



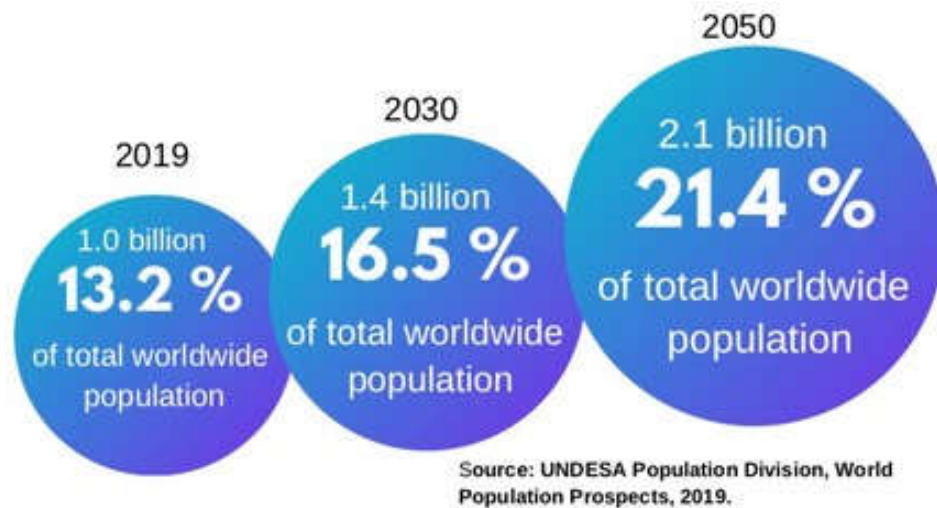
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# Ageing Society in Developed Countries Challenges Carbon Mitigation

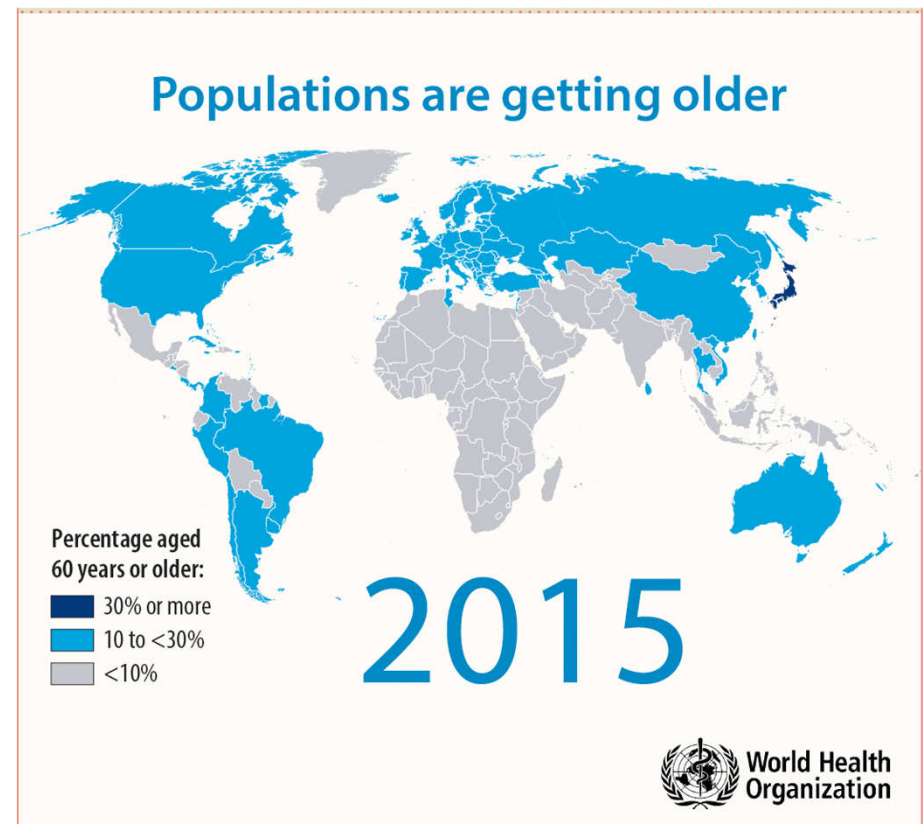
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# Ageing world is coming



