



The world in
2025 | **Scenario 3**
Asia New Deal



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Asian new deal

China spends much of the next decade responding to the effects of pollution and global warming. As a result, by 2025 it becomes the greenest country on earth, with the lowest CO2 emissions per capita. It achieves this with a combination of data tools and legislation. To do business with it, the rest of the world is following its example.

2016: How it begins

In the winter of 2013, Beijing residents encountered a choking smog that caused a public outcry. This caused the Chinese government to set up a national air-reporting system that now has over a thousand monitoring stations. These have revealed that around 83% of Chinese people are exposed to air that the US Environmental Protection Agency would describe as dangerous. In 2015 the Prime Minister declared 'war' on air pollution. Officials in the most affected provinces have been closing the worst offenders. Central government is punishing officials who fail to act. 18,000 factories have been closed down in Hebei alone.

2017: The people's sustainable revolution

This scenario begins when China's problems come to a head in 2017. Pollution rises to deadly levels in three megacities: Baoding, Xingtai and Beijing. Protests erupt across social media and spread into the streets.

The Chinese government reacts swiftly to the demonstrations. It makes big promises to clean up the air, in what Mr Xi calls, 'A second great revolution.' The government also sees an opportunity: with slowing growth, clean tech could be the next engine that drives the world's second biggest economy. It is already investing twice as much in cleantech as the entire EU - now it really steps up the pace, embarking on the biggest data gathering programme the world has ever seen.

It's enabled by cheap sensors and cloud-based computing, combined with strict enforcement policies. Every tonne of CO2 that an individual or organisation produces is measured. There are no exceptions.



2018: The great carbon tax begins

Once emissions are measured, the State Council introduces legislation to tax it. Mr Xi brings in a European-style cap and trade system on companies and individuals across the country, causing many to go out of business. However, more forward-thinking organisations have been reducing their emissions substantially for some time.

Every transaction is logged. Every exhaust on every truck, every electricity outlet, every nappy is taxed. Even the giant state-owned organisations, often protected by their close ties to government, are placed under scrutiny. CEOs who fail to adapt are removed and disgraced.





2020: Let a million forests bloom

The data scientists come to some surprising conclusions. They decide that recycling is less efficient in China than it is in Europe or America. Recycling needs infrastructure, which is expensive. Also, most of the materials the Chinese recycled are actually being shipped from the West. It is a trade with a high carbon footprint, but more importantly it makes China dependent on Europe and America for critical resources.

The Chinese announce that they will recycle their own used packaging, but won't buy our fibre any more. Instead, they'll grow their own.



Hundreds of millions of trees spring up across Asia - genetically modified for fast growth and carbon absorption, using China's huge DNA database and advanced expertise in genetic science. Farmers who once grew cash crops like coffee and cocoa become foresters instead. And while the trees are growing, China does deals with Nordic and South American countries to source forest fibre in return for manufactured goods.

Other developing countries watch China closely, and begin to re-think their policies. How much is recycling actually saving them? Is it worth importing other countries' waste? Indonesia and Malaysia begin replanting palm oil plantations with fast-growing trees. The price of recyclable fibre crashes.



2021: Western brands in crisis in China

Western brands are having a tough time in China. Some resist the Chinese government's requests to have sensors installed in their factories. Others find their margins eroded by high carbon taxes. But many adapt. For them, the Chinese market is too big to ignore. Those that fail to conform are fined or banned. Most of those who remain bring all their production on-shore to mainland China and India.

Where China leads, the world follows. The recycling model is too firmly established in the West to be abandoned, but companies and governments realise that the developing world has different ideas about what is 'sustainable'.

This means new targets, dramatic improvements in the way that materials are recovered and re-used, and rules to make packaging part of a low carbon recycling solution. And the smartest brands that want to do business in China set up new joint ventures with local partners to share the best learnings from both models.



Clean megacity pilot

Manufacturers aren't the only culprit, of course. Delhi's citizens are choked with exhaust fumes from the cars and trucks that jam its streets. India decides on radical measures. All deliveries are to be performed at night, using electric driverless goods vehicles.

These consolidate all logistics across the city: If you want to deliver a sofa or a letter you have to use the government vehicles. By 2020 India's TATA is the biggest electric vehicle producer in the world, and now licenses its technologies to Ford and BMW.

2021: A new packaging standard

The New Delhi government imposes strict size and shape regulations on packages to ensure the most efficient fit inside their trucks. This new Asian Standard is adopted across the world.

After some cross-contamination scares, the trucks are fitted with detectors that call out disease pathogens, toxins like BPA and mineral oils. Companies that allow impurities into their packaging face the wrath of the authorities - and heavy fines.

Waste is also managed by fleets of unmanned vehicles that are able to monitor the sustainability of individual citizens. Those citizens leading recklessly planet-damaging lives are penalised.

2025: Packaging is information technology

Ten years ago, the most powerful computers in the world helped consumers to search, communicate and shop. Today, computers a thousand times more powerful monitor emissions around the world, making us more efficient, stabilising the planet's eco-system but setting off civil liberties protests around the world. Most citizens seem happy to trade some civil liberties in return for cleaner air.

The packaging companies that reacted to this early did so by realising that they were in the information technology business. They now make sensor-friendly packaging and work with governments and NGOs to help create today's standards of materials and sizes. They are rewarded for their transparency with worldwide contracts and have become critical players in the new global circular economy.





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For more information and to see the accompanying film visit:
www.dssmith.com/recycling-scenario

