

28 November 2000

**EUROPEAN ENERGY POLICY :
UNICE CALLS FOR CORPORATE COMPETITIVENESS TO REMAIN
HIGH ON THE EU AGENDA**

Looking ahead to the Energy Council (5 December 2000) and the Nice Intergovernmental Conference (IGC – 7, 8 and 9 December 2000), UNICE, the voice of European business, launches an urgent appeal that EU energy policy should remain firmly centred on the competitiveness objectives adopted by European Heads of State in Lisbon in March 2000.

“The first steps to liberalise energy markets taken by the European Union are a move in the right direction” in the words of Mr Hudig, UNICE’s Secretary General, “but the benefits could be wiped out by new tax penalties”.

At a time when energy prices are high, the European Commission plans new taxes for energy products. This would be all the more damaging to the European economy because comparable measures are not envisaged in other industrialised countries, and Europe alone would suffer the negative consequences of higher taxation.

For UNICE, EU enlargement with the candidate countries is an absolute priority, from the economic, political and social perspectives. Hence, UNICE would like the IGC – which is a precondition for enlargement – to succeed in equipping the EU with institutions and procedures which enable it to develop its performance and its dynamism even further. “UNICE believes that the IGC negotiations must not result in EU decision-making processes which would make it easier to increase energy taxation” said Mr Hudig. “Decisions on energy taxes should remain on a basis of unanimity”.

UNICE notes that the European Commission soon plans to present a revised draft directive to promote electricity generated from renewable energy sources. UNICE hopes that this proposal will help achieve the quantified objectives in the Kyoto protocol to control global warming. However, UNICE warns against certain techniques (taxation, fines, etc.) which would hike electricity prices for consumers and companies, which would reduce or cancel out the expected positive effects of liberalisation.