

Mr Stavros Dimas
Member of the
European Commission
Rue de la Loi 200
B-1049 Brussels

1 February 2005

THE SECRETARY GENERAL

Dear Commissioner,

re: Commission's Communication: "Winning the battle against global climate change"

We understand that a decision will be taken on 9 February 2005 with regard to the Commission's Communication: "Winning the battle against global climate change". Therefore, we thought it would be useful to send UNICE's views on medium- and long-term climate strategy to you, as background information when you and your colleagues are finalising the document.

UNICE supports actions to combat climate change in a long-term global framework. It is vital that such actions are based upon sound peer-reviewed science and analyses. Many EU companies have already significantly reduced their greenhouse gas emissions by implementing technological improvements and improved management systems. UNICE has expressed (Letter to Mrs Wallstrom, 2 November 2004), and remains concerned, about the way in which the competitive impact of EU climate change strategy has been evaluated for the period 2005-2012, and urges that the Commission maintains focus on the unsolved issues for that period as well as strongly insisting that competitiveness aspects are assessed using more thorough methodologies for the post-2012 period. In particular, such methodologies must consider various scenarios regarding the climate policies of the largest emitters such as USA, China and India. It was made clear at COP 10 that industries within these countries are unlikely to be bound by emission reduction commitments in either the near or medium term. The EU must have as an objective, the establishment and maintenance of a level playing field for industry both within the EU and with our trading partners. It should be borne in mind that any unilateral emission reduction commitment by the EU would only marginalise the continent from a competitive business standpoint, without achieving significant global environmental improvements.

The EU institutions are encouraged and supported by European industry to work for a global solution to combat the risks of climate change. UNICE expects the EU institutions to take an active approach in bringing together all parties for discussions on the international strategy and analysing alternative models and approaches, paying particular attention to the EU's attainment of the Lisbon goals. It is essential that a truly comprehensive global agreement to combat the risks of climate change can be achieved preferably long before 2012 in order to give to industry the required confidence to promote long term investments. Furthermore, it is vital that

influencing consumer behaviour, both for energy use and emissions, is taken into consideration.

Studies demonstrate that emissions from developing countries will exceed those of developed countries within the next 15-20 years, therefore it will be indispensable to link climate policy and development issues. In this case, research, technological improvements and transfers play an important role, not just by cutting the costs of reducing greenhouse gas emissions, but also to work as an incentive to engage in coordinated action against global warming. The EU's 7th Research Framework Programme must include climate change as a priority issue.

The conclusions from a comprehensive impact assessment and operational experiences should guide any decision about the EU's future climate strategy. This assessment should be based on meaningful cost-benefit analysis using sound scientific methodologies. Until a comprehensive global climate change agreement has been achieved, full and effective use of the Kyoto flexible mechanisms is vital to improve the cost-efficiency of current EU climate strategy. Measures to tackle climate change must involve all players in society assuring an equitable share of the burden. UNICE urges that the EU medium and long term strategy reflects this requirement.

UNICE is available for any exchange of views you might wish to hold on issues touched upon in this letter.

Yours sincerely,

Philippe de Buck

A handwritten signature in black ink, consisting of several overlapping, fluid strokes that form a stylized representation of the name 'Philippe de Buck'.