



27 February 2007

## **Statement by BUSINESSEUROPE President Ernest-Antoine Seillière on the EU Climate Change Strategy and the Energy package proposed by the European Commission on 10 January 2007**

SENT TO THE COMMITTEE OF PERMANENT REPRESENTATIVES OF THE MEMBER STATES  
ON 27 FEBRUARY 2007

1. We consider that the environmental targets contained in the proposed EU energy and climate package are extremely ambitious. We understand their political and environmental importance.

What bothers us is the unilateral character of the 20% target for 2020, expressed as a reduction of emissions of greenhouse gases. This unilateral target would be damaging for European industry and would not solve the environmental problem. Our aim is that others will immediately follow our lead if Europe adopts a 20% target for emission reduction. I note that the importance of the global approach is also fully recognised in the report by Sir Nicholas Stern.

So, we would like to know what kind of pressure the member states are ready to exert at international level for getting a truly international agreement. If we don't get a global agreement, going it alone would be a bad pact for Europe, because of the negative effects on the competitiveness of industry and on employment.

2. The other thing that bothers us is that we don't know how this 20% target for emission reduction would be reached.

Are we going to place an enormous burden on industry through a very high level of price for emission permits?

Are we really able to reach the target of 20% set for renewables, in a way that is cost-effective both for both producers and consumers? We are very concerned by the proposal to have a 20% binding target for the share of renewable energy in overall EU energy consumption. Some analysts estimate that, with a view to reaching that target, 75% of total energy investments would need to be devoted to renewables over the next 13 years. Would this be a wise investment policy?

The members of BUSINESSEUROPE are very concerned about this lack of clarity regarding the implementation of targets.



3. In academic discussions, technology is recognised as a vital resource to cope with climate change. But I have to raise the question: do we see anything, in the budgetary discussions, which demonstrates that Europe has understood that an enormous financial effort is needed to promote research into the full portfolio of new technologies, ranging from renewable sources to carbon capture and sequestration? Where is the proof that priority is being given to policies for promoting research, development and deployment of advanced technologies?
4. The energy and climate change package prompts a further question: can we leave an issue as important as nuclear energy up in the air? We have to look things straight in the eye: we will only reach significant climate protection objectives in the medium to long term if we have ambitious targets for nuclear energy. This includes ambitious plans for developing advanced nuclear technologies.
5. To summarise, for BUSINESSEUROPE, speaking on behalf of all its member federations, the 20% emission reduction target is only acceptable, and will only trigger large-scale pro-active commitment, if the EU plan is to get this target shared at international level.
6. Our concern is that the current energy and climate package, which mainly takes the environment into account, should be rebalanced with more competitiveness elements.

\*\*\*\*\*