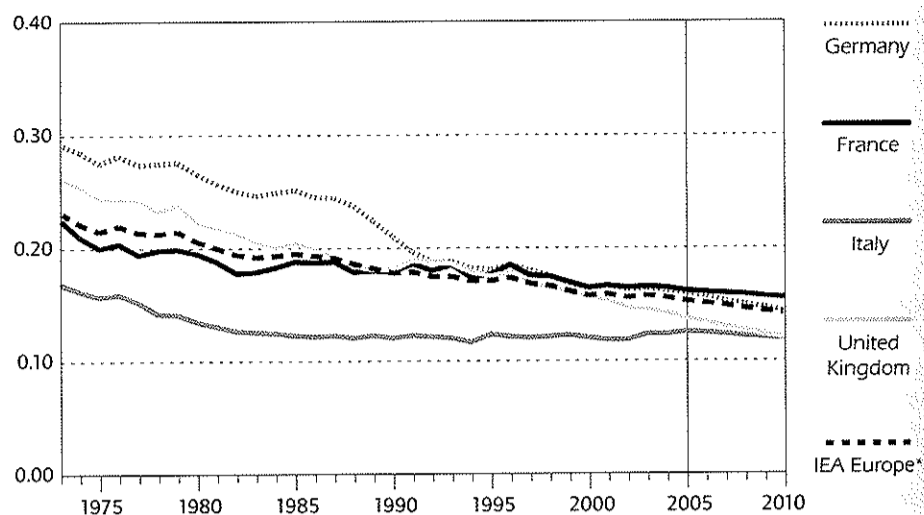


Figure 7

Energy Intensity in Germany and in Other Selected IEA Countries, 1973 to 2010

(toe per thousand USD at 2000 prices and purchasing power parities)



* excluding Luxembourg and Norway throughout the series, as forecast data are not available for these countries.

Sources: *Energy Balances of OECD Countries*, IEA/OECD Paris, 2007; *National Accounts of OECD Countries*, OECD Paris, 2007 and country submissions.

11 November 2005, the governing parties laid down the following targets and measures for national energy efficiency policy:

- Increase the energy efficiency of the national economy with the objective of doubling energy productivity (a measure of GDP output per unit of energy use) by the year 2020 compared with 1990, requiring an annual increase of 3%.
- Increase funding for the *CO₂ Building Rehabilitation Programme* to at least EUR 1.5 billion per year; improve the efficiency and attractiveness of the programme (for example by switching to investment grants and tax relief measures and by including rental accommodation); and introduce an energy passport for buildings, with a target of improving energy efficiency in 5% of pre-1978 buildings every year.
- Modernise the existing stock of power stations and expand the use of decentralised power generation and ultra-efficient CHP plants.

- Review the funding criteria under the Cogeneration Act (KWK-G) based on a monitoring report to be compiled in the near future.
- Support European initiatives to improve energy efficiency and work towards a European top runner programme.
- Continue and step up the German Energy Agency's (*Deutsche Energie-Agentur*, DENA) initiatives for energy conservation in buildings, electricity consumption (e.g. by cutting stand-by power consumption) and transport.

The government is currently preparing an *Energy Efficiency Action Plan* in the framework of the EU's energy services directive, to be released in June 2007, which will be a comprehensive stocktaking and road-map of the government's energy efficiency policies and detail how its energy productivity target will be met.

Germany is also working to use its presidencies in 2007 of both the Group of Eight (G8) and the EU to foster energy efficiency on an international scale. With the EU presidency, Germany is focusing on revisions to the EU's appliance labelling directive, stand-by energy consumption and further efforts on building efficiency. Under the G8 presidency, the country is concentrating its efforts on the efficiency of buildings and transport, along with clean fossil fuels.

INDUSTRIAL SECTOR

Voluntary agreements

For many years, voluntary commitments by industry have been the primary instrument for reducing CO₂ emissions and hence to a great extent for improving energy efficiency in the industrial sector. In updated agreements of 1995, 1996, 2000 and 2002, industry committed to various measures to reduce CO₂ emissions, many of which are associated with improvements in energy efficiency. The introduction of the European Union Emissions Trading Scheme (EU-ETS) has also provided a key incentive to raise energy efficiency. Some aspects of the voluntary agreements deal with improvements in the efficiency of on-site electricity generation, particularly combined heat and power (CHP). For further information, including expected reductions, see the later section on the electricity sector.

Grants and loans

Further incentives to improve energy efficiency and implement energy savings in the industrial sector are provided by various informational and financial measures, often primarily targeting small and medium-sized enterprises (SMEs). The *Kreditanstalt für Wiederaufbau* (KfW) *Umweltprogramm* (*Environment Programme*) provides capital for investment in environmental