- People live longer and healthier
- a lower birth rate



# Intergrating HBS into global supply chain model

## Household Expenditure Survey (HBS)

**Age groups:** <30, 30-45, 45-60, 60+

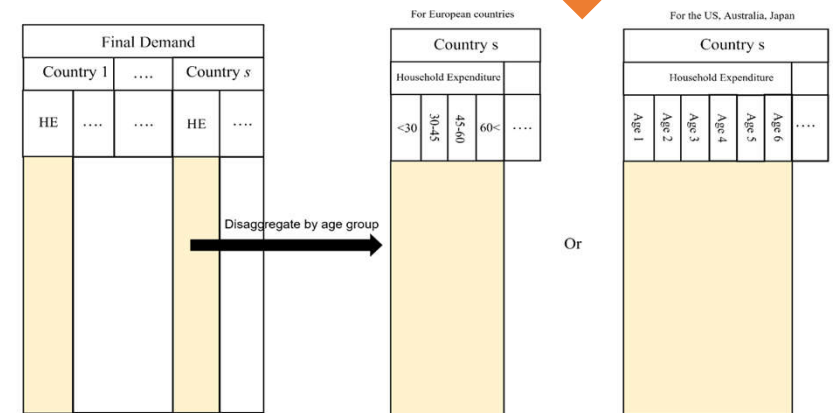
**Year:** 2005, 2010, 2015;

**Countries:** 32 developed countries



## Global supply chain model (EXIOBASE)

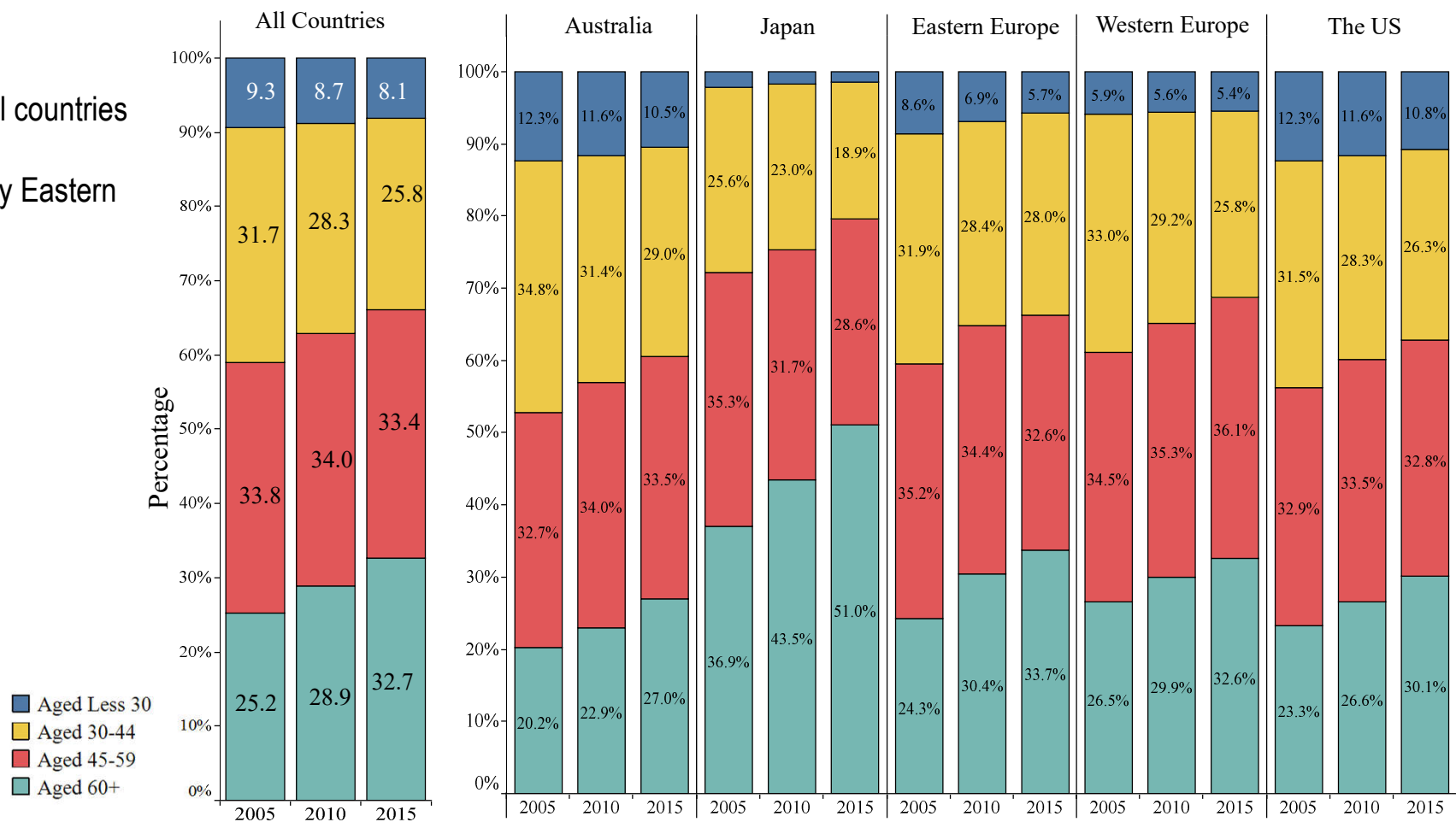
From/To			Intermediate Sectors						Final Demand						Export	Total Output
			Country 1			...	Country <i>s</i>			Country 1		...	Country <i>s</i>			
			Sector 1	...	Sector <i>j</i>	Sector 1	...	Sector <i>s</i>	HE	...	...	HE	...			
Intermediate Sectors	Country 1	Sector 1	$z_{ij}^{rs}$						$f_{ik}^{rs}$						$e_i^r$	$x_i^r$
	...	....														
	Country <i>r</i>	Sector 1														
	...	....														
Import			$im_j^s$						$im_j^s$							
Value-added			$va_j^s$													
Total Input			$x_j^s$													



