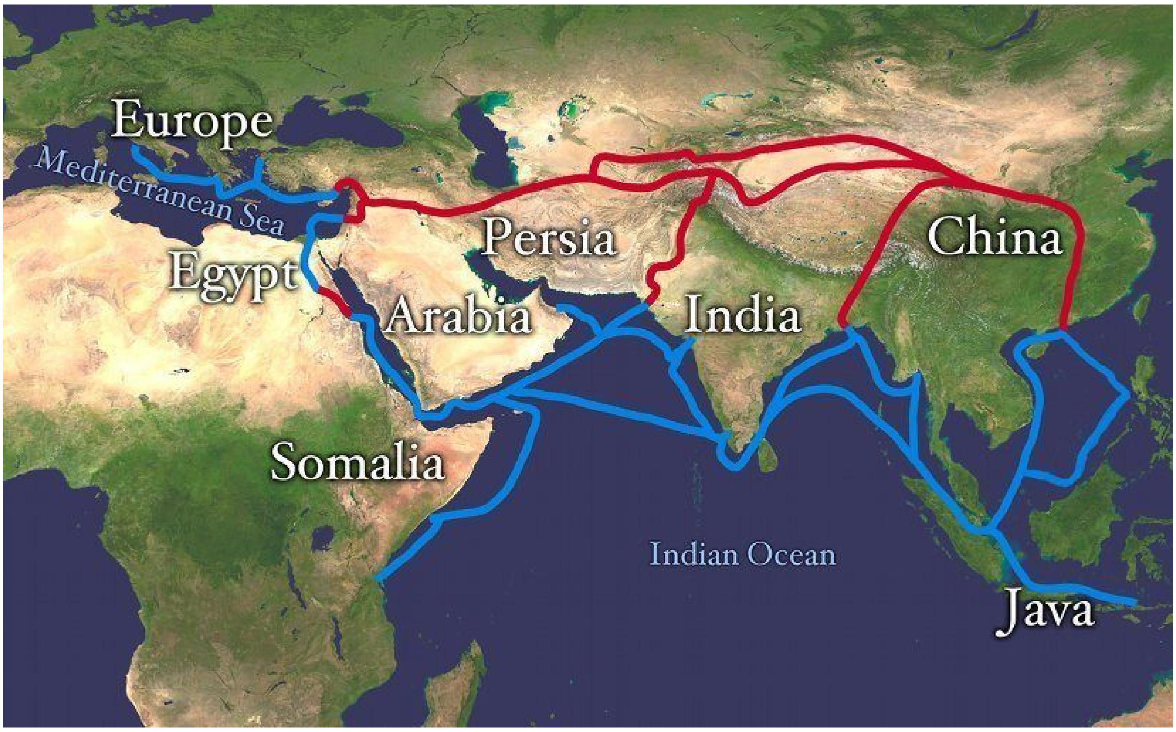

China Is Asserting Itself As The Driving Force Behind Globalization

As Trump plays the Protectionist card on global trade, China is wasting no time in taking over the lead with globalization. It intends to re-open the famous trade route called the Silk Road, which connected Asia with Europe. Instead of dirt roads and paths, the new "Belt and Road" project will span 65 nations and cost upwards of $1 Trillion. However, it will revolutionize global trade and give China a wide-open door to Europe and the Mideast.

As a Technocracy, China will naturally seek to build infrastructure to connect to as many trading centers as possible. Belt and Road will be the largest infrastructure ever undertaken. Meanwhile, Trump's hardline rhetoric against China during the campaign cycle has turned to sawdust. China is wasting no time to take advantage of it.

China was the Trilateral Commission's love child in the 1970s, and they orchestrated the transformation from a Communist dictatorship to a Technocracy. There is a good possibility that the 'protectionist' movement in the West is being manipulated in order for China to rise to global leadership. If true, then the timing and the result is perfect. TN Editor

China opens on Sunday a summit to promote its massive global trade infrastructure project, highlighting Beijing's ambitions to spearhead a new era of globalisation as Washington shifts toward inward-looking policies.

President Xi Jinping will host leaders from 29 nations in Beijing for a two-day forum on his signature foreign policy programme, a revival of the Silk Road dubbed the One Belt, One Road Initiative.

