

I'm in a dirty old business but I try

Airline chief Richard Branson wants to show that green goals can work, but does he live up to his ideals?

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"No Thanks. I'll take the train," said Sir Richard Branson, turning down the offer of a limousine as he arrived at Shanghai airport. It was the best he could do after flying for 12 hours from London on a Virgin Atlantic jet to talk to Shanghai's mayor about green business. But, even as an environmental gesture, it soon seemed futile.

As the Maglev train raced into China's commercial capital at 250mph, it looked as if Branson was being catapulted to a Dickensian past. The city was so polluted he couldn't see more than 100 yards. "It's horrendous," he said.

That's the problem with being an entrepreneur with green pretensions. However much you profess to love the planet, the planet has a habit of catching you out. You want to help tackle global warming but — oh no — you run, or have stakes in, five airlines and operate trains that spew tonnes of carbon into the atmosphere. You want to sketch out a green vision, so you fly to the capital of 21st-century business but when you get there you find everything — the cars, streets, even the people — are flecked with smog.

However, Branson was undeterred. "We shouldn't stop trying just because we have not yet put our own house 100% in order or because we think a challenge is too great to achieve," he said.

Branson has built a billion-pound brand by overcoming big obstacles. Now, he is tackling his biggest challenge. He wants to prove that green business can be good for the planet and good for the bottom line. His mantra? Go Green. Do good. Get rich.

He is starting in the air. "Because I'm in one of the dirty businesses, I have all the more responsibility to do something," he said. The Virgin boss, who is valued at £1.2 billion in The Sunday Times Rich List, has spent £100m buying stakes in clean-fuel companies in an effort to uncover an alchemy for today: turning the base metal of crops into the solid gold of clean fuel.

He started with coconut oil — flying a Boeing 747 from London to Amsterdam last year with one engine running on the stuff — but gave up when he realised there weren't enough coconutstoo fuel an airline. It didn't help that a recent holiday in India was ruined by people trying to sell him coconuts everywhere he went. He moved on to ethanol but dumped that when it became clear that it freezes at 15,000ft.

Now, he thinks he has found the answer. "Isobutanol is wonderful," he said. "It doesn't absorb water, so you can pump it in the same way as petrol. And you can make it from anything. Sugar is good. What if all the sugar now turned into soft drinks were, instead, turned into clean fuel?"

He has sunk several million pounds into a California-based firm called Gevo that makes the fuel.

Branson's aim is that in five years some or all of Virgin Atlantic's planes will be running on isobutanol and that he will be selling it to rivals. "I'll happily take [BA boss] Willie Walsh's money," he joked.

Virgin trains, which are already testing bio-diesel, will follow. The move would be good for the environment, but it would also be good for Virgin. "We spend more than £1 billion a year on fuel right now, so the more we can use our own, and the more we can sell to others, the better," said Branson.

Many experts are sceptical, however, and say that it will take much longer than five years to make the fuel commercially viable. His detractors add that isobutanol relies on genetic modification technology, which is opposed by environmentalists.

Most of Branson's green investments have so far come from a Virgin "green fund", an independent private-equity outfit that backs clean technologies and has raised £150m.

He has also sponsored the creation of the Carbon War Room, a New York environmental ideas incubator, and funded several prizes designed to foster new green initiatives.

In spite of the beard and shaggy locks, Branson is an unlikely green. It's not just that he runs planes and trains, supports the third runway at Heathrow and sponsors the environmentally-unfriendly sport of Formula One. He is better known for packaging pleasure — music, wine, travel — than doing good.

Al Gore is responsible for his conversion. In 2006 the former vice-president of America visited Branson's house in west London a few months before the release of his film, *An Inconvenient Truth*, and delivered the film's lecture personally. Branson was so alarmed that he became an immediate convert.

He pledged that any profits paid to the Virgin Group, his holding company, by his transport businesses, would go to help fund the development of alternative fuels. The figure would total £1.6 billion between 2006 and 2016, he predicted. *Wired* magazine this month reveals that, so far, thanks to the credit crunch, only £110m in profit has materialised.

The claim has given ammunition to Branson's critics who say that he is guilty of making big announcements and then beating a muted retreat when nobody is looking.

Jeff Gazzard, of the Aviation Environment Federation pressure group, accuses Branson of "attempting to make passengers feel less guilty about flying and persuade regulators to allow the industry to carry on growing". Oddly, Branson, who claims he has, in total, sunk almost £200m into green investments, agrees.

He believes that the challenges of the recession and the environmental crisis are a reason to grow more and faster. The challenge is to do it better, greener.

"Energy is the life-blood of everything we do. We need airlines, we need travel, we need growth. If you hold industry back, we will not, as a nation, have the resources to come up with the new clean-energy solutions we need. Business is the key to solving the financial and environmental crisis."

He can even see the potential advantages of the soupy air he breathed in Shanghai, echoing the view of some scientists who argue that smog acts like a filter that keeps some of the sun's rays from hitting the earth.

As he headed back to Shanghai airport, he said: "The curious thing is, if this city and the rest of China had not got this haze, the world would, in fact, heat up by about an extra two and a half degrees. So, let's keep the haze until we can come up with a solution to global warming. Maybe we should put a little extra sulphur in our fuel to create more?"

Where Branson puts his cash

Sir Richard Branson has backed a number of green ventures and initiatives with a total investment of £187m.

Green fuel, where he has invested £100m.

Virgin Green Fund, a private-equity outfit where he has put in £70m out of the total of £150m.

Virgin Earth Challenge, a £15m prize to find commercially viable green technologies.

Carbon War Room, an environmental ideas incubator, where he has put in £2m.

Source: timesonline.co.uk