# Rising share of carbon footprint of the elderly



- The rising trend is ongoing for all countries
- Japan is outstanding, followed by Eastern European countries

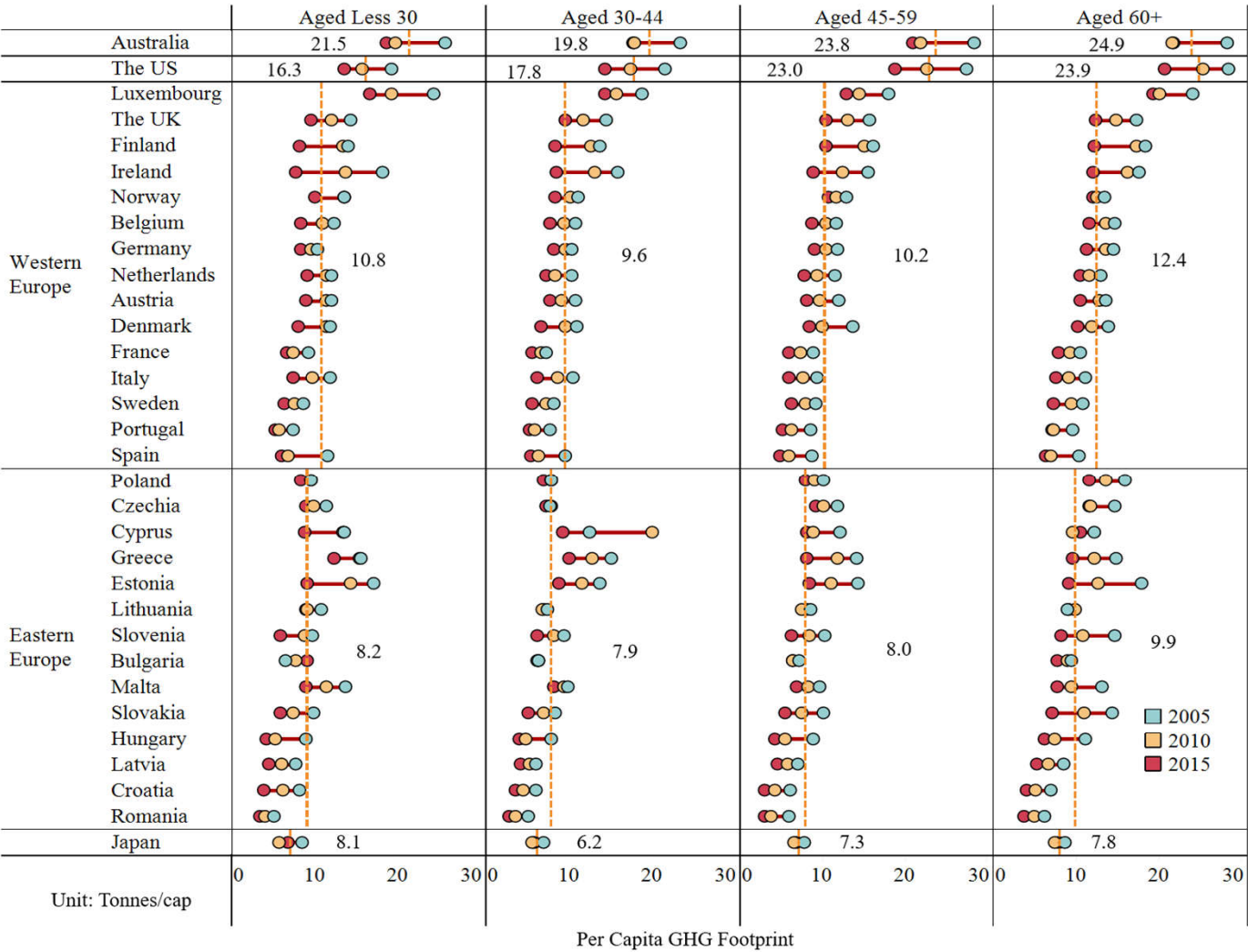




# Higher Per capita GHG footprints by the aged group

After adjusting by population:

- Aged group has the highest per capita carbon footprint
- **Australia** and **the US** has the highest per capita carbon footprint for the elderly, almost twice the global average.
- **Alluance** and **industrial strucutre** (energy strucutre) are factors

