

For the attention of the Permanent  
Representatives of the Member States vis-à-  
vis the European Union (COREPER I and II)

15 March 2004

Your Excellency,

***re: Preparation of the Spring European Council - Climate change***

UNICE is pleased that the contribution of the 11 March Competitiveness Council in view of the European summit addressed the relationship between EU climate change policy and competitiveness policy. This represents an operational translation of the fact that the Lisbon strategy is geared to sustainable development, achieving a balance between economic, social and environmental objectives.

The failure of the USA to ratify the Kyoto protocol and Russia's persisting indecision is about to generate serious negative effects which need to be thoroughly assessed - now. For UNICE, the Spring Summit should therefore call on the Commission to review current EU climate-change and related policies as soon as possible. A revised strategy is urgently needed that strikes a balance between global environmental goals and those of economic growth and employment within the EU. This revised strategy needs to give an answer to the question of how negative impacts on EU industries' competitiveness can be avoided in case of non-ratification by the major economic areas. A continued European "going it alone" policy will be detrimental both in environmental terms (non-achievement of the Kyoto global environmental goals; weakening of European potential for innovation and investment in greenhouse gas-control technologies, socio-economic losses due to relocalisation of industry to countries with lower environmental / energy standards and increased need for transport of goods imported into Europe from relocated plants) and in economic terms (reduction of Europe's competitiveness and of its attractiveness as a place to invest).

We would be very grateful if you would inform your Authorities of this request from the business community in Europe.

UNICE is happy that the Competitiveness Council has given a clear signal regarding the importance of launching such a process, by asking the Commission in its contribution to the Spring Summit, to keep it informed of the results of the examination of Member States' National Allocation Plans and to provide an assessment to the Council of the effect of the regime on the competitiveness of European industry. UNICE calls for this assessment to be provided before the entry into force of the European emission trading scheme in order to allow the Council, and if necessary the European Council under the Dutch Presidency, to evaluate the effects of the regime on European industry's competitiveness.

In view of the above context, the Spring Summit should give a wider mandate to the Competitiveness Council regarding the future development of EU climate policy, by involving it in management and evaluation of the strategic initiatives deployed from now through to 2012.

Finally UNICE supports the Competitiveness Council's request to be consulted in the process of determining commitments to be made under the next phase (post-2012) of the climate change strategy, with a view to safeguarding the competitiveness of European industry.

We would also greatly appreciate it if you would inform your Authorities of these requests, implementation of which will facilitate development of an integrated competitiveness strategy.

Yours sincerely,

D. Cloquet

Director

Industrial Affairs