The Chinese-bankrolled project, unveiled in 2013, seeks to link the country with Africa, Asia and Europe through an enormous network of ports, railways, roads and industrial parks.

The initiative spans some 65 countries representing 60 percent of the world population and around a third of global gross domestic product. The China Development Bank has earmarked $890 billion for some 900 projects.

Belt and Road is seen as a practical solution to relieve China's industrial overcapacity. But it could also serve Beijing's geopolitical ambitions.

"In my view, Belt and Road is intended to create greater economic interdependence between China and its neighbours, which Beijing hopes will translate into increased political influence," said Bonnie Glaser, director of the China Power Project at the Washington-based Center for Strategic and International Studies.

"Xi Jinping wants China to become the dominant regional power in an essentially Sino-centric order," Glaser told AFP.

The Chinese government describes the initiative as a partnership.

"What we need is not a hero that acts alone, but partners of cooperation that stick together," Chinese Foreign Minister Wang Yi said recently.

One-way street?

State-run media has worked hard to explain the project to the world.

The English-language newspaper China Daily has bombarded social media with quirky videos, including an American father telling his daughter bedtime stories about Xi's programme and children singing, "We'll share the goodness now, the Belt and Road is how."

But few Western leaders are attending the event. The prime ministers of Italy, Spain and Greece are expected, while Washington is sending a senior White House adviser.

Xi is championing globalisation at a time when the concept's traditional leader, the United States, is focused on "America First" under US President Donald Trump. The two countries, however, sealed a deal Friday for China to export cooked poultry to America and resume US beef imports.

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UN Turns To China For Ground-Breaking Digital Tool To Enable Green Finance

China's Ant Financial is the same company that helped to pioneer 'social scoring' for the the government, a purely Technocrat-inspired program. Now, the UN will use the same firm to promote and enable Green Finance for Sustainable Development.

One app "provides users with a carbon account, in addition to their credit and saving accounts. **Ant's 450 million users in China are now able to benchmark their carbon footprint and to earn "green energy" credits for reducing their footprint.**" □ TN Editor

The United Nations environment agency and a leading Chinese online financial service provider today rolled out an innovative programme at the World Economic Forum Annual Meeting in Davos, Switzerland, aiming to stimulate the advancement of digital technologies in green finance.

The ground-breaking imitative, the 'Green Digital Finance Alliance,' is a partnership between the UN Environment Programme (UNEP) and Ant Financial Services Group (Ant Financial), China's leading online and mobile financial services provider.

"The Green Digital Finance Alliance is a unique partnership ensuring that we can align tomorrow's fintech-powered (financial technology) global financial system with sustainable development, said Erik Solheim, Executive Director of UN Environment.

Financing sustainable development, as one of the greatest challenges at the moment, requires ambition, innovation, and commitment, underpinned by effective collaboration.

"UN Environment is honoured to partner with Ant Financial in making green finance an integral part of the daily life of every individual and business," he added.

The new initiative is committed to driving environmental risks, opportunities, incentives and choices into the decision-making across the financing value chain. And these can be achieved through market innovation, collaborative action and increased public awareness of sustainable development and green lifestyle choices.

"Ant Financial is a strong believer in green finance. Several of our products and services have been contributing to sustainable development," said Eric Jing, Chief Executive Officer of Ant Financial.

One such innovation is Ant Financial's app, which provides users with a carbon account, in addition to their credit and saving accounts. Ant's 450 million users in China are now able to benchmark their carbon footprint and to earn "green energy" credits for reducing their footprint.

Moreover, Ant Financial has integrated this function into a social media experience, as well as committing to a complementary, tree-planting carbon offset programme. As of today, 72 million users are participating in the app.

"Leveraging mobile Internet, cloud computing and big data, we can encourage our hundreds of millions of users to participate in a green lifestyle," said Mr. Jing, adding that "we hope that the Green Digital Finance Alliance will contribute to shaping and accelerating this development."