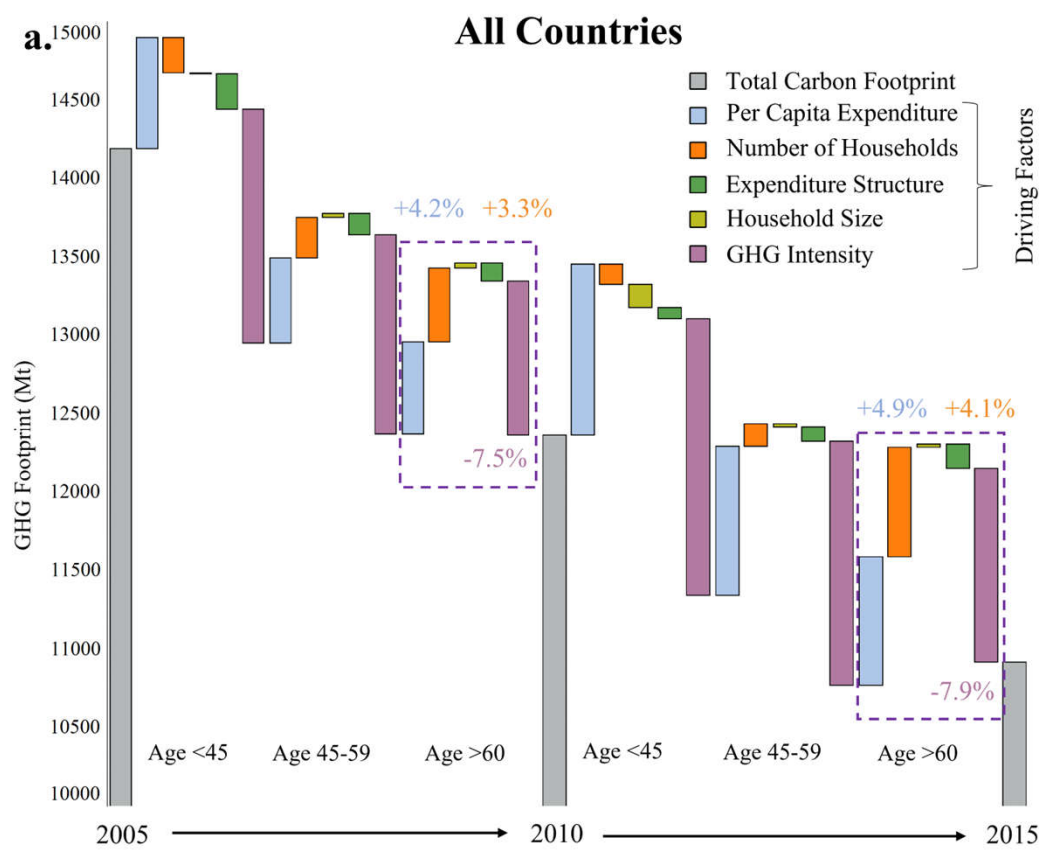


# Higher Consumption driving up carbon footprint

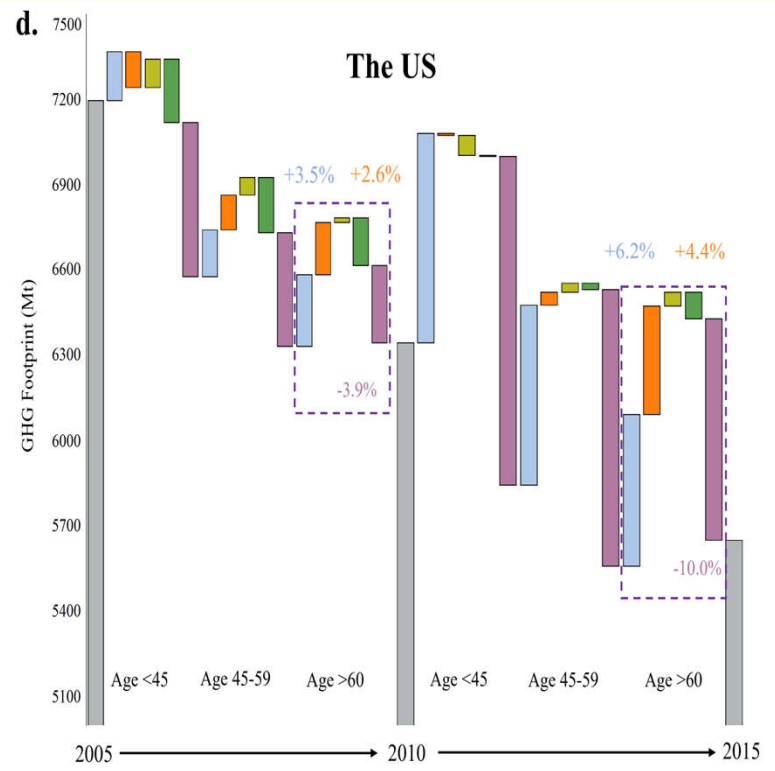
