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ROADMAP FOR MOVING TO A COMPETITIVE LOW CARBON ECONOMY IN 2050

The Environment Council is expected to adopt Conclusions on the Commission's Communication "*Roadmap for moving to a competitive low-carbon economy in 2050*"¹ on 21 June 2010.

BUSINESSEUROPE supports the EU's current climate and energy targets for 2020 and the idea of establishing 2050 roadmaps, as these would help to provide business with a basis for discussion and further work and improve the much needed predictability on which to base longer term strategies and investments. There are, however, a number of concerns that we believe that Member States should consider when finalizing the Council Conclusions. Member States should:

- *not acknowledge* the presented milestones for emissions reductions until 2030, 2040 and 2050 until the technical and economic feasibility of these reduction levels have been assessed in detail;
- emphasise that any milestones for 2030 and beyond must be *indicative*, and based on a sector by sector approach rather than an assessment on the macro level; with special attention given to competitiveness, jobs and growth in all sectors;
- consider the proposed reduction milestones in a global rather than domestic context and fully acknowledge the role of international offsets in achieving any reduction level, provided that these are more cost-efficient and environmentally viable. Member States should therefore consider any proposed milestones as including international offsets, and not having to be achieved *domestically*;
- make changes to 2020 targets *and* ambitious reduction levels for 2030 and beyond conditional to the conclusion of a comprehensive, fair, legally binding and enforceable international climate change agreement; demanding strong efforts from all other industrialised countries and major emerging economies;
- acknowledge that the ETS is primarily an instrument designed to achieve a set emission reduction objective in a cost-effective and economically efficient manner,² rather than to mobilize low-carbon investment. Therefore, language that would allow for politic intervention in the market mechanisms of the ETS should be avoided as this would increase uncertainty and reduce overall support of the system.

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¹ COM(2011) 112 final

² As stated by Article 1 of the revised EU ETS Directive (Directive 2003/87/EC as amended).