

SECTION III E:
Trend Analysis of
Eco-efficiency of Consumption
Patterns in Asia and the Pacific,
with a Focus on Korea



United Nations
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Second Green Growth Policy Dialogue:
The Role of Public Policy in Providing Sustainable Consumption
Choices: The Resource-Saving Society and Green Growth

Green
Growth



Trend analysis of eco-efficiency of consumption patterns in Asia and the Pacific, with a focus on Korea

By Hae-kyung Woo, Chief, Global Relations Team
Consumers Korea

Background

Recently, a consumption pattern is being formed in households in Korea, such as owning large electronic appliances, medium-large automobiles, large two-door refrigerators, and large sized apartments; this pattern is considered as upgrading social position or a symbol of wealth.

The amount spent outnumbered the amount of income; the more the income increases the consumption's eco-efficiency worsens.

The density of population is high but instead people have preference in bigger cars, and larger electronic appliances. Also, newly married couples purchase large LCD TVs for their marriage appliances in their small apartment.

We have to start an anti-conspicuous consumption campaign for the unsustainable consumption.

In the condition of oil price hikes, the world energy crisis is being raised and Consumers Korea would like to address the problems of unsustainable consumption pattern and over-consumption.

Among the forms of over-consumption, we would like to examine the consumptions of LCD TVs, large-size refrigerators, medium-large automobiles, large-size apartments, and increase of power consumption as examples.

1. LCD TV SALES INCREASING

LCD TV 40-inch model ranked top of the TV market 03/04/2006

LCD TV occupied over 40% of 2006 April sales volume... 40-inch LCD TVs represents the majority of the digital TV market and is taking its place as the mainstream. Due to the progress of the LCD TVs, the slim Braun Tube TV's sales has declined sharply, and PDP TVs are slowly moving towards the 50-inch model. According to the analysis of 2006 April's sales of digital TVs at Hi-mart electronic appliance store, for the first time, 50% were 40-inch models (volume basis).

Among the total digital TVs, LCD TVs sales accounted for 51%. Due to the success of LCD TVs, slim braun tube TV's are losing their place in the market. Slim TVs within the digital TV market was 34% in fourth quarter of last year, but decreased to 21% on April 2006. PDP TVs are slowly shifting to 50-inch models.

- LCD TV sales surpass braun tube TV sales
- 2005 fourth quarter sales exceed US \$10 billion
- LCD TV sale is increasing

Due to the WBC (World Baseball Classic) Game, and the increase of demand associated with the special price drop for World Cup Soccer tournament, LCD TV sale is rapidly increasing. During the fourth quarter last year, LCD TV sales recorded over \$10 billion for the first time. This is a 53.4% billion increase from the third quarter sales of \$6.4 billion, surpassing cathode-ray tube TV for the first time.

According to the survey of Display Search, in 2010, over 50% of the world population is expected to have LCD TV.

<Sales of three displays>

(unit: 100 USD, %)

	2005 3Q		2005 4Q	
	Amount	% of total sales	Amount	% of total sales
Braun tube TV	6,808,830	35%	7,465,375	29%
LCD	6,486,451	33%	10,009,677	39%
PDP	3,967,939	20%	5,209,610	20%

2. Medium-large sized automobiles sales increasing

- large sized automobiles sales exceed compact car sales last year

Below is the automobile sales data released by the National Statistical Office on February 22, 2006.

Domestic demand (Factory shipment basis, 2005)

Type	Number of Units	YoY
Mini cars	112,864	-28.1%
Large sized cars (over 2000cc)	139,272	+58.5%
Medium Vehicles (1600~2000cc)	322,431	+42.5%
Small cars (below 800cc)	46,711	-0.8%

Auto production in April 2006 remained at 324,000 units with a 1.5% gain over April 2005, due to the declining domestic sales because of high oil prices and shirking exports by local productions as well as a free-falling foreign exchange rate. Year-to-date auto production recorded 1,311,000 units, a 7.6% rise from the same period of 2005.

Owing to some negative factors such as the contraction of consumer demand in automobile markets (especially, decreasing demand for RV models) and deferred purchase waiting for the new model releasing in May. Domestic sales up to April 2006 recorded 365,000 units, a 7.3% growth from 2005.

(i) Domestic medium-sized cars, doesn't know depression

Medium—size cars are running alone in the domestic automobile market. Especially, even though other sector car sales are all declining (the medium-size cars sales is experiencing a continuous upward tendency). In this way, the medium-size car sales are

taking a favorable turn, and at the same time, medium-size cars have exceeded 22% market share. This is a 5% increase from the same period last year.

(ii) Domestic medium & large sized automobile sales figures according to KAMA (Korea Automobile Manufacturers Association)

1. Medium-size automobiles

Year	Sales Quantities	Percentage of total sales
2004	196,000	22.9%
2005	226,000	24.7%
2006	235,000	23.5% (expected)

2. Large-sized automobiles

Year	Sales Quantities	Percentage of total sales
2004	95,000	11.0%
2005	140,000	15.3%
2006	157,000	15.7% (expected)

3. SUV

Year	Sales Quantities	Percentage of total sales
2004	263,000	30.6%
2005	237,000	26.0%
2006	245,000	24.5%

4. Large-size refrigerator sales increase

	Production	Shipment	Inventory			
	Average Annual Production	Average Annual Growth Rate	Average Annual Shipment	Average Annual Growth Rate	Average Annual Inventory	Average Annual Growth Rate
1995~2001	1,935,350	2.01%	1,930,127	2.13%	1,228,015	-3.63%
2001~2004	2,183,576	4.40%	2,193,396	6.02%	1,215,018	42.10%

Domestic Vehicles Sales Figures (by Korea Automobile Manufacturers Association-KAMA)