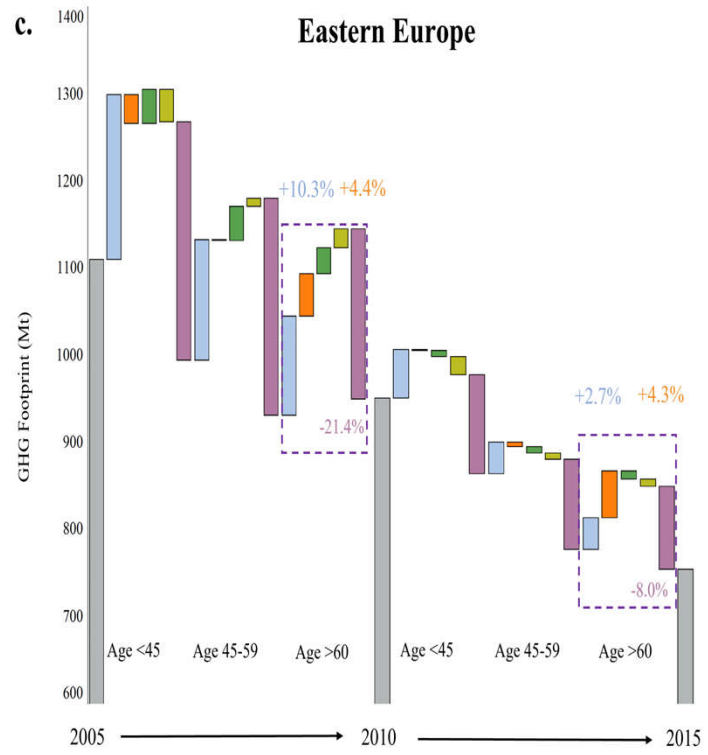
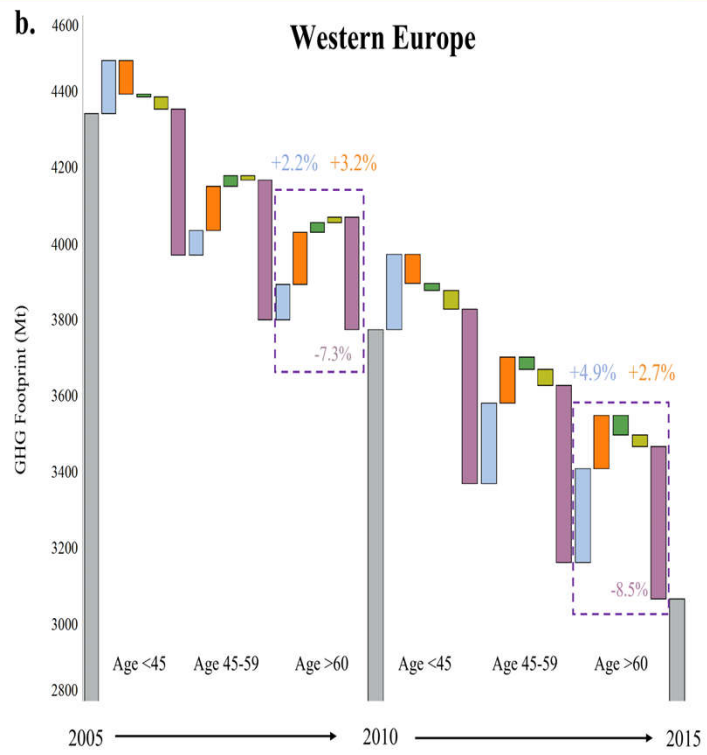
## Decomposition Analysis

