BUSINESSEUROPE

SPEECH

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CHECK AGAINST DELIVERY

MR GIUSEPPE MONTESANO
CHAIR OF BUSINESSEUROPE ENVIRONMENT WORKING GROUP

SPEAKING POINTS

Ladies and Gentleman,

- Thank you for inviting me to participate in this panel discussion today. It is a great honour to be part of this event marking the end of the European Year of Air.

- Let me first present a few facts and state a few principles.

- Over the years industry has increasingly taken initiatives to decrease air pollution and supported the general approach of seeking cost-effective solutions to address it across the fullest range of contributing sources. In the last decades, industry has significantly reduced its emissions to air, more than any other sector. In addition, clean air technologies developed by industry have helped to reduce emissions across the whole EU economy and abroad.

- To take for example the heavy metals industry: according to the European Environmental Agency 2013 Report on Air Quality in Europe, emissions for Nickel were reduced by 43%, mercury by 26%, Cadmium by 27% and lead by 20% from 2002 to 2011.

- From 2002 to 2011, emissions of SO_x fell by 50% which resulted in a fall in concentrations of about one third across Europe[1].

- As a result of the instruments introduced by the 2005 TSAP (revision and implementation of the IED and continuous evaluation of BREF documents, NEC Directive, Ambient Air Quality Directive), emissions have fallen and are expected to decline further until 2020 and beyond. The most recent IIASA report points out that in the next decades there will be a further decline of industrial emissions as a consequence of progressive implementation of the recently agreed emission control legislation.

- The abatement effects of these policy initiatives should be awaited and evaluated before considering further new measures. Implementation and enforcement of existing

[1] Source: EEA 2013 Air Quality Report

regulation will help in meeting the objectives and creating a level-playing field.

- Unfortunately, in Europe we have to face a severe economic crisis, which is taking its toll on industrial production, related services and jobs. A dynamic long-term growth policy is needed to put Europe back on track and create new jobs. Environmental policy too must be supportive of growth and the new Thematic Strategy on Air Pollution, expected to be soon adopted by the College of Commissioners, should balance the environmental and socio-economic effects of the different measures, including those in the framework of the 2030 energy and climate policies, such as the ecodesign directive. Ambition levels should be defined in a consistent way.

- For the investment of industries a long-term and predictable policy framework has to be accompanied by a legislation which does not imply excessive administrative burden and avoids that the cost of monitoring and reporting efforts exceed the benefits. More in general, industry should not be exposed to disproportionate costs, which would lead to production cuts in Europe instead of innovation and investments in clean technologies.

- Now, in terms of concrete actions:

- Implementation is an important and necessary first step.

- In line with the objectives of the recently adopted 7th Environmental Action Programme, the European Commission should first of all maximise the benefits of EU environment legislation by improving implementation across Europe and addressing all sources while recognising past efforts and continuous commitments of industry.

- The Industrial Emissions Directive, the central piece of legislation covering the overwhelming majority of industrial sites in Europe, adopted in 2010, is prompting large scale investments by industry and providing regulatory stability. Its implementation needs to be done in close coordination with industrial sectors in order to ensure cost-effectiveness.

- Over time all sectors will have their BAT Conclusions, and the stricter policy for setting emissions limit values will apply. The concept of “Best Available Technique” – which also looks at the economic feasibility – should be safeguarded, while there is a risk that stricter emissions ceilings will trigger tougher limit values in the permits leading to higher implementation costs.

- Consistency between international protocols, in particular the Gothenburg Protocol, and EU air quality policy is essential to avoid unnecessary precaution which risks undermining the EU's competitiveness.

- National Emission Ceilings for 2020 should be aligned with the ones in the Gothenburg Protocol to ensure a level playing field between EU and non-EU countries.

- The inclusion of flexibility mechanisms should be considered. Relative targets would be appropriate for all pollutants but especially those whose baseline emission inventories are most uncertain. While keeping a long-term perspective, rolling objectives over multiannual commitment periods associated to periodic revisions established ex-ante could accommodate key uncertainties by allowing adaptation of commitments to the most reliable baseline information, and ensure consistency with the Gothenburg protocol.

- In a post-2020 perspective, for Air Quality to be improved and for industry to participate fully, realistic and transparent projections must be used.

- The difficulty some member states are having meeting targets are frequently the result of energy usage, economic activity and technological uptake being different from those estimated at the time of drafting policies.

- This illustrates the potential consequences of setting ceilings, which are very close to Maximum Technically Feasible Reductions and based on scenarios that do not accurately reflect the situation in the target year.

- It seems much wiser to set a substantially lower level of ambition than a 75% 'gap closure' for emissions. 50% would seem much more appropriate because too high levels of ambition risk being unattainable and could lead to additional requirements for industry that go beyond what is technically feasible, to the detriment of its competitiveness.

- When discussing post-2020 air quality objectives, it is essential to conduct sensitivity analyses around more central scenarios and to include uncertainties in expected deliveries of already adopted policies as well as in assumptions, such as impacts on human health.

- In terms of time perspective, we believe that any new targets or emissions ceilings beyond 2020 should be

coherent with the 2030 climate and energy package and therefore 2025 should not be used as a target year.

- To conclude, I would just like to remind the key headlines of my intervention: implementation first, cost-effectiveness, consistency of policies. With this, the industry is ready to play its role.