



# Industry Report

November 2021

## Innovative concepts for the Energy Transition? Cooperation is key.

### New sustainable energy solutions and the exchange of expertise between Germany and New Zealand

Shortly after the world climate conference COP26 in Glasgow finished with the hard won “Glasgow Climate Pact” signed by all the big industrial countries in the world, the global topics, questions, and challenges of the 21st century remain: How can we tackle the climate crisis and lower carbon emission? How will we sustainably use and generate energy in the future? What the conference in Glasgow showed was that yes, countries are different, cultures are different, but at the end of the day we are working towards the same goals which can not only be achieved by each county doing their own thing but through intercultural collaborations and cooperation’s. The Glasgow Climate Pact reads: “The conference of the parties recognizes the importance of international collaboration on innovative climate action, including technological advancement, across all actors of society, sectors and regions, in contributing to progress towards the

objective of the Convention and the goals of the Paris Agreement.”

When it comes to innovative climate action and technological advancement, Germany has made an early call to provide innovative business projects with governmental funding so they could become an export product “Made in Germany” in the future. The German Ministry for Economic Affairs and Energy (BMWi) so called “*Energiewende*”, an energy transition or revolution, a trial to turnaround the economy to make it more environmentally friendly and efficient at the same time. Successful projects receive significant funding through the Ministry, creating valuable knowledge exchanges for Germany and New Zealand.

In the face of the latest negotiations regarding a Free Trade Agreement (EU-NZ FTA) with the European Union, New Zealand gains significance as a stable partner for Germany in the Asia-Pacific region. To build a bridge

between innovative businesses in both countries, the German New Zealand Chamber of Commerce (GNZCC) acts as an interface between companies in Germany and New Zealand Providing tailored market research, connecting partners, distributors, logistics, regulation, and other key aspects to entering a new market.

This task becomes more and more important with regards to the new climate pact and innovative energy projects.

### 1. Why is the GNZCC involved in these energy projects?

“One of our main purposes is to represent German industry abroad, and of course a significant sector of the German economy is tied to its energy sector”, states Erin Daly, Manager for Consulting Services at the Chamber. “The projects help bring German technology, ideas, policy and skills to New Zealand. Likewise, our members and clients benefit from new business connections, reference projects and seeing what has worked well in Germany, as well as a glimpse at the latest technology from one of our key trade partners.” Erin refers to two significant German government-funded projects the GNZCC is involved with: 1. The Energy Efficiency Project, and 2. The Energy Dialogue.

### 2. What’s the Energy Efficiency Project?

The Energy Efficiency Fund (EEF) is part of the German “*Energiewende*” that follows the goal of reducing primary energy consumption by 50% by 2050 (compared to 2008). Furthermore, it seeks to reduce greenhouse gas emissions by 80 to 95% by 2050

(compared to the Kyoto-Protocol base year 1990). Funds proceed from the German Federal Ministry for Economic Affairs and Energy (BMWi) to support a highly energy-efficient economy and therefore are primarily used in the industrial sector. The so-called Energy Efficiency Project is financed by BMWi and dedicated to support small and medium-sized energy companies in Germany and to help them access new markets abroad. The GNZCC have been participating in this project since 2005. “This is very much a project designed to encourage and grow trade between Germany and New Zealand, with a focus on SME’s (small and medium-sized enterprises), to help them get a foot in the door in a new market”, explains Erin Daly.

First up, the GNZCC will provide German businesses with an extensive market analysis of different market sectors in New Zealand. This year they concentrated on the topic: “Electromobility Infrastructure and Green Energy Solutions” (July 2021). With this market report German business owners get an insight on where New Zealand is positioned and their market chances. As well as the market report, the GNZCC then provides tailored contact lists and arranges b2b meetings between the German delegation and New Zealand industry. The German delegation also has a chance to showcase their product and service innovations at a business conference arranged by the GNZCC.