GHG intensity reduction is the key declining factor

Growing aged household and rising expenditure are key driving factors



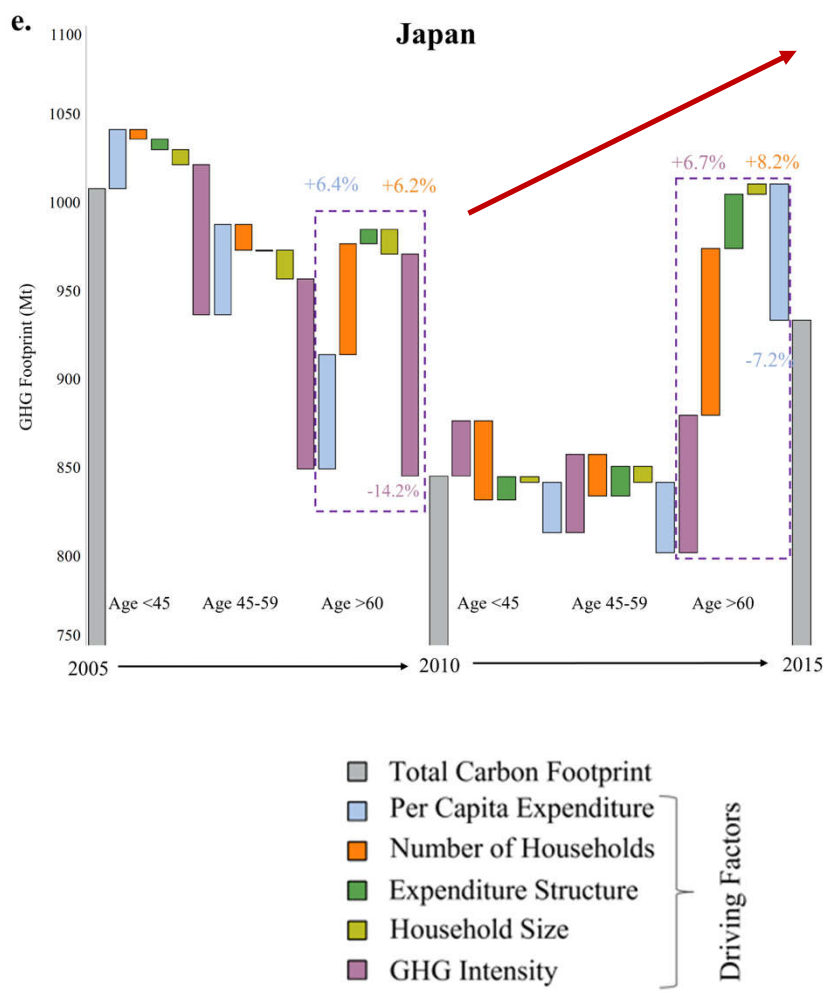
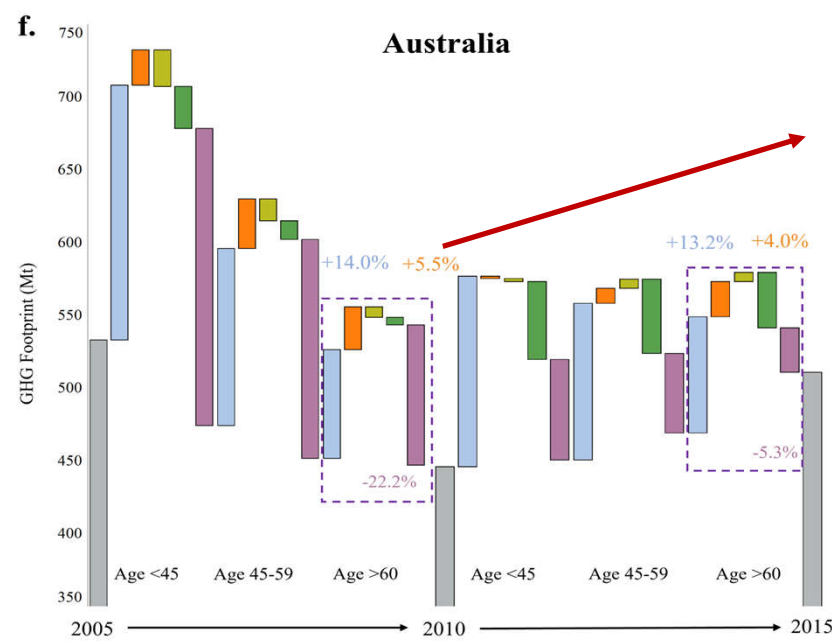
# Higher Consumption driving up carbon footprint



