

Mr Jean-Claude Juncker Prime Minister Ministère de l'Etat rue de la Congrégation, 4 L – 1352 Luxembourg

25 February 2005

THE SECRETARY GENERAL

Dear President,

re: EU climate strategy – Environment Council on 10 March 2005 and European Council on 22 and 23 March 2005

In view of the above-mentioned important meetings, UNICE would like to come back on development of the EU's medium- and long-term (post- 2012) climate change strategies.

The process envisaged for addressing this issue appears to be as follows:

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- basic orientations for the future EU strategy will be discussed in the 10 March 2005 Environment Council which is expected to examine the idea of considering strategies with the objective for developed countries of reducing greenhouse gas emissions by 15 to 30% in 2020 and 60 to 80% in 2050, with 1990 as the base year;
- inclusion of climate change as an item for a major strategic debate on the agenda for the 2005 European spring summit does not yet appear to have been decided.

We very much hope that this issue will be on the agenda for both the Environment Council and the European Council. Given the huge importance of the future EU climate strategy and its many possible consequences, we consider that it is up to the European Council to discuss and decide on this issue. Preservation of European industry's competitiveness should be an essential component of the strategic debate.

Regarding the substance of this issue, please find attached a more detailed UNICE contribution (24 February 2005).



At COP-10 in Buenos Aires, the EU achieved agreement to an international seminar to discuss policies and measures that nations have adopted or are in the process of adopting. This seminar, to be organised in Bonn (May 2005), can be seen as a starting point for further global discussions and negotiations on long term strategies. With a view to this seminar, UNICE urges the Council not to propose any absolute numerical emission reduction targets on either a global or unilateral level now, since that may potentially close the door to further international negotiations and prematurely halt any discussions on global cooperation. This would be detrimental given the increasing levels of emissions from developing countries.

In any event, we would strongly recommend that medium- and long-term objectives should not be tabled before there has been a satisfactory evaluation of their economic consequences for the EU, including assessment of macroeconomic and sectoral impacts. As you may be aware, this economic evaluation work has not yet been carried out on the scale required.

Thank you in advance for the consideration you may give to the above questions and recommendations, which seek to ensure that the future EU climate strategy fits in with the perspective of sustainable development.

Yours sincerely,

Philippe de Buck