### 3. The Energy Dialogue Project – No energy transition without energy efficiency

*According to the German Federal Ministry for Economic Affairs and Energy (BMWi) the more efficiently we use electricity, heat and fuels,*

*the better the energy transition will succeed. They are convinced that efficiency strengthens companies sustainably, and that it might be beneficial for countries like New Zealand, too.*

The Energy Dialogue Project is also funded by German Ministry BMWi, but that is where the similarities end. “It is much more about creating a platform for discussing key energy issues, and engaging industry and government in both countries”, explains the GNZCC’s Erin Daly.

New Zealand has joined the countries with which the German government has an energy partnership or an energy dialogue. The dialogues are designed to advance the global energy transition, develop an understanding of common key challenges and opportunities in the transition and are also addressing private sector matters to establish market structures that support increasing shares of renewable energies, the adoption of energy efficient technologies and the market ramp-up of green hydrogen. This project is very new for us here in New Zealand, Erin explains, and runs for 36 months at this stage. The GNZCC works on this project primarily with adelphi, a German independent public policy consultancy on climate, environment, and development. “Our first event this year was in August, and the feedback from the roundtable group was really positive, with a strong desire to keep the conversation going. This was a great opportunity for key subsidiary leaders to speak to each other, many for the first time, and we provided e-introductions for potential collaborations with several of the group”, says Erin. The GNZCC’s most recent event in November ran under the heading “Green Hydrogen International cooperation funding initiative”

and according to Erin Daly - “The response to this was huge. With 81 registrations and many more requests for the recording to watch later, we are now in the process of ‘matching’ the relevant German and New Zealand companies to each other for a possible energy collaboration. The grants of this particular fund are up to 15 million Euros for industry, and up to 5 million Euros for research institutions and universities.”

#### **4. Opportunities for NZ companies**

With all the positive feedback that GNZCC has already received after their first roundtables and workshops this year, it’s clear that there is need to talk more about the topic on both sides. New Zealand businesses might want to develop their innovative products in the sector of renewable energy or green hydrogen further and would appreciate to partner up with a German company doing similar things, or at least have a chat to someone who’s familiar in the field to exchange knowledge and challenges. The GNZCC knows that often the biggest hurdle of such intercultural collaborations are the missing platforms to meet and converse. The Energy Efficiency Project is a very useful tool to bring together opportunities for Kiwi and German businesses alike. The next step will be a helpful address list with potential partners, distributors and useful contacts that are usually followed by B2B meetings arranged by GNZCC. “Since Covid, the B2B meetings have moved to an online format which means we can only do them early morning and early evening, all with a GNZCC team member to help facilitate the introductions, keep the conversation going, take minutes and prompt “next steps”, states Erin Daly.

## 5. How the Energy Dialogue Project will continue in 2022

For 2022 GNZCC is planning more workshops, conferences and round tables on key topics which have relevance for both New Zealand and Germany. According to the Ministry for the Environment NZ's emissions are globally small, but high per capita. Green Hydrogen is of course a very important topic for both countries and likely to come up again. With some joint projects already underway between the two countries, and lucrative funding currently on the table for collaboration projects in Green Hydrogen. For example, the Ministry of Business, Innovation and Employment (MBIE) and the German Federal Ministry for Education and Research (BMBF) have agreed to support collaborative research in green hydrogen - the so-called MBIE will fund up to three proposals with up to \$2,000,000 (GST excluded) available for each project over three years. Additionally, the University of Otago recently formed a scientific alliance with the German *Helmholtz-Zentrum Hereon* to establish a joint German-New Zealand research centre on green hydrogen, following a call from the German Federal Ministry of Education and Research (BMBF) to fund bilateral green hydrogen initiatives in the Asia-Pacific Research Area (APRA). Funding for this initiative is shared between BMBF-APRA and New Zealand's Ministry of Business, Innovation and Employment (MBIE). The topic of "Energy" is very broad, so in terms of planning future events, it is through the lens of where are the potential collaboration opportunities, and what topics makes sense for both countries.

Germany keeps on investing into valuable German-New Zealand business relationships, and to keep the conversations going, it is worth considering the expertise of the German-New Zealand Chamber of Commerce who are happy to help innovative Kiwi businesses thrive. If you are interested in collaborating towards energy efficiency solutions for New Zealand, then please contact GNZCC's Consulting Services Manager Erin Daly or Senior Consultant Iris Heinz for more information.

© Alexandra Falk