

## PRESS RELEASE

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### **NEW ENERGY AND CLIMATE RULES: UNCERTAINTIES REGARDING COMPETITIVENESS MUST BE RESOLVED**

BUSINESSEUROPE has supported last year's decision to reduce EU emissions by 20% and stressed that any solution should maintain or even strengthen European industry's competitiveness.

The legislation on energy and climate proposed today requires solutions to address the following elements, which are not satisfactory:

- the conditions for companies to have access to free allowances (as opposed to auction-based allowances) are left uncertain until 2010;
- significant electricity price increases will result from the package;
- the combination of a strengthened Emission Trading Scheme (ETS) with high renewable targets will have strong direct and indirect impacts on energy-intensive industries, which play a key role in eco-innovation;
- the ETS proposal maintains severe restrictions on the use of credits generated by CDM (Clean Development mechanism) and JI (Joint Implementation) projects as a means for companies to comply with their obligations;
- the threshold to opt out of the Emission Trading Scheme for small installations is too low and should be lifted to 25,000 tonnes/year of greenhouse gas emissions.

Competition is a global phenomenon calling for an international climate agreement.

BUSINESSEUROPE President Ernest-Antoine Seillière: *"The new proposal will have a huge impact on the European economy. It will now be crucial that the competitiveness of European industry is maintained and not affected by unduly large direct and indirect cost increases. I consider essential the reference to the competitiveness of European energy-intensive industries contained in President Barroso's speech at the European Parliament. We will therefore engage very actively with Council, Parliament and Commission to improve predictability, to fight against negative economic impacts and to enhance eco-innovation."*

#### NOTE TO THE EDITOR

BUSINESSEUROPE – the Confederation of European Business represents more than 20 million small, medium and large companies. Active in European affairs since 1958, BUSINESSEUROPE Members are 39 central industrial and employers' federations from 33 countries, working together to achieve growth and competitiveness in Europe.

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