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The Future Of Green Business Lies In Urbanization, Smart Cities and Sustainability

There is a development race on amongst global corporations to promote urbanization as a way to reap trillions for themselves. Understand that this is not really about 'sustainability' or the environment: It is about new forms of economic development that did not exist before, but are now possible. It is about tapping into the public purse directly and without limit. TN Editor

Stepping back for a moment, the current model of urbanisation looks unsustainable if we are to accelerate the transition to a low-carbon, resource-efficient world. Already, the world's urban areas account for the vast majority of resource consumption, accounting for some 70% of greenhouse gas emissions while 90% of urban areas are located in coastal areas vulnerable to extreme weather events and sea level rise. But urbanisation continues apace and cities must therefore lead solutions for a cleaner, resilient and more environmentally efficient future.

How this happens will be determined by the collective action by governments, citizens and businesses. For the latter, whilst the economic benefits of cities can be great, an ever-changing urban landscape poses significant environmental, social and economic challenges to delivering sustainable business growth.

New world order

The story of urbanisation so far has been a largely positive one, at least in economic terms. Where economies have grown, cities and megacities have developed through middle-income status – in 2015, 85% of global GDP was generated in cities. City development has also delivered positive social change. In China, for example, urbanisation has driven the country's impressive growth and economic transformation. Hundreds of millions of Chinese inhabitants left farm work to seek better-paid jobs in cities, helping to lift 500 million people out of poverty. This story is much the same across the continent: as cities stimulate growth and foster industrialisation, people escape poverty and quality of life is improved.

It is perhaps no surprise, then that urbanisation has developed so rapidly to date – rising from 30% of the world living in urban areas in 1950 to 54% today. Spearheading this growth is North America (82% urbanised), Latin America and the Caribbean (80% urbanised), and Europe (73% urbanised). At the other end of the spectrum, Africa and Asia have remained predominantly rural regions, with just 40% and 48% of their respective populations urbanised.

But it is the next chapter in the urbanisation story that will prove pivotal. By 2050, there will be an additional 2.5 billion new people in the world –

all of which will be living in urban areas. Driven by increasing economic globalisation, urbanisation levels are anticipated to reach 66%. Even more staggering is the fact that around 90% of this urban population growth will take place in Africa and Asia, with the two continents projected to become 56% and 64% urban respectively.

If managed correctly, this next phase of urbanisation could be even more positive than the last. Africa's oldest independent country, Ethiopia, is a case in point. While 80% of the Ethiopian population is still rural, urbanisation is accelerating fast from the capital, Addis Ababa, right across the country, driven by the Ethiopian Government's overarching aim for the nation to reach middle-income status within 10 years. PwC has supported the Government with its second Growth and Transformation Plan – a five-year strategy to reduce poverty and spur national development. The Plan now maps out more sustainable urbanisation pathways through to 2025 and 2050 by integrating economic, industrialisation, infrastructure and city planning. This accelerated and sustainable urbanisation model needs to be replicated across the continent – for example Kenya and Tanzania stand out as two other exciting and newly industrialising economies. With more than half of all Africans expected to live in cities by 2050, policymakers must ensure urbanisation is a catalyst for positive development and growth across the continent, and does not result in millions of people eking out precarious, unemployed and disadvantaged existences in slums.

Looking at this through the lens of corporate sustainability, some key questions will need to be answered. If Ethiopia and Bangladesh are manufacturing the next wave of products, are international supply chains ready to manage that transition? Will issues of human rights and modern slavery in these emerging markets present the same challenges that have been seen in manufacturing hubs across East Asia? When embracing these new markets, both for production and consumption purposes, companies must set clear and stringent sustainability and ethical benchmarks for these new supply chain participants, and in ways that learn from experiences in industrialised Asia. But in doing this, business needs to acknowledge and adapt to socioeconomic context, capacity and cultural circumstances and collaborate effectively to safeguard ethical and sustainable business practices.

From challenge to opportunity

For cities in all countries, the integrated and compact design of cities using public transport and mobility solutions is at the core of providing a foundation for a truly sustainable city. The electrification of vehicles in urban areas is one step to decarbonisation, but charging infrastructure remains relatively poor and is seemingly hindering market growth. The high infrastructure and R&D costs of adopting autonomous vehicles, meanwhile, is also proving a difficult hurdle to overcome in the short term. Cities should prioritise public transport as the first priority embracing low carbon, flexible transport networks that support appropriate density of urban form, improve air quality and equitable access.

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