- Pattern has been observed in most countries

# Alarming pattern in Japan and Australia

- During 2010-2015, Intensity become a driving factor in Japan.
- East Japan earthquake in 2011
- Stagnation of mitigation policy in Australia



- Total Carbon Footprint
  - Per Capita Expenditure
  - Number of Households
  - Expenditure Structure
  - Household Size
  - GHG Intensity
- Driving Factors



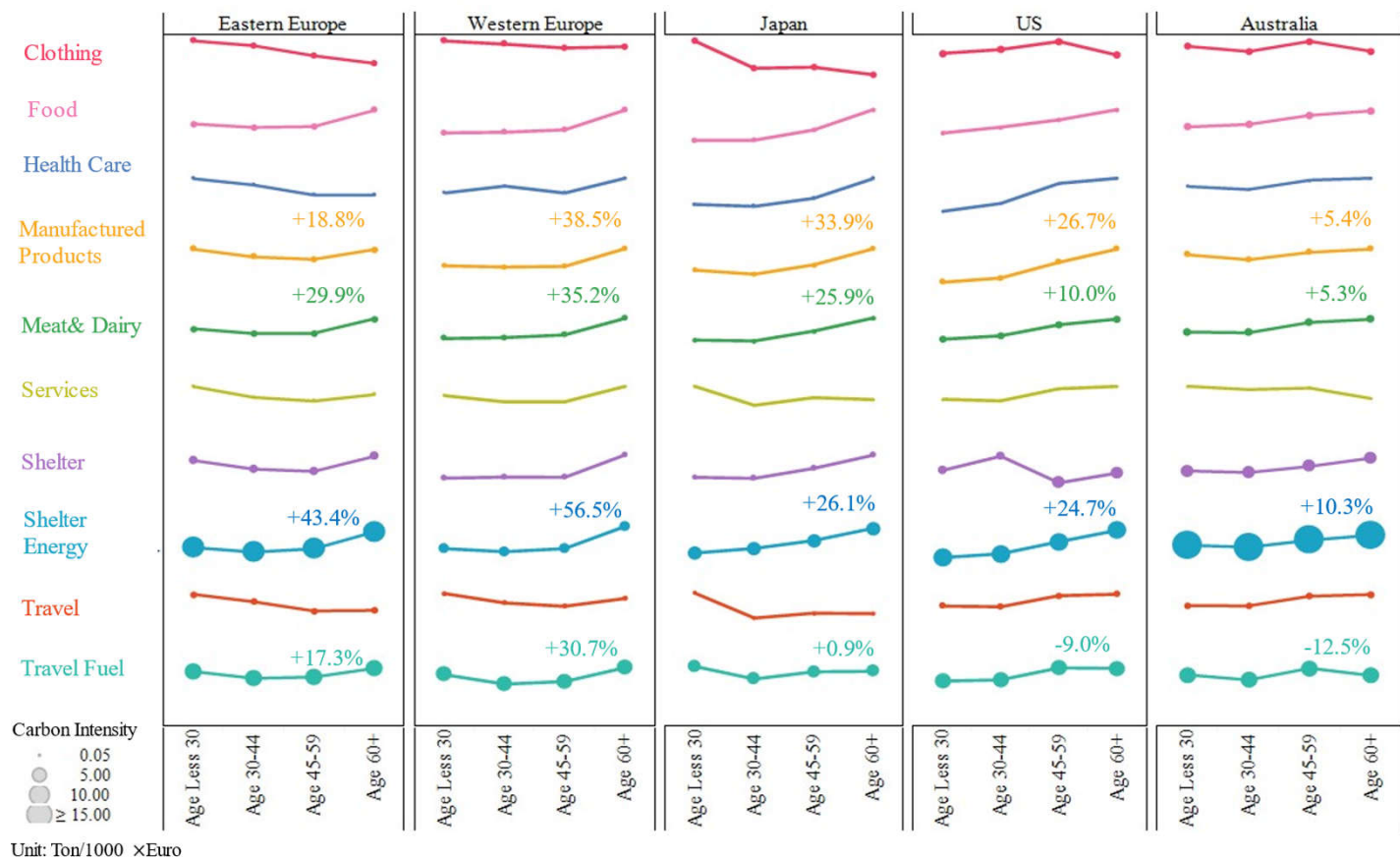
# Rising expenditures for the aged group.



