

Mr Martin Cullen  
President of the EU "Environment" Council  
Department of the Environment,  
Heritage and Local Government  
Custom House  
Dublin 1  
Ireland

26 February 2004

THE SECRETARY GENERAL

Dear President,

**re: "Environment" Council on 2 March 2004 - Contribution from the Environment Council for the 2004 Spring European Council – Climate change**

The non-ratification and therefore the non-entry into force of the Kyoto Protocol is of major concern to UNICE members. Unilateral EU action to combat climate change will not only have a minor effect on reducing emissions of greenhouse gases but it will also seriously harm the competitiveness of EU industry through increased costs both for exports from the EU and against imports into the EU. The goals of the sustainable development strategy can only be achieved if the Lisbon agenda targets for competitiveness of the European economy and a balance between environmental goals and those of economic growth and employment within the EU are met. Against this background, the EU should redouble efforts to get the Kyoto Protocol ratified.

UNICE is concerned that the "Environment" Council, as part of its contribution to the European Summit, will be considering issues such as the establishment of mid- and longer-term emissions reduction targets for greenhouse gases, for the post-2012 period. UNICE believes that such consideration is premature in the light of the possible non-entry into force of the Kyoto Protocol.

We believe that the European Council should :

-have a debate at the Spring Summit on the relationship between the EU climate change policy and EU competitiveness policy

-call on the Commission to immediately launch a review of current EU climate-change policies concerning the period 2008-2012. This review should consider the case of non-ratification by the major economic areas and look at the negative consequences of a continuing unilateral European policy, both in environmental terms (non-achievement of the Kyoto global environmental goals; weakening of European potential for innovation and investment in climate-control technologies) and in economic terms (reduction of Europe's competitiveness and of its attractiveness as a place to invest).

The review of the current EU climate-change policies should also be relevant as an alternative to the Kyoto Protocol in case it does not come into force.

Thank you for the consideration you may give to the above recommendations concerning how the climate policy subject should be addressed at the next Spring Summit.

Yours sincerely,

Philippe de Buck