	Car							Bus
	Total	Mini car	Compact car	Medium Size	Large size	SUVs	CDVs	Total
2001		261,830	594,916	626,627	232,102	397,830	358,139	225,027
2002		171,662	628,486	571,649	319,929	554,914	404,633	216,059
2003		143,735	769,690	549,596	362,157	591,048	351,490	167,506
2004		110,456	895,190	658,339	389,683	742,827	326,105	126,497
2005		157,437	879,484	812,936	344,756	882,855	279,626	115,015
2005.1 ~ 2	514,121	18,461	146,100	115,933	53,729	139,056	40,842	21,353
2006.1 ~ 2	565,098	27,670	134,271	165,708	49,136	141,157	47,156	18,689
2005. 1	302,649	10,783	83,709	70,123	31,306	79,913	26,815	12,191
2	211,472	7,678	62,391	45,810	22,423	59,143	14,027	9,162
3	304,939	11,898	79,455	69,396	31,375	86,126	26,689	10,919
4	288,216	16,047	75,226	64,568	34,660	70,834	26,881	12,902
5	278,051	13,097	73,668	66,776	30,757	69,615	24,138	13,160
6	300,470	15,600	77,848	69,098	35,814	77,132	24,978	9,452
7	282,488	10,861	69,860	66,038	35,964	79,984	19,781	8,973
8	198,428	11,940	51,181	43,266	23,505	54,599	13,937	6,667
9	217,553	13,670	58,582	56,976	21,362	51,003	15,960	4,123
10	294,979	14,273	78,501	75,450	25,605	77,574	23,576	5,946
11	343,913	16,101	84,573	94,384	26,003	90,132	32,720	11,078
12		15,489	84,490	91,051	25,982		30,124	10,442
	333,936					86,800		
2006. 1	288,893	14,179	72,735	81,463	23,355	73,293	23,868	9,847
2	276,205	13,491	61,536	84,245	25,781	67,864	23,288	8,842

(Source : KAMA) The officer of KAMA said that Since automobiles is annually getting luxurious and consumer's preference for this kind of car adds up, compact car sale is reducing, otherwise a full-sized car is increasing.

5. Large-size apartments

- Demand exceeds supply.

Large-size apartments out of total apartments

(50 pyeong)

Region	Percentage out of total apartments
Yongin City	17.2%
District Seocho	15.6%
District Kang-nam	14.3%
District Yongsan	13.5%
District East-Kwangju	12.3%
Others	-

(Pyeong: a land measure of six square cheok)

Source from Realty Serve

The number of large-size apartments in Seoul totaled 58,452 households, which accounts for 28.3% of the whole country.

Among these households, the large-sized apartments in Kang-nam district, Seocho district, and Songpa district constitute 52.8% of Seoul, and 14.9% of the whole country.

A researcher of Realty Serve said that the demand of large size apartment is rapidly increasing throughout the country. Large sized apartment is experiencing an upward tendency. Especially, the people are gathering together in the Southern suburbs of Seoul, Yongin city, Seongnam city.

Energy Saving Campaign : Consumers Korea

- Energy is Sustainable Access for All.

Thus, due to the increase in this consumption pattern, power consumption is on a continuous rise.

As have leading the energy saving campaign, Consumers Korea is working with CI and UNESCAP this year to hold the 10th anniversary of the yearly energy and energy winner reward in order to spread the energy streamlining campaign worldwide. We are planning to award this prize among the companies which have set an example in carrying out energy saving. The event is scheduled to take place on July 14th, 2006 and especially is expected to present the campaigns' direction for the civilians.

Consumers Korea is involved in campaigns such as standby power campaign.

1. Increase in power usage

(Unit :10,000kw)

Date	Maximum Power		Growth Rate
	Previous Year	Current Year	
2006.5.14	3,802.5	4,041.9	6.3%
2006.5.13	4,099.4	4,290.8	4.7%
2006.5.12	4,356.1	4,614.6	5.9%
2006.5.11	4,442.1	4,606.2	3.7%
2006.5.10	4,439.2	4,551.8	2.5%
2006.5.09	4,410.7	4,620.1	4.8%
2006.5.08	4,407.2	4,538.7	3.0%
2006.5.07	3,896.8	3,961.3	1.7%
2006.5.06	4,098.7	4,185.0	2.1%

Source: Korea Electric Power Corporation

Suggestion:

The current consumption pattern of Korea is likely to be conspicuous and unsustainable.

Consumers Korea addresses to prevent the consumption overheating and conspicuous consumption.

*Use environment-friendly products, and promote environmental protection so that we can focus on sustainability and accomplish value innovation.

*We also should encourage the Green Growth initiative. Innovative approaches are necessary in order to promote and improve sustainable consumption pattern.

*It is necessary to change consumer's attitude and their role as a major player in the current market dynamics.

*To improve the eco-efficiency of the economic growth and enhancement of the synergy between environment and economy, many things need to be done.

1. Sustainable environment and economic growth
2. Sustainable environment and resource growth plan

3. Green Growth plan

Sustainable economic growth which doesn't destruct the environment

4. Resource-cycle society construction plan
5. Use Green Purchasing
6. Let's join actively in a future oriented campaign concerned with the environment
7. Less resources and energy should create much more economic efficiency
8. promoting and spreading out sound consumption culture
9. the economy and development policy have to take into consideration the environment's efficiency
10. make environmental conservation efforts
11. an anti-conspicuous consumption campaign
 - ◇ more environment-friendly, eco-friendly mind
 - ◇ promoting environment-friendly products
 - ◇ improving eco-efficiency and sustainability in the use of resources and production processes
 - ◇ reducing resource degradation, pollution and waste
 - ◇ saving resources and protecting the environment