



Mr. José Manuel Barroso
President
European Commission
B-1049 Brussels

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Dear President, *Dear Mr. Barroso /*

The upcoming debate on a 2030 energy and climate framework is essential for the future of Europe's competitiveness. The large scale development of shale gas and oil in the US and other regions is significantly reshaping energy markets worldwide. Significantly lower energy prices in the US will have a huge impact on the competitiveness of a number of industrial sectors in Europe.

The current EU energy and climate framework further increases the problem by driving up energy prices and potentially pushing European industries to divest away from Europe. It is time to address this fundamental challenge and to start the debate on new foundations for Europe's energy and climate policy to guarantee energy security and competitiveness as well as the fair contribution to the global fight against climate change.

Europe is facing a severe economic crisis which is taking its toll on industrial production, related services and jobs. We need a dynamic long-term growth policy to put Europe back on track and create new jobs. Europe's energy and climate policy must be supportive of growth across all sectors of the economy, especially industry.

The current framework is contributing to an increase in energy costs due to inconsistencies in EU policies, heavy handed national government intervention in energy markets, regulatory targets that fail to address the challenge of international competition, and is generating uncertainty for investors to upgrade our energy systems over the long term and thus increasing the risks of energy insecurity.

The EU must tackle the triple objective of cost-competitiveness, energy security and climate protection. Currently, there is too much focus on climate objectives and insufficient attention to cost-competitiveness and security of supply. In addition, the uncoordinated implementation of EU Emissions Trading Scheme, renewable targets and energy efficiency objectives is creating unpredictability and excessive costs for energy investors and consumers.



The EU is losing ground to competitors in the US and China when it comes to developing cutting-edge technologies. It must refocus energy and climate policy on supporting technological development and investment in cost-effective, secure and climate friendly energy. The completion of the internal energy market, including ensuring more cross-border interconnection, and more coordination of national energy policies are also essential steps towards a competitive European economy.

BUSINESSEUROPE will review it with its member federations and issue more detailed recommendations on how to pursue a new energy and climate strategy and looks forward to working closely with the EU institutions to making the EU's energy strategy a key pillar in its growth strategy.

Yours sincerely,

Markus J. Beyrer