Aged household:

high expenditure on carbon-intensive products:

- Shelter energy
- Travel Fuel
- Lifestyle pattern change
- Low energy efficiency in Old house
- More driving to access to services



# Wealth is related to high expenditure



- The wealth of the aged group was **significantly** associated with the rising spending.
- the lowest wealth elasticity of expenditure implied the high expenditure is rigid.
- last longer with the wealth gradually shrinking.

Age groups	Less 30		30-44		45-59		60+	
	Elasticity	R <sup>2</sup>	Elasticity	R <sup>2</sup>	Elasticity	R <sup>2</sup>	Elasticity	R <sup>2</sup>
<b>Total</b>	-0.001	0.00	0.647 <sup>a</sup>	0.57	0.635 <sup>a</sup>	0.85	0.501 <sup>a</sup>	0.84
<b>Food</b>	0.004	0.00	0.441 <sup>a</sup>	0.30	0.409 <sup>a</sup>	0.41	0.336 <sup>a</sup>	0.44
<b>Meat Dairy</b>	0.002	0.00	0.401 <sup>a</sup>	0.52	0.383 <sup>a</sup>	0.70	0.294 <sup>a</sup>	0.74
<b>Clothing</b>	0.004	0.02	0.574 <sup>a</sup>	0.61	0.461 <sup>a</sup>	0.60	0.355 <sup>a</sup>	0.52
<b>Shelter</b>	0.013	0.01	0.555 <sup>a</sup>	0.29	0.415 <sup>a</sup>	0.28	0.335 <sup>a</sup>	0.26
<b>Shelter Energy</b>	0.006	0.00	0.505 <sup>a</sup>	0.29	0.515 <sup>a</sup>	0.45	0.414 <sup>a</sup>	0.45
<b>Travel</b>	-0.002	0.00	0.677 <sup>a</sup>	0.54	0.645 <sup>a</sup>	0.77	0.528 <sup>a</sup>	0.77
<b>Travel Fuel</b>	-0.003	0.01	0.660 <sup>a</sup>	0.42	0.617 <sup>a</sup>	0.62	0.457 <sup>a</sup>	0.58
<b>Manufactured products</b>	0.008	0.00	0.626 <sup>a</sup>	0.59	0.586 <sup>a</sup>	0.73	0.455 <sup>a</sup>	0.74
<b>Services</b>	-0.005	0.00	0.750 <sup>a</sup>	0.53	0.758 <sup>a</sup>	0.85	0.605 <sup>a</sup>	0.84
<b>Health Care</b>	0.005	0.00	0.960 <sup>a</sup>	0.50	0.893 <sup>a</sup>	0.68	0.680 <sup>a</sup>	0.63

<sup>a</sup> denotes significance at 1% level

# **Thanks for Your Attention**

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