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Business of going green burns bright;
As climate change moved from being a fringe issue to a mainstream concern, 2007
will be remembered as the year of the environment. With the green business
becoming the world's fastest-growing industry, JESSICA CHEAM looks at the
milestones in Singapore for the year

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**Clean energy blueprint**

IN MARCH, Singapore heralded its entry into the clean energy race as Prime
Minister Lee Hsien Loong announced a $170 million research fund for the
industry.

The Economic Development Board (EDB) soon unveiled a more detailed $350 million
blueprint - for research and development, testing and pilot projects in clean
energy.

The aim: To create a major industry worth $1.7 billion which will employ 7,000
people by 2015.

Singapore's foray into clean energy - that is, energy generated from renewable
sources such as the sun and wind - comes just as the global clean energy market
is enjoying massive growth.

Leading research house Clean Edge has reported revenues in the industry climbing
from $40US billion ($58S billion) in 2005 to $55US billion last year. This is
projected to hit $226US billion by 2016.

Mega green investments

IN OCTOBER, Singapore was propelled into global limelight when Norwegian solar
firm Renewable Energy Corporation (REC) announced that it will set up the
world's biggest solar equipment manufacturing plant here, worth $6.3 billion.

This was the fruit of 'nine months of intense courtship' between EDB and REC.
Singapore trumped more than 200 locations to emerge with the prize, said EDB
managing director Ko Kheng Hwa.

The Tuas plant, which will begin operations in 2010, is expected to employ up to
3,000 staff - with an initial 1,500 selected to be hired next year. A good
number of these will be sent to Norway for extensive training.

Earlier this month, oil giant Neste Oil said that it would build the world's
biggest biodiesel facility in Singapore at a cost of 550 million euros ($1S.17
billion).

The plant, ideally located near Indonesia and Malaysia - the world's two largest
palm oil producers - will convert the feedstock into fuel for vehicles. The
investment will create 100 jobs and boost the Republic's goal of expanding its
environmentally-friendly industries.

Environmentally-friendly policies

TO REALISE Singapore's ambition of becoming a major clean energy player, a Clean
Energy Programme Office (Cepo) was announced in March to drive the growth of the
sector.

Cepo comprises six government agencies, including the EDB, the National
Environment Agency (NEA) and the Building and Construction Authority (BCA).

Its first initiative was to set aside a $17 million kitty for the Clean Energy
Research and Testbedding (Cert) programme, which will provide sites for foreign
and local companies to test all kinds of clean technology.

In October, Cepo launched a $50 million research fund for the next five years to
accelerate the industry's research and development efforts. This was soon
followed by a $25 million scholarship programme to groom a workforce to serve
this industry. Cepo plans to award master's or PhD scholarships to about 130
students over the next five years.

The NEA also launched an Energy Efficiency Programme Office (E2PO) to coordinate
nationwide efforts to streamline Singapore's major sectors of energy use, namely
in power generation, industry, transportation, buildings and households.

A world-class research centre that will focus on environmental issues - the
first of its kind in Singapore - is also likely to be set up soon. It will
likely to be called the Singapore-ETH Centre for Global Environmental
Sustainability.

The research house will be a partnership between the National Research
Foundation in Singapore and a top European group of research and teaching
institutes from Switzerland, ETH Domain.

Carbon: a new commodity

WITH the Kyoto Protocol creating a new market commodity in carbon, Singapore is
positioning itself to become the region's carbon trading hub given its standing
as a financial services capital.

A local company - Asia Carbon Group - said last month that it was working with
the Singapore Exchange to launch a potentially lucrative carbon credit trading
facility.

Catalist-listed ecoWise Holdings, a local environmental solutions company, also
signed a deal this year with Japanese firm Kansai Electric Power to sell up to
95,000 carbon credits over five years - making it likely to be the first company
in Singapore to sell carbon credits under the United Nations' Clean Development
Mechanism.

The trading carbon credits is designed to limit industry carbon dioxide
emissions, widely blamed as a contributor to global warming.

Solar: Option with most potential

THE solar industry has been the rising star of Singapore's burgeoning clean
energy sector this year - and looks set to remain so in the near term.

The Government has singled out solar as the clean energy with the most potential
for Singapore due to its existing strength in the similar semiconductor
industry, and its strategic location among the sun-belt countries.

Big players such as Norway's REC, German solar firm Conergy, United States-based
SolarWorld have been courted to set up manufacuturing facilities or regional
offices in Singapore; while local companies such as Solar Energy Power made
history by becoming the first Singapore company to manufacture solar cells this
year.

Cepo has also called for proposals from firms to test a range of solar
technologies at selected sites.

BCA last month unveiled a $10 million zero-energy building - Singapore's first -
which will also have such test facilities.

The complex will have a net zero energy consumption over a typical year, made
possible by a massive array of solar panels covering about 1,300 sq m - the
biggest in Singapore - which will be integrated on the roof of one of the
buildings.

BCA expects different generations of solar technology to be tested here, paving
the way for further innovations and adoptions of solar energy in Singapore.

The greening of corporate S'pore

THIS year, chief executives have found that environmental issues, once an
afterthought, are now key to any corporate strategy.

Firms, foreign and local alike, have been jumping on the green bandwagon,
initiating numerous 'corporate social responsibility' practices from funding
environmental groups to streamlining their operations.

Those with genuine intentions have often found recognition for their efforts.

In April, for example, property firm City Developments (CDL) became the first
private developer to be awarded BCA's Green Mark Platinum - the highest accolade
for green buildings - for its Oceanfront@Sentosa Cove project.

CDL's reputation and experience as a green developer also in some way led to its
clinching of a 3.5ha prestigious site at Beach Road from the Urban Redevelopment
Authority in September, which features an eco- friendly mega mixed development.

The number of local companies joining the race for environmental solutions have
also swelled, with more diversifying into the green business.

For retail investors, 2007 is also the year green investment funds went
mainstream.

Former US vice-president and environmental crusader Al Gore, who came to
Singapore in August for the Global Brand Forum, gave a separate talk on the
growing range of green investments in the market that could give high returns
and urged investors to 'put your money